# LABOR AGREEMENT

By and Between

Clearwater Paper Corporation Lewiston, Idaho

and the

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service

Workers International Union, AFL-CIO, CLC

September 1, 2010

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#### LABOR AGREEMENT

This Agreement is made and entered into this 10th day of June, 2011, by and between Clearwater Paper Corporation, hereinafter referred to as the "Company", and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC and its affiliated Local Union 608 and its affiliated Local Union 712, hereinafter referred to as the "Union".

All length of service measures referenced in this Agreement, or by attachment hereto, or used in the administration of this Agreement, shall continue to be calculated using employees' combined length of service with Potlatch Forest Products Corporation and its successor Clearwater Paper Corporation. This provision is not intended to provide employees more or less seniority for any purpose, including but not limited to, Plant, Company, vacation, pension, line of progression, job, or departmental measures beyond that to which they would otherwise be entitled absent the change of ownership from Potlatch to Clearwater.

#### WITNESSETH:

#### Section 1. - General Purpose of Agreement

(a) The general purpose of the Agreement is, in the mutual interest of the employer and employee, to provide for the operation of the Mill at Lewiston, Idaho, under methods which will further, to the fullest extent possible, the **SAFETY**, health and welfare of the employees, economy of operation, quality and quantity of output, cleanliness of plant, and protection of property and the environment. It is recognized by this Agreement to be the duty of the Company and the employees to cooperate fully, individually, and collectively, for the advancement of said conditions.

(b) It is the continuing policy of both the Company and the Union that employment, training, compensation, promotion and other conditions of employment will be provided without regard to race, color, religion, national origin, sex, handicap or age, except where age, sex or handicap are bonafide occupational requirements.

#### Section 2. - Recognition

(a) The Company recognizes the Union as the sole collective bargaining agency for all Production and Maintenance employees at the Mill, including Receiving and Shipping employees, and Maintenance employees regularly assigned to the mill, analytical chemists and environmental technicians, but excluding the employees in the following jobs and classifications: all electricians, all supervisory employees as defined in the National Labor Relations Act, research chemists, engineers, draftsmen, administrative, sales, accounting and clerical employees.

(b) Neither the Company nor any supervisor shall have any private understanding or agreement with any individual employee or group of employees in conflict herewith.

(c) It is recognized that the Company has certain obligations to furnish employment to future salespersons and others for purposes of giving training and knowledge of its operations. Not more than eight (8) such trainees (five (5) at the Pulp and Paper Mill; three (3) at the Tissue Mill) at any one time shall be excluded from the bargaining unit and provisions of this Agreement. Trainees may not fill any job which is ordinarily filled by a member of the bargaining unit except by mutual agreement. The Company shall furnish the names of the trainees to the Local Unions.

(d) In the hiring of employees, the Company will give preference to the former employees of the Mill covered by the Agreement, who are qualified to perform the work available, except those who have voluntarily quit or were discharged for cause.

The following Sub-sections (e) and (f) are not now in effect and are held in abeyance until such time as the laws and statutes of the State of Idaho, which are in conflict, are either changed, modified, abrogated or superseded. Said Sub-sections are not to be construed as coercive to present or future employees as to mandatory Union membership. The Company and the Union commit to voluntary Union membership only, so long as said laws are in effect.

(e) All persons hereinafter employed by the Company within the said unit, shall, as a condition of continued

employment, apply for membership in the Union on or after the thirtieth (30th) day following the beginning of employment, or the effective date of this Agreement, whichever is later. The period of thirty (30) days named above may be extended, as to any individual employee, by mutual agreement between the Local Union concerned and the Local Management of the Company. In the event that the Local Union and the Local Management do not agree as to the propriety of any such extension, the extension may be made by mutual agreement between the International Union and the Company. Any such extension shall be for the purpose of avoiding hardship or inequity to the employee concerned, and for promoting the general purpose of the Agreement. Any present or new employee within the said unit, who now is or who hereafter becomes a member of the Union, shall as a condition of continued employment, remain a member of the Union, "in good standing," while working under the jurisdiction of the Union. For the purposes of this Paragraph (E), a Union member shall be considered to be "in good standing" when he/she has paid the regular initiation fee and dues required of all other members of the Union. The Union agrees to accept into membership any employee within the said unit without in any way discriminating against such employee. The Union further agrees that it will not make any condition to join the Union against any new applicant for membership which will be more burdensome than the conditions applicable to all members as set forth in their respective constitutions, bylaws, standing rules and general laws.

(f) The International Union, or its Local Union involved, may request the Company to discharge an employee on account of his/her failure to comply with the provisions of Paragraph (e) of this Section 2. Any such request shall be in writing, and shall include written evidence offered in support thereof, and copy shall be delivered to the Company and the employee involved. Within ten (10) days after receipt by both the Company and the employee of such request, and after the Company has held a hearing, if demanded by an affected party, the Company shall determine and in writing notify the Union and the employee of its findings. If such findings be adverse to the employee, he/she shall thereupon be discharged, effective as of the commencement of his/her next shift. If such findings be unsatisfactory to the International Union or its Local Union involved, the decision of the management may be referred to the President of the International Union or a proper representative and an official of the Company.

(g) The Company agrees that, if during the life of this Agreement, it sells the operations (or any portion thereof) covered by this Agreement, the Company shall require the Buyer, as a condition of the sale, to recognize the Union as the collective bargaining representative of the employees employed in the operations covered by this Agreement, and assume this agreement.

### Section 3. - Payroll Deduction of Union Dues and Initiation Fees

(a) Upon the filing with the Company, by the Financial Secretary of the Local Union, of a written authorization, in a form satisfactory to the Company, signed by an individual employee who is a member of the said Local Union, the Company, during the life of this Agreement, will deduct from wages due such employee the amount specified in such authorization on account of Union initiation fees and dues. Each such authorization shall be irrevocable until the termination date of this Agreement or until one (1) year from the date of authorization, whichever occurs sooner. The authorization shall thereafter remain in force until revoked by the employee by written notice to both the Company and the Local Union.

(b) The Financial Secretary of the Local Union, or any authorized representative of the Local Union, whose authorization has been filed in writing with the Company, shall certify to the Company:

(1) That they have witnessed the employee's signature of the authorization for deduction of dues and/or initiation fees, and

(2) That signatory employee is a member of the Local Union, and

(3) The amount of regular dues to be deducted.

(c) The Company will check off monthly dues, including

where applicable, initiation fees and assessments, each in amounts as designated by the Union's International Secretary-Treasurer, effective upon receipt of individually signed voluntary check-off authorization cards. The company shall within 15 days remit any and all amounts so deducted to the Union's International Secretary-Treasurer with a completed summary of USW Form R-115 or its equivalent. The Union will be notified of the amount transmitted for each Employee (including the hours and earnings used in the calculation of such amount) and the reason for non-transmission such as in the case of layoff, discharge, resignation, leave of absence, sick leave, retirement, or insufficient earnings.

(d) Any deductions made by the Company under the provisions of this Section shall be deemed trust funds until remitted to the Union, but such funds need not be kept separate from the Company's general fund. The Union agrees the Company shall be saved harmless with respect to all deductions made and paid to the Union in accordance with the provisions of this Section.

(e) The Company shall supply the Financial Secretary of each USW Local Union at the Lewiston site a list each pay period of those employees on A&S and Worker's Compensation for the purposes of determining reimbursement of Union dues.

(f) USW PAF Deduction - Upon receipt by the Employer of a signed voluntary authorization by an employee requesting that there be deductions made from his/her wages in a monthly amount designated by the employee, such deductions to be forwarded to the Union for use by the United Steelworkers Political Action Committee, the Employer will thereafter make such deductions and forward them to the United Steelworkers Political Action Fund, in care of the Union. Such authorization will remain in effect unless cancelled in writing by the employee.

#### Section 4. - Mills Affected by Agreement

(a)This agreement shall cover wages and working conditions of the employees at all pulp and paper mills and paper operations of Clearwater Paper Corporation, at Lewiston, Idaho.

#### Section 5. - Jurisdiction

It is understood that the Company will not be asked to act upon any question regarding jurisdiction which may arise between the Union and any other Union affiliated with the American Federation of Labor and Congress of Industrial Organizations.

#### Section 6. - No Interruption of Work

(a) It is agreed by the Union that there shall be no strikes, walkouts, sympathy strikes or other interruption of work during the life of this Agreement. There shall be no strikes, walkouts, or sympathy strikes or other interruptions of work upon its expiration except with the express and specific sanction of the International Union. It is agreed that there shall be no lockouts by the Company during the life of this Agreement.

(b) In the event that, in violation of the provisions of the preceding paragraph, a strike, walkout, or other interruption of work shall occur, neither the International Union nor the Local Union shall be subject to financial liability for such violation, provided that the International Union and the Local Union involved shall, immediately after the beginning of such violations, have declared such action a violation of this Agreement, and, in utmost good faith, used its best efforts to terminate such violation.

(c) In the event of any strike, walkout or other interruption of work, the mill may be shut down in a safe and orderly manner for the protection of property and equipment.

#### Section 7. - Holidays

(a) The following are holidays:

	Rot		
HOLIDAY	Maintenance	Operations	
January 1	NR	NR	
Memorial Day	NR	NR	
July 3	NR		
July 4	NR	NR	
July 5	NR		
Labor Day	R	NR*	
Thanksgiving	R	NR*	
Day after Thanksgiving	R	NR	
December 24th	R	NR*	
December 25th	R	NR*	
December 31st	NR	NR	
Personal Floating Holiday *Pay at double time rate.	y R (3 days	/24 hours)**R (6 (	days/48 hours) **

Request for the personal floating holiday must be made in writing by the employee at least seven (7) days in advance, unless the employee and the Company agree to schedule such holiday on shorter notice. An employee shall receive written notice of the disposition of his/her request at least seventy-two (72) hours prior to the day requested. If an employee is required to work on a personal floating holiday after a date has been approved for such holiday, the employee shall be paid time and one-half for such work and will then be entitled to take the said floating holiday with pay per the provisions herein.

Alternately, employees may bank and schedule their floating holidays as follows:

(1) Floating holidays awarded on February 1, 2011 may be used or banked any time between February 1, 2011 and December 31, 2011. Floating holidays not used or banked by December 31, 2011 will be automatically paid.

Future Floating holidays will be awarded (based on employee's status on previous year's July 3<sup>rd</sup> & 5<sup>th</sup>) on January 1 each year beginning in 2012 and may be used at any time between January 1 and December 31. Floating holidays not used or banked by December 31 will be automatically paid.

(2) The employee may bank these floating holidays to a

maximum number of days equal to two weeks' vacation for that employee.

(3) Banked floating holidays must be taken in blocks equal to a one week vacation for that employee and must be scheduled in the same manner as vacations are scheduled. During priority vacation periods, vacation scheduling requirements must first be satisfied. Holidays taken in blocks can then be scheduled consistent with the terms set forth in Section 21, (f) (4) (a) of the Agreement. Floating holidays that are banked and then taken as vacation will be treated with the same restrictions that apply to other vacation time.

(4) In cases of total department shutdowns, banked floating holidays may be taken.

Employee requests for floating holidays and single vacation days to be scheduled on the following holidays that result in overtime, will not be granted: Thanksgiving, the day after Thanksgiving, December 24, December 25, December 31, and January 1.

\*\*Personal Floating Holidays.

Employees, at their option, may accept pay in lieu of time off for personal floating holidays.

On a holiday which is not restricted, there are no restrictions upon any work scheduled by the management.

During restricted holiday hours only the maintenance work described below can be done:

(1) Any major maintenance or repair work which is necessary in order to prevent material subsequent curtailment of employment of a substantial number of employees may be done on restricted holidays, provided, that the Union Standing Committee concerned is entitled to make an issue of any case of work on restricted holidays in which compliance with the intent of this clause is questioned.

(2) Any major maintenance work permitted hereunder during the forty-eight (48) hour period comprising the day before Christmas and the Christmas holidays and ending on

8:00 a.m. on December 26 shall be so scheduled that each employee working during part of that forty-eight (48) hour period will have at least twenty-four (24) consecutive hours off.

(b) In each department of the mill the time of ending of each holiday specified in paragraph (a) above shall be varied from the 7:00 a.m. above prescribed whenever necessary to coincide with the time nearest to 7:00 a.m. which is the regular starting time for the day shift in such department; and in the cases where such variation is so made, the starting time shall be correspondingly varied to comply with the prescribed length of the holiday. The time of starting and ending of each Holiday, in addition to any variation which occurs pursuant to the preceding sentence, may be further varied by mutual agreement of the management and the Union Standing Committee.

(c) All regular employees who have been on the payroll for at least 90 days prior to the holiday will receive eight (8) hours holiday pay at the straight-time rate of the job, plus such additional compensation to which they are entitled under other sections of the Agreement, unless they missed the day prior to or the day after the holiday due to an AWOL or unexcused absence.

(d) It is understood and agreed, however, that an employee shall not receive the Holiday Pay provided above in Paragraph (c) of this Section if he/she is directed to work on his/her regular job (or relief job if he/she is then working on a relief job) on such holiday and fails or refuses to work, except in the case where a bona fide sickness or other bona fide reason approved by management prevents the employee working on such holiday.

(e) Employees who are unable to schedule and take their floating holiday during any one year because of a bona fide disability (e.g. eligibility for A & H) shall be considered to have taken their eligible time off and shall receive the floating holiday pay for which they are entitled after December 31 of that year. Personal Holidays will not be accrued nor will normal Holidays be paid during the second 12 months of any disability. (f) Regular Rate of pay for Paid Holiday Purposes:

(1) If an employee has accepted extra work during a shutdown of his/her job, department or plant which does not exceed seven (7) consecutive days duration just prior to the Holiday and which shutdown extends into the Holiday, he/ she will receive his/her Holiday Pay for time not worked at the rate of the job to which he/she was assigned on the last day just preceding such shutdown, or at the rate of the job on which he/she works during the shutdown, whichever is higher.

(2) Holiday Pay will be computed at the hourly rate of the job the employee is working, or if not working, the hourly rate of the job he/she worked on the day before the Holiday in his/her own department.

(g) When July 3rd, 4<sup>th</sup>. 5<sup>th</sup>, Christmas Eve, Christmas Day, New Year's Eve or New Year's Day fall on a weekend, employees with no succeeding shift will have the option of being excused from work on the day before or the day after the weekend. The selection of the day before or the day after shall be balanced to minimize the effect on operations. The above shall not apply to production related workers. The day shall not be considered to be a holiday or scheduled day off.

(h) Floating holidays for newly hired employees will be awarded on a pro rata basis as follows based on the quarter of their hire date for Shift Workers: - Q1-48hrs, Q2-36hrs, Q3-24hrs, Q4-12hrs. Day workers: Q1-24hrs, Q2-16hrs, Q3-16hrs, Q4-8hrs.

#### Section 8. - Wages

Wages as negotiated with effective dates of

September 1, 2010, 2.00% Increase (fully retroactive) September 1, 2011, 2.00% Increase September 1, 2012, 2.00% Increase September 1, 2013, 2.00% Increase

shall be paid in accordance with the wage schedule.

## Notes: Rates shown are reduced \$1.55 for employee deferral to purchase additional pension benefit. General Wage Increases are applied to the unreduced rates.

9/1/11: 2% Increase 1/1/2: \$0.15 Health Plan Transition (HPT) Increase 9/1/12: 2% Increase 1/1/13: \$0.10 Health Plan Transition (HPT) Increase 9/1/13: 2% Increase	[(Rate + \$1.55) x 1.02] - \$1.55 Rate + \$0.15 [(Rate + \$1.55 - \$0.15 HPT) x 1.02] - \$1.55 + \$0.15 HPT Rate + \$0.10 [(Rate + \$1.55 - \$0.15 HPT - \$0.10 HPT) x 1.02] -
2% Increase	[(Rate + \$1.55 - \$0.15 HPT - \$0.10 HPT) x 1.02] –
& \$0.20 Health Plan Transition (HPT) Increase	\$1.55 + \$0.15 HPT + \$0.10 HPT + \$0.20 HPT

Salary Relief Rates are \$0.50 over the top job in LOP. All rates listed are subject to change resulting from job analysis.

	9/1/10	9/1/11	1/1/12	9/1/12	1/1/13	9/1/13
PRODUCTION						
CONSUMER PRODUCTS						
HIRING RATE	13.705	14.010	14.160	14.470	14.570	15.085
UTILITY RATE	18.275	18.670	18.820	19.225	19.325	19.940
STOCK PREP						
STOCK PREP LEAD OP	24.845	25.370	25.520	26.060	26.160	26.910
STOCK PREP OPERATOR	22.155	22.630	22.780	23.265	23.365	24.060
<b>3L PAPER MACHINE</b>						
MACHINE TENDER 3L	35.290	36.025	36.175	36.925	37.025	37.990
BACK TENDER 3L	31.805	32.470	32.620	33.300	33.400	34.295
THIRD HAND 3L	26.850	27.420	27.570	28.150	28.250	29.040
PM SUPPORT HAND	20.285	20.720	20.870	21.315	21.415	22.070
1L PAPER MACHINE						
MACHINE TENDER IL	31.805	32.475	32.625	33.305	33.405	34.300
BACK TENDER 1L	28.860	29.470	29.620	30.240	30.340	31.175
THIRD HAND 1L	24.845	25.370	25.520	26.060	26.160	26.910
PM SUPPORT HAND	20.285	20.720	20.870	21.315	21.415	22.070
2L PAPER MACHINE						
MACHINE TENDER 2L	34.890	35.620	35.770	36.515	36.615	37.575
2L MACHINE TENDER RED CIR	35.025	35.755	35.905	36.650	36.750	37.710
BACK TENDER 2L	31.405	32.065	32.215	32.885	32.985	33.870
THIRD HAND 2L	26.580	27.145	27.295	27.870	27.970	28.755
PM SUPPORT HAND	20.285	20.720	20.870	21.315	21.415	22.070
TECHNICIANS						
TECH COORDINATOR	29.540	30.200	30.350	31.120	31.220	32.155
TECHNICIAN I	27.115	27.690	27.840	28.425	28.525	29.320

	9/1/10	9/1/11	1/1/12	9/1/12	1/1/13	9/1/13
TECHNICIAN II	22.830	23.320	23.470	23.965	24.065	24.770
TECH III	21.485	21.945	22.095	22.565	22.665	23.345
TECH IV	20.685	21.130	21.280	21.735	21.835	22.500
I-FOLD FACIAL						
INTERFOLD UNIT LEADE	21.620	22.085	22.235	22.710	22.810	23.490
SHRINK WRAP OPERATOR	19.210	19.625	19.775	20.200	20.300	20.930
SLITTER						
SLITTER OPERATOR	21.620	22.085	22.235	22.710	22.810	23.490
COREMAKER/ASSIST SLITTER	20.820	21.265	21.415	21.870	21.970	22.635
CONVERT GENERAL						
WOUND RELIEF OPERATOR	19.745	20.170	20.320	20.755	20.855	21.500
FOLDED RELIEF OPERATOR	19.075	19.490	19.640	20.060	20.160	20.790
HHT						
UNIT LEADER HHT	23.100	23.595	23.745	24.250	24.350	25.065
SET UP TECH	20.550	20.990	21.140	21.590	21.690	22.350
HHT WRAPPER OPERATOR	20.150	20.585	20.735	21.180	21.280	21.930
NAPKIN						
UNIT LEADER NAP	21.085	21.540	21.690	22.150	22.250	22.920
ASSISTANT NAPKIN						
OPERATOR	19.745	20.170	20.320	20.755	20.855	21.500
BRT						
UNIT LEADER BRT	22.155	22.630	22.780	23.265	23.365	24.060
SET UP TECH	20.150	20.585	20.735	21.180	21.280	21.930
WRAPPER OPERATOR	19.745	20.170	20.320	20.755	20.855	21.500
PLANT SUPPORT						
LEAD TRUCKER	22.560	23.040	23.190	23.680	23.780	24.480
PAPER MACHINE HANDLER	20.950	21.400	21.550	22.010	22.110	22.780
CONVERT MAT HANDLER	20.550	20.990	21.140	21.590	21.690	22.350
KD PRINTER OPERATOR	21.485	21.945	22.095	22.565	21.665	22.325
KD PRINTER OPT ASST	20.010	20.440	20.590	21.030	21.130	21.780
LEAD OPERATOR(RED CIRCLE)	22.615	23.100	23.250	23.745	23.845	24.550
LEAD OPERATOR	22.960	23.450	23.600	24.100	24.200	24.910
UNITIZER OPERATOR	20.950	21.400	21.550	22.010	22.110	22.780
MECHANIZED ASSISTANT	19.745	20.170	20.320	20.755	20.855	21.500
SUPPORT HAND	19.475	19.895	20.045	20.475	20.575	21.215
SHIPPING & WAREHOUSE						
LEAD LOADER	23.225	23.720	23.870	24.375	24.475	25.190
WAREHOUSE LOADER	21.085	21.540	21.690	22.150	22.250	22.920
WAREHOUSER	20.685	21.130	21.280	21.735	21.835	22.500
SUPPORT HAND	19.475	19.895	20.045	20.475	20.575	21.215

PRODUCTION									
IDAHO PULP & PAPERBOARD	9/1/10	9/1/11	1/1/12	9/1/12	1/1/13	9/1/13			
HIRING RATE	13.705	14.010	14.160	14.470	14.570	15.085			
UTILITY RATE	18.275	18.670	18.820	19.225	19.325	19.940			
POWERHOUSE									
POWERHOUSE OPERATOR	27.790	28.375	28.525	29.125	29.225	30.035			
POWERHOUSE ASST	25.510	26.050	26.200	26.750	26.850	27.615			
P B OPERATOR (A)	24.575	25.100	25.250	25.785	25.885	26.630			
1ST HELPER	21.220	21.675	21.825	22.290	22.390	23.065			
UTILITY A	19.805	20.230	20.380	20.815	20.915	21.560			
WATER/WASTEWATER TRTMT									
W/WWT OPERATOR 1	25.915	26.465	26.615	27.175	27.275	28.045			
W/WWT OPERATOR 2	22.960	23.450	23.600	24.100	24.200	24.910			
W/WWT OPERATOR 3	19.880	20.310	20.460	20.900	21.000	21.645			
RECOVERY/EVAPORATORS									
#5 REC FIELD OP	23.225	23.720	23.870	24.375	24.475	25.190			
#4 RECOVERY OPERATOR	23.495	23.995	24.145	24.656	24.756	25.475			
#4 RECOVERY ASSISTANT	21.220	21.675	21.825	22.290	22.390	23.065			
#5 REC BOILER OP	29.130	29.745	29.895	30.520	30.620	31.460			
#5 ASSISTANT OP	25.650	26.195	26.345	26.900	27.000	27.765			
PULP MILL									
CHIP BLEACH OPERATOR	27.920	28.510	28.660	29.260	29.360	30.175			
CHEM PREP OPERATOR	25.510	26.050	26.200	26.750	26.850	27.615			
SAWDUST BLEACH OP	24.840	25.370	25.520	26.060	26.160	26.910			
BLEACH ASSISTANT	24.705	25.230	25.380	25.915	26.015	26.760			
CHEM PREP HELPER	21.485	21.945	22.095	22.565	22.665	23.345			
DIGESTER COOK	27.255	27.830	27.980	28.570	28.670	29.470			
RECAUST OPERATOR	26.045	26.595	26.745	27.310	27.410	28.185			
SAWDUST PULPING OP	25.510	26.050	26.200	26.750	26.850	27.615			
RECAUST HELPER	23.225	23.720	23.870	24.375	24.475	25.190			
DIGESTER HELPER	22.960	23.450	23.600	24.100	24.200	24.910			
CHIP DOCK OPERATOR	21.755	22.220	22.370	22.845	22.945	23.630			
CHIP DOZER OPERATOR	21.755	22.220	22.370	22.845	22.945	23.630			
PULP DRYER									
MACHINE TENDER	24.040	24.550	24.700	25.220	25.320	26.050			
CUTTER OPERATOR	22.290	22.765	22.915	23.400	23.500	24.195			
WIRE TIER/DRIVER	21.220	21.675	21.825	22.290	22.390	23.065			
#1 PAPER MACHINE									
MACHINE TENDER	31.405	32.065	32.215	32.885	32.985	33.870			
BACK TENDER	28.460	29.060	29.210	29.820	29.920	30.745			
3RD HAND COMBINED	24.705	25.230	25.380	25.915	26.015	26.760			

	9/1/10	9/1/11	1/1/12	9/1/12	1/1/13	9/1/13
4TH HAND	22.560	23.040	23,190	23.680	23.780	24.480
5TH HAND COMBINED	21.485	21.945	22.095	22.565	22.665	23.345
6TH HAND	20.285	20.720	20.870	21.315	21.415	22.070
7TH HAND COMBINED	19.880	20.310	20.460	20.895	20.995	21.640
1st HELPER	24.040	24.550	24.700	25.220	25.320	26.050
STARCH OPERATOR	21.085	21.540	21.690	22.150	22.250	22.920
COATING OPERATOR	21.890	22.360	22.510	22.990	23.090	23.780
LIFT TRUCK	19.745	20.170	20.320	20.755	20.855	21.500
#2 PAPER MACHINE						
MACHINE TENDER	31.005	31.655	31.805	32.470	32.570	33.445
BACK TENDER	28.055	28.645	28.795	29.400	29.500	30.315
3RD HAND COMBINED	24.440	24.960	25.110	25.640	25.740	26.480
4TH HAND	21.620	22.085	22.235	22.710	22.810	23.490
5TH HAND COMBINED	20.820	21.265	21.415	21.870	21.970	22.635
6TH HAND	20.010	20.440	20.590	21.030	21.130	21.780
7TH HAND COMBINED	19.745	20.170	20.320	20.755	20.855	21.500
1ST HELPER	24.840	25.370	25.520	26.060	26.160	26.910
COATING OPERATOR	21.485	21.945	22.095	22.565	22.665	23.345
DECOLITE OP	20.950	21.400	21.550	22.010	22.110	22.780
LIFT TRUCK	19.745	20.170	20.320	20.755	20.855	21.500
QUALITY CONTROL LEADMAN	24.575	25.100	25.250	25.785	25.885	26.630
PAPER TESTER SENIOR	22.425	22.905	23.055	23.545	23.645	24.345
FINISHING SHIPPING						
ROLL HANDLING OPERATOR	23.100	23.595	23.745	24.250	24.350	25.065
ROLL HANDLING ASST OPT	21.085	21.540	21.690	22.150	22.250	22.920
ROLL LINE OPERATOR	20.415	20.855	21.005	21.455	21.555	22.210
SHIPPING CLERK LEAD	23.365	23.865	24.015	24.525	24.625	25.345
TRUCKER	21.220	21.675	21.825	22.290	22.390	23.065
BRACER/LOADER	19.475	19.895	20.045	20.475	20.575	21.215
EXTRUDERS						
84" OPERATOR	26.580	27.145	27.295	27.870	27.970	28.755
84" 1ST HELPER	23.365	23.865	24.015	24.525	24.625	25.345
84" WINDER OPERATOR	22.025	22.495	22.645	23.125	23.225	23.915
84" 2ND HELPER	20.285	20.720	20.870	21.315	21.415	22.070
84" WINDER HELPER	19.210	19.625	19.775	20.200	20.300	20.930
84" SENIOR WINDER OPERATO	22.290	22.765	22.915	23.400	23.500	24.195
72" OPERATOR	25.650	26.195	26.345	26.900	27.000	27.765
72" 1ST HELPER	22.425	22.905	23.055	23.545	23.645	24.345
SALVAGE REWINDER	22.290	22.765	22.915	23.400	23.500	24.195
72" REWND OPT	21.485	21.945	22.095	22.565	22.665	23.345
72" 2ND HELPER	20.150	20.585	20.735	21.180	21.280	21.930

	9/1/10	9/1/11	1/1/12	9/1/12	1/1/13	9/1/13
72" REWND HELP	19.210	19.625	19.775	20.200	20.300	20.930
EXTRUDER CLEAN UP	19.075	19.490	19.640	20.060	20.160	20.790
ENVIROMENTAL						
ENVRMNTL TESTER A	24.440	24.960	25.110	25.640	25.740	26.480
ENVRMT TEST B 2ND 6 MONTH	22.830	23.320	23.470	23.965	24.065	24.770
ENVRMT TEST C 1ST 6 MONTH	21.220	21.675	21.825	22.290	22.390	23.065
TECHNICAL						
LEAD TECHNICAL	22.790	23.265	23.415	23.900	24.000	24.695
ANALYTICAL CHEMIST A	25.915	26.465	26.615	27.175	27.275	28.045
PROCESS TECHNICIAN	22.290	22.765	22.915	23.400	23.500	24.195
SAMPLE TECHNICIAN	21.755	22.220	22.370	22.845	22.945	23.630
CHEMICAL PREP TECHNICIAN	20.685	21.130	21.280	21.735	21.835	22.500

	9/1/10	6/10/11	9/1/11	1/1/12	9/1/12	1/1/13	9/1/13
CPD/IPP MAINTENANCE					-	-	
PLANNER	32.230	32.230	32.955	33.105	33.895	33.995	35.000
LEADMAN	30.140	30.140	30.800	30.950	31.720	31.820	32.755
JOURNEYMAN	28.890	28.890	29.550	29.700	30.420	30.520	31.455
95% RATE	27.450	27.450	28.075	28.225	28.905	29.005	29.900
90% RATE	26.005	26.005	26.600	26.750	27.390	27.490	28.340
INTERMEDIATE MECH A - 90%	21.980	26.005	26.600	26.750	27.390	27.490	28.340
INTERMEDIATE MECH - 85%	21.485	24.565	25.125	25.275	25.875	25.975	26.785
JUNIOR MECHANIC A - 80%	21.040	23.120	23.650	23.800	24.360	24.460	25.225
JUNIOR MECHANIC - 75%	20.760	21.680	22.175	22.325	22.840	22.940	23.665
SENIOR HELPER - 70%	19.745	20.240	20.700	20.850	21.325	21.425	22.110
OILERS							
LEAD OILER	26.435	26.850	27.445	27.595	28.300	28.400	29.270
OILER	25.185	25.600	26.195	26.345	27.000	27.100	27.970
OILER 2ND 12 MO	22.670	23.045	23.585	23.735	24.340	24.440	25.255
OILER 1ST 12 MO	20.155	20.490	20.980	21.130	21.680	21.780	22.540
IPP LABOR CREW							
LABOR CREW LEAD	30.140	30.140	30.800	30.950	31.720	31.820	32.755
PAINTER	25.600	25.600	26.195	26.345	27.000	27.100	27.970
CARPENTER	27.255	27.255	27.880	28.030	28.720	28.820	29.720
MILL SUPPORT	22.625	22.625	23.160	23.310	23.905	24.005	24.810
MILL SUPPORT AFTER 6 MOS	21.150	21.150	21.655	21.805	22.370	22.470	23.245
MILL SUPPORT 1ST 6 MOS	20.080	20.080	20.565	20.715	21.255	21.355	22.110
SERVICE EMPLOYEE	19.140	19.140	19.605	19.755	20.280	20.380	21.115
CPD LABOR CREW							
LEADMAN	23.600	23.600	24.130	24.280	24.920	25.020	25.820
PAINTER	25.600	25.600	26.195	26.345	27.000	27.100	27.970
CARPENTER	27.255	27.255	27.880	28.030	28.720	28.820	29.720
MILL SUPPORT	22.350	22.350	22.880	23.030	23.620	23.720	24.520
MILL SUPPORT 2ND 6MO	21.150	21.150	21.655	21.805	22.370	22.470	23.245
MILL SUPPORT 1ST 6 MO	20.080	20.080	20.565	20.715	21.255	21.355	22.110
PERSONAL FACILITIES CUSTO	19.140	19.140	19.605	19.755	20.280	20.380	21.115
CPD STOREROOM							
INVENTORY MGMT TECH	22.890	22.890	23.430	23.580	24.180	24.280	25.090
MATERIALS MGMT TECH	21.280	21.280	21.785	21.935	22.500	22.600	23.380
JUNIOR CLERK AFTER 6 MO	19.805	19.805	20.280	20.430	20.965	21.065	21.810
JUNIOR CLERK 1ST 6MO	19.275	19.275	19.740	19.890	20.415	20.515	21.250
IPP WAREHOUSE							
LEAD SYSTEMS SPECIALIST							
MATLS HANDL SPECIALIST	21.150	21.150	21.655	21.805	22.370	22.470	23.245
ISSUE REC CLERK AFTER 6 M	19.805	19.805	20.280	20.430	20.965	21.065	21.810
ISSUE REC CLERK START	19.275	19.275	19.740	19.890	20.415	20.515	21.250
SYSTEM SPECIALIST	23.025	23.025	23.565	23.715	24.315	24.415	25.230

(b) All new hires will receive the hiring rate for the first 90 days of employment, regardless of the rate of the job worked. At the end of 90 days, the employee will receive the regular rate of the job.

The summer hire rate will be set at \$12.00 per hour, regardless of the job they are assigned to or the number of summers worked. General wage increases shall not apply to the summer hire rate.

(c) It is understood and agreed that if, during the term of this Agreement, new operations or classifications shall be added, or if changes are made in existing operations, the Union shall be notified and is privileged to meet with the Company for the purpose of establishing permanent rates for such new or changed operations or classifications in accordance with the Job Analysis Plan, Exhibit B.

(d) Rates when Moved From Regular Job.

1. Whenever employees are moved from their regular job to a higher rate job they shall receive the higher rate. Employees shall be deemed to be moved to a higher rate job when they take over the duties and responsibilities of that job without the guidance of the employee who is breaking them in, and they shall then receive the higher rate. While the employees are being broken in and another employee is on the job and carrying the responsibility for the job, the employees being broken in shall receive the hourly rate of their regular job.

2. (a) Whenever a person has the responsibility for the job, he/she receives that job's pay rate. "Having the responsibility" means that the person has worked at the job without assistance before and needs no minute to minute assistance on the job. This implies the regular operator is doing other things and is not needed in the area continuously.

(b) Whenever double setups are used for training purposes, the person setup will receive his/her regular rate of pay as long as he/she needs instruction of the regular operator. When the trainee is capable of assuming the responsibility, he/she will receive the pay rate of the other job. This situation also implies that the regular operator is doing other things. If a person has been bypassed to allow double training, he/she will receive the same rate as the person accepting responsibility for the job.

(c) These guidelines will apply to setups in the total line of progression. All jobs will be treated the same.

3. Whenever, for the convenience of the Company, an employee, during his/her regular shift is temporarily moved from his/her regular job to a lower rate job and his/her regular job is still available, the employee shall receive his/ her regular job rate during that period.

4. When an employee, at the request of the Company, accepts temporary work on a lower rate job either before or after his/her regular shift or on his/her "day off" in order to fill some emergency vacancy existing he/she is to receive his/ her regular rate.

5. Where used in this paragraph, a temporary period is one so designated by the Company, but after such a period has extended longer than one week and the employee involved is thereby dissatisfied he/she may request the Union Standing Committee to discuss the matter with the Company.

#### Section 9. - Hours of Work

(a) Both parties to this Agreement are committed to maintain the principle of a basic workweek of forty (40) hours in the mill (or mills) of the Company, but agree that additional time may be worked to permit the operation or protection of the mill (or mills) when paid for as provided in **Section 10 – Overtime**.

(b) Day workers are scheduled 7:00am to 3:30pm Monday through Friday.

(c) Time swipes will be rounded to the nearest ¼ hour, except that employees working more than seven (7) minutes beyond the end of their scheduled shift and who are eligible to receive overtime shall receive no less than ½ hour pay at the appropriate overtime rate.

(d) Except in cases of emergency, any employee, after working more than twelve (12) consecutive hours, or having been on the plant a maximum of sixteen (16) consecutive hours, will have at least eight (8) hours off the plant before reporting for work again. In any event, employees shall not work more than 16 hours in a day.

(e) However, nothing in this Section shall be considered a guarantee of any number of hours worked in any one (1) week.

(f) It is not the intention to penalize a day worker because he/she has worked on a night shift and so far as possible he/she will be given forty (40) hours of work in the week. Also, it is not the intent to give him/her additional work when no work is available for him/her. If the additional day that week on which work is available is a scheduled day off, it shall be deemed to be a day traded for another day at the request and for the convenience of the employee and the time worked shall not be subject to the overtime provisions of Section 10, (a) 5.

#### Section 10. - Overtime

(a) Overtime will be paid on the following basis:

1. Time and one-half for all work performed on Sunday except as provided in the 12 hour shift agreement.

2. Time and one-half for all work performed on any of the Holidays as specified in Section 7 of this Agreement, except for payment at double time for all work performed on restricted holidays, Labor Day, Thanksgiving, the day before Christmas, Christmas Day, and any hours worked over eight (8) hours on any Holiday. The first eight (8) hours worked do not have to be in the holiday period.

3. Time and one-half for all work in excess of eight (8) hours in any one (1) day, except when such work in excess of eight (8) hours is caused by the normal change of shifts, or by a change of shifts mutually agreed upon by employees or except as provided in the 12 hour shift agreement.

4. Time and one-half for all work in excess of forty (40) hours in any one (1) week. Time worked on a Holiday specified in Section 7 will be included in the calculation of hours for the forty (40) hour qualification for overtime purposes.

5. Time and one-half for all work performed on scheduled days off, as such days are defined in Section 11, provided, however, that this subparagraph (5) shall not apply if the work so performed results because a regular scheduled day or days off has been traded for another day or days off at the request and for the convenience of the employee, or employees involved.

6. Time and one-half for all work performed in excess of eight (8) continuous hours work when such period of work extends across the end of a work day into the succeeding day except as provided in the 12 hour shift agreement.

(b) Should a paid holiday occur during the regular work week of any regular employee, other than a tour worker on a four crew continuous twenty-four (24) hour seven (7) day per week schedule, and such Holiday not be worked, it will be considered as an eight (8) hour day for the purpose of computing the payment of overtime. Hours paid during the regular work week for tour workers floating holidays will be counted as hours worked for the purpose of computing the payment of overtime.

(c) In the payment of overtime on the basis provided above, not more than one (1) basis shall be used to cover the same hours, but the basis which results in the largest amount of overtime for the week shall be used, provided that overtime payments for work performed on any of the Holidays as specified in Section 7 of this Agreement shall not be applied to offset overtime which would be payable for work in excess of forty (40) hours in any one week.

#### Section 11. - Days Off and Schedule of Shifts

(a) The Company agrees to schedule two consecutive days off each week for each employee, except maintenance employees on a Tuesday through Saturday week; also, tour workers will be scheduled for two consecutive days off each week, except when on the "swing" tour, and will be scheduled for one day off that week. Any employee required to work on said day or days off shall be paid the appropriate Call Time plus the actual time worked with any overtime to which the employee may be entitled, for each of the days off which the employee is required to work. An employee transferred, after the start of the week, from one shift or schedule to another, shall solely for the application of the Call Time and the Overtime provisions, retain his or her assigned days off, but only for the remainder of the week.

(b) Employees may, with the consent of their supervisor, mutually agree upon an exchange of shifts for their mutual convenience, if so doing does not increase the hours for which weekly overtime is payable. In such cases of authorized exchanges, overtime for over eight (8) hours per day shall not be payable.

(c) Any employee who is called in on his/her scheduled day or days off will not be laid off from his/her regular schedule in the same week solely for the purpose of limiting his/her hours of work to forty (40) hours. The Company will try to notify the employee to be called in or moved up as soon as possible. Call-ins on days off should be minimized with due regard for efficient production.

(d) In case an employee is temporarily off work because of a shut-down of his/her job, department, or plant extending for not less than forty-eight (48) hours in excess of that normally encountered in the working schedule, the employee's regular schedule of hours per day and days per week, including his/her starting time, scheduled day or days off, shall be deemed to have been voided and shall no longer be in effect. Call Time shall not be payable for any assignments to extra work during the shutdown period or for assignments in connection with the resumption of operation of the job.

#### Section 12. - Allowance for Failure to Provide Work

(a) In case any employee reports for work, whether it be on one of his/her regular day(s) or on his/her day(s) off, having been ordered to report for such work, and then no work is provided, he/she shall nevertheless receive three (3) hours pay for so reporting. Notice to an employee prior to the end of his/her last preceding shift or notice posted on the Bulletin Boards of the Company at least seventeen (17) hours in advance of the affected shift and a reasonable attempt to contact the employee shall be deemed adequate notification.

(b) In any case where an employee has commenced work on his/her regular scheduled shift, he/she shall receive a minimum of four (4) hours pay at straight-time rate, except in cases of breakdown, accident, interruption of power or for reasons beyond the control of the Company. This exception shall not apply to employees commencing work on any shift beginning later than eight (8) hours after the discovery of the aforesaid condition.

(c) Notwithstanding paragraph (a) above, in case any employee is scheduled or ordered to report for work on his/her regular day or days off and he/she is subsequently notified not to report less than thirty-six (36) hours prior to the start of such work, he/she shall receive an allowance of two (2) hours pay at his/her straight-time rate.

#### Section 13 - Call Time

(a) Employees will be paid three (3) hours Call Time at the straight-time rate, in addition to the actual time worked, with a minimum of one (1) hour which will be paid at the rate of time and one-half, under the following conditions:

(1) If an employee is called out prior to his or her regular starting time for his or her shift, he or she will be paid at the call out rate until the completion of the specific job or until the start of his or her regular shift. It is the intent of the Company that an employee will not be sent home prior to the completion of a call out solely to avoid the payment of overtime.

(2) Call Time will be paid if, in accordance with instructions from management, an employee works on his/her day or days off, as defined in Section 11 of this Agreement, except no Call Time is payable:

(a) When notice of the work on the scheduled day off is given at least thirty-six (36) hours prior to the start of such work, or

(b) When an employee works beyond his/her shift into his/ her scheduled day off for a period of four (4) hours or less, or

(c) When an employee starts his/her following days work within his/her scheduled day off if the period of work does not exceed two (2) hours.

(3) Call Time will be paid, if in accordance with instructions from management, an employee works on a restricted Holiday as defined by Section 7.

(4) Call Time will be paid if, in accordance with instructions from management, the starting time of an employee's work is changed, or is changed to a new starting time either earlier or later in a subsequent day than the previously established starting time subject to the following exemptions (a) and (b):

(a) When notice of the change in starting time is given at least thirty-six (36) hours prior to the newly established starting time, no Call Time is payable.

(b) When the change in starting time is for a temporary period only, no Call Time is payable for the second change in starting time when the employee changes back to his/ her previously established starting time at the end of the temporary period. It is agreed the starting time of an employee's work may be changed at any time by the Company.

(5) An additional Call Time will be paid if an employee who has been called to work on an emergency repair job or jobs is assigned to work an additional unrelated job or jobs during the same emergency call-in period. To be eligible for the additional Call Time, the additional job(s) must be assigned before the employee's regular shift begins. In no case shall more than two (2) Call Time payments be made for such call-in period. An employee who has been assigned another unrelated job after two call times may elect to go home. (6) It is further understood and agreed that in the payment of Call Time on the basis provided in this section, not more than one (1) basis shall be used to cover the same period of work nor will Call Time be paid in addition to allowances payable under Section 12.

(b) Call time will be paid if, in accordance with instructions from management, an employee leaves the mill, either during or at the end of his/her regular shift, and reports for work again in the same day, except no Call Time is payable when the additional period of work in the same day results from a reasonable meal period, or a single recall during a shift after a suspension of work of one (1) hour or more due to failure of equipment, interruption of power, or for reasons beyond the control of the Company, or extends into the starting time of the employee's established shift on the following day if the period of work within the same day does not exceed two (2) hours, or if at least thirty-six (36) hours' notice is given prior to the start of such work.

#### Section 14. - Starting and Stopping of Work

(a) All employees shall be at their respective posts ready to begin work at their scheduled starting time and shall not leave their posts until their scheduled stopping time. In operations where another shift follows immediately the preceding shift, the employee, at the end of his/her shift, shall not leave his/her post until an employee reports and assumes the responsibility of the post. If an employee does not report or assume the responsibility of the post, the employee who is completing his/her shift shall notify his/her supervisor. He/she shall then remain at his/her post until a substitute is secured, and if necessary he/she shall work an extra shift.

(b) It shall be the duty of each employee to report for his/her regular shift unless he/she has already arranged with his/her supervisor for a leave of absence. If unavoidably prevented from reporting, he/she must give notice to his/ her supervisor or the personnel office at least four (4) hours before his/her shift goes on duty.

#### Section 15. - Hiring, Suspension and Discharge

(a) The Company retains the right to hire any person and to discharge, layoff or suspend any employee.

(b) A discharge or suspension of an employee shall be based on just and sufficient cause, with full explanation made to the employee. If an employee claims to have been unjustly discharged or suspended during the life of this Agreement, such person must within three (3) days refer his/ her case to his/her Local Union, which may within four (4) additional days file a written complaint with the management committee under step three of the grievance procedure in Section 22 of this Agreement and it shall be processed as therein provided.

(c) When an employee (including probationary employees) is to be officially reprimanded there shall be a Shop Steward present at such meeting. An official reprimand is considered to be one in which the reprimand is recorded in the employee's record. Reprimands shall not be used for progressive disciplinary purposes when they are in excess of one year old (except when the reprimand is for a violation of the AWOL policy which shall be two (2) years old). Discipline for attendance will remain active for one year from the date it was issued.

(d) The duration of disciplinary suspensions shall be determined using eight (8) hour day measures, shall be administered consistently where circumstances are similar, and when applied to employees assigned to other than eight (8) hour shifts, the number of day(s) of suspension shall be converted to hours of suspended time from work and rounded to the nearest full shift.

#### Section 16. - Bulletin Boards

(a) The Company shall provide lockable Bulletin Boards which may be used by the Unions for posting official notice of Union meetings, Union elections and the results thereof, notices of recreational and social events and any other matter that the Company shall approve. The number and locations will be mutually agreed upon. Keys will be maintained by the company and the union presidents.

#### Section 17. – Health, Safety and Workplace Environment

#### Section A – General Obligations

1. The Company will provide safe and healthful conditions of work for its employees, and will comply with all applicable laws and regulations concerning the health and safety of employees at work. The Company and the Union will cooperate in preventing occupational injuries and illnesses.

2. The Company will make reasonable efforts to maintain all equipment in safe condition. The Company's inspection and maintenance program will give top priority to equipment that is critical to employee safety and health. If necessary, faulty equipment will be shut down until repaired, unless doing so would create a greater risk to the health or safety of the workforce.

Section B - Joint Safety and Health Committees

1. Each business unit (IPP & CPD) will have a Joint Safety and Health Committee (JSHC) shall be established at the workplace to be composed of no less than six (6) employees (4 of which will be USW) designated by the Unions, and an equal number of management members. The parties shall designate their respective Co-Chairs and shall provide each other with updated lists of the members of the JSHC. At his or her discretion, the president of the local Union may serve as an ex-officio member of the JSHC. The JSHC shall meet periodically at times determined by the Co-Chairs, but at least bi-monthly.

2. Prior to every regular meeting of the JSHC, the Company will prepare a written response to concerns or action items noted at the previous meeting, as well as any open items from previous meetings.

3. The Company will furnish Union members serving on the JSHC with the following information monthly, prior to regularly scheduled JSHC meetings, with information being furnished in such a manner as to allow adequate time to review and, if necessary, research the information prior to the regularly scheduled JSHC meeting:

OSHA 300 Log entries since the last JSHC meeting

 OSHA 301 Incident Report Forms for OSHA 300 Log entries since the last regularly scheduled JSHC meeting

 Incident/first-aid reports submitted since the last regularlyscheduled JSHC meeting

 Complaints and/or reports related to workplace health, safety and/or environment submitted since the last regularlyscheduled JSHC meeting

• Reports of any monitoring of health, safety and/or workplace conditions conducted by or for the Company since the last regularly-scheduled JSHC meeting

4. The Company will pay for time loss to attend one (1) day of health and safety training annually for Union members serving on the JSHC, to be conducted by the Union. The Union will notify the Company of such training at least twenty (21) days in advance, and shall not conflict with annual mill outages. Company JSHC members may attend the first of such trainings.

5. No fewer than two (2) members of the JSHC shall be afforded timely access, consistent with their own safety and the safety of the operation, for the purpose of investigating accidents, injuries, illness, near misses, and/or reported hazards. If on duty, members shall notify their immediate supervisor and allow reasonable time for a replacement employee, if necessary. The Company will make reasonable efforts to facilitate such access.

6. Time spent on JSHC-related activities (including but not limited to regular joint meetings; special meetings; reasonable Union only preparation and sum-up for joint meetings; inspections, investigations, and audits of facility; accompanying OSHA, NIOSH and/or other government officials during inspections and workplace evaluations) by the Union members of the JSHC shall be considered hours worked, and will be compensated as such by the Company. Section C – Workplace Safety and Health Audits

1. JSHC members shall make periodic audits and inspections of their departments to solicit concerns of employees and identify health and/or safety hazards. These audits and inspections shall occur at least monthly.

2. The JSHC shall conduct a comprehensive business unit audit and inspection annually to solicit concerns of employees and identify health and/or safety hazards.

3. Results of the business unit's comprehensive audit, and recommendations for improvements, will be submitted to the Company. To the extent possible, action items will be assigned a priority based on their impact on safety and health, and addressed accordingly. The Company will report back to the JSHC on the progress toward addressing the recommendations within 30-days of their submission.

Section D – Unsafe/Unhealthy Conditions, Reporting Injuries, Illnesses, or Accidents

1. No employee shall be discharged, or in any manner discriminated against, for refusing to work in an area of the workplace and/or to work with or near equipment where he/ she believes that it would be unsafe or unhealthy to himself/ herself, a fetus, one or more co-workers, the public, or where it would be contrary to applicable federal, state or local health and safety or environmental laws, regulations or codes of practice.

2. No employee will be disciplined or discriminated against in any way for suffering an injury or illness, or for reporting a symptom, injury, illness and/or accident. This provision shall not prevent or protect employees from discipline for just cause or protect employees from discipline for failure to report injuries on a timely basis.

Section E – Personal Protective Equipment

1. The Company will provide all necessary personal

protective equipment (PPE) when required by law or regulation, or when necessary to protect employees from injury or illness. However, this provision does not change the practice of employees typically purchasing their safety boots and utilization of the Boot Allowance provisions contained herein to assist with such.

#### Section 18. - Seniority

(a) In case of promotions, demotions, curtailments or layoffs the management will consider ability and length of service. When, in the judgment of management, all factors constituting ability are relatively equal, length of service within the department will prevail.

(a)(1) In the event of the sale of the majority of the assets of a business unit, personnel other than maintenance personnel shall not be able to bump. Maintenance personnel shall be able to bump into maintenance positions in the other business unit on the basis of primary skill at the time of the sale per the following:

Where two (2) or more established crafts or "primary skills" are merged, or a craft or primary skill is eliminated, and employees are placed in another existing "primary skill" eligible employees moving as a result of such action shall carry established job seniority to the new or established "primary skill" and that seniority shall place the employee in the relative position among all employees in that "primary skill".

(a)(2) In the event of permanent closure of a business unit, the discontinuance of Clearwater Paper operation of a business unit or the permanent curtailment of employees in a business unit, where employees are being laid off plant from the callboard, plant seniority will prevail enabling senior employees on the callboard to use their plant seniority to displace the most junior employees holding bid positions in either unit. The union and Company will sit down and work out a schedule and method to accomplish the training and placement not to exceed 18 months from the initial event. During such training employees being trained will be paid the new hire rate. Employee with least plant seniority leaves Line of Progression and the most senior employee from either business unit enters at bottom, this process continues until equalization occurs. It should be noted that special qualifications are required to fill the Chemist position.

(b) In the event a permanent opening occurs in any job at the bottom of a line of progression or in a job not in a line of progression, a notice indicating that job, with its rate of pay, shall be posted for seven (7) days on Company bulletin boards. Any employee may indicate his/her desire to transfer by signing the applicable form in the Human Resources Office. An employee may indicate this desire to transfer at any time. Employees shall be transferred on the basis of their plant seniority as defined under the recognition clause subject to the limitation of 10% per line of progression (minimum 1, maximum 3) between business units in a rolling 9 month period. If the company and the union mutually agree as of January 1, 2013, this will be reduced to 8 months. For employees hired following ratification, when the company assigns an employee to the callboard, the employee will be restricted in his/her ability to bid for a posted job. For two years, the employee will only be able to bid within the department to which he/she has been assigned. This bid restriction will expire two years after the date of hire.

(1) There shall be a 60 day trial period which may be extended by mutual agreement in writing and with the appropriate Standing Committee member(s) present.

(2) An employee returning from vacation shall be allowed ninety-six (96) hours after his/her return to work to indicate his/her desire to transfer by signing the applicable form in the Personnel Office.

(3) An employee may be awarded only one (1) job bid in any twenty four-(24) month period from date of acceptance. There will be no bid right restriction in situations beyond the control of the employee, e.g. medical or physical limitations, and administrative problems. If disqualification occurs (either for Company or employee initiated reasons), the employee will return to their previous job with bid rights lost for twenty four (24) months from date of acceptance of the job bid.
(4) Posting date on a bid is the date used for department seniority.

(5) An employee who signs and is awarded a bid must accept the bid when awarded. Failure to do so will result in the affected employee losing bid rights for a twenty-four (24)

month period and will enable the next selected bidder to be awarded the bid subject to the same conditions. Employee may withdraw his/her name from bid after the bids are initially filled and before any successful bidder declines the bid or is disqualified by the Company.

(6) When notified of a bid award the department from which the employee is bidding will have 28 days, if needed, to release the employee to the department that he/she has bid to. This may be extended by mutual agreement between the Company and the Standing Committee. If successful bidder is not moved to bid position within 28 days, no employee will lose money for hours actually worked because of failure to move beginning on the 29<sup>th</sup> day.

(7) In the event there are no requests for transfer the Company may hire or assign any employee without permanent rights. In the event an employee is hired directly into a position, the employee will not have bid rights for a thirty-six (36) month period.

(8) In any case where a junior employee is given preference or a new employee is hired on account of relative ability, the management will notify the Union Standing Committee in writing prior to the time that the change is to be effected. If the Union Standing Committee disagrees with management on the relative ability of the employees concerned, a complaint may be processed through the grievance procedure outlined in this Agreement.

(c) Length of service of a regular employee shall date from his/her last hiring.

(d) Seniority will not necessarily apply in emergencies or in temporary assignments of not more than twenty-eight (28) days, or for vacation replacement.

(e) (1) Any employee who is transferred to a job outside the bargaining unit may be returned to his/her former job within ninety (90) days. If an extension of this period seems desirable, it may be established for an additional ninety (90) days by mutual agreement between the Company and the Union Standing Committee.

(e) (2) Any Bargaining Unit employee who accepts employment with United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union may return to his/her former job within ninety (90) days. If an extension of the period seems desirable, it may be extended an additional ninety (90) days by mutual agreement between the Company and the Union Standing Committee.

(e) (3) Bargaining Unit employees may provide for salary relief positions, including training for such. Short-term salaried relief assignments will be scheduled on the weekly schedule preceding the week in which the salaried relief is necessary. The salaried relief assignment will be scheduled in such a way to avoid forced overtime or vacation denial. If a short-term salaried relief assignment extends beyond the scheduled week the salaried relief assignment will extend into the subsequent week. For long-term salaried relief, the Company will notify the Union in advance. The notice will include the person assigned, the job and shift they are vacating, and the duration of such assignment, as soon as practicable. For purposes of this section, "shortterm" shall mean all assignments of two weeks duration or less. "Long-term" shall mean any assignment in excess of two weeks. Representatives from the Union and from the Company, up to the Mill Manager, shall meet to discuss any issues that may arise related to this provision. (See Letter of Understanding 5/21/07.)

(e) (4) The Company further agrees to meet with the Union Standing Committee at any time to resolve any problems which may arise as a result of actions by Salary Relief, permanent Supervisors, Superintendents, etc.

(e) (5) When employees are elected or appointed to public service, i.e., legislative position or government committee, there shall be no break in seniority for time missed from work due to attending duties of the position.

(f) Except as provided in Section 19(a)(1) and 19(a)(2), the Company will not be required to recall any employee who has been off the payroll for twelve (12) consecutive calendar months, except an employee absent because of physical disability arising after employment will not be terminated at least for two (2) years, and he or she will be permitted to return to his or her job unless any competent medical authority advises that physically he or she is unable to or because of health should not.

(g) It is understood by the parties that the Company shall meet and discuss with the Standing Committee the establishment, modification or elimination of lines of progression at least thirty (30) days prior to the planned action. During the same thirty (30) days, the appropriate Standing Committee may request a meeting with the mill manager or equivalent level manager for the purpose of reviewing the planned action.

(h) If an employee is advanced or demoted, the employee will assume the work schedule and days off of the new position.

The Company policy is that twenty-eight (28) days means twenty-eight (28) days and also "not necessarily" means that if an individual is absent (for other than vacation purposes), for more than twenty-eight (28) days, the senior person in the ladder will be moved up as soon as practicable after it is known the replacement will be for more than twenty-eight (28) days. Discussion should be had with the senior person to be moved as soon as it appears likely a replacement will be for more than twenty-eight (28) days.

For vacation replacement, the replacement should be from the shift crew instead of the senior person in the progression ladder, where possible with due regard to efficient production. Vacation schedules and the move-up should be posted well in advance.

(i) (1) The job classification of General Utility will include ALL employees on Utility rate who have not established seniority on any starting job in a line of progression in the department.

(i) (2) (A) When a job opening occurs in other succeeding job classifications in an established line of progression in which an employee has established seniority, eligible employees in the qualifying job classification will be considered for such openings on the basis of length of service and relative ability in the qualifying job except when multiple lines of progression within a department merge to form a single line from that job on. Then department seniority will determine eligibility for advancement except in frozen employees.

(i) (2) (B) No employee may bypass any job in an established line of progression except by Company approval prior to the opening. An employee who has bypassed a job classification in an established line of progression, when promoted, will bypass the same job classification in the line of progression when curtailed, except when bypassing was due to excessive promotions, or changes set out in (i) (7) (A), (B), (C), (D), (E) and (F).

(i) (2) (C) Where more than one line of progression branches out from the general utility classification, employees will be given a choice of lines, however, the employee must declare his/her intent to accept any opening that is offered or select a specific starting job and line in order that a supervisor may plan the training needed.

(i) (2) (D) In lines of progression where there are multiple legs branching from a single common job, an employee's selection of leg of the line will not be permanent and the effected employee may alter their decision if the employee bidding out returns to his/her former job.

(i) (3) When a regular employee is inducted in the Armed Forces of the United States, the Company and the Union desires to, and will comply with the present and future laws and regulations established by Federal and State Governments with regard to employment of discharged veterans.

(i) (4) (A) When curtailment occurs in a line of progression in the department, an employee with established seniority in the line being curtailed will come back down the line through each job classification in the reverse order of promotion. (Exceptions - Returned Servicemen, Frozen Employees and exceptions covered in Paragraphs B and D as set out in (i) (4)). When curtailment occurs in a line of advancement, an employee with the least seniority in the line will be curtailed first.

(i) (4) (B) An employee who has bypassed a job classification in an established line of progression, when promoted, will bypass the same job classification in the line of progression when curtailed, except when bypassing was due to excessive promotions or changes covered in (i) (4) (D).

(i) (4) (C) An employee curtailed, from an established line of progression in which he/she has seniority, to the General Utility job classification can exercise his/her total department seniority to retain a job in the General Utility job classification.

(i) (4) (D) If curtailment occurs in an established line of progression following changes as set out in (i) (7) of this policy, an eligible employee with established seniority in the line curtailed, will be given a reasonable opportunity to qualify for all Job Classifications in the line in which he/ she has not previously established seniority, and if he/she qualifies, will be permitted to exercise his/her seniority on all job classifications in the line in order to retain his/her relative seniority position in the line.

(i) (4) (E) A permanent curtailment shall be construed to be of sixty (60) days or more duration. However, if curtailment is known to be of a permanent nature at the time of occurrence, immediate action will be taken to place the senior person in accordance with the principles of the seniority provisions.

(1) In the event of a permanent curtailment, the affected employee may indicate his/her desire to displace the employee with the least plant seniority in a permanent job by making application to the personnel office. In the event such employee does not exercise this right within seven (7) days after being defined as permanently curtailed, he/she shall lose this right.

(2) If an employee has used his or her transfer rights and loses his or her position due to a curtailment, such rights shall be reinstated immediately upon notification of

loss of their position.

(i) (4) (F) Employees permanently curtailed to callboard status from a line of progression, line of advancement, or maintenance will retain first recall rights to that line of progression, line of advancement, or craft in the same order as they were curtailed until the employee accepts a job bid and completes the probationary period.

(i) (4) (G) Except as provided in Section 19(a)(1) and 19(a)(2), department employees affected by shutdowns shall be given the opportunity to work, at the applicable rate for the job actually performed, prior to Callboard employees. It is understood that where an employee performs a substantial portion of his/her regular job or is directed by Management to have his/her skills available, he/she shall be paid the rate of his/her regular job.

(i) (5) (A) Employees who have been permitted to "freeze" in the past for physical, mental or ability reasons shall be allowed to remain "frozen". Other employees shall not be permitted to "freeze" except as provided in sub section (i)(5)(B).

(i) (5) (B) If an employee has a disability within the meaning of the Americans With Disabilities Act, the Company shall consider "freezing" as a reasonable accommodation

(i) (5) (C) An employee who refuses to accept an opening in the next required job in an established line of progression, except as provided in B above, will be demoted one (1) job classification in the line of progression.

(i) (5) (D) An employee demoted for refusing to accept the opening offered in the next required job, in an established line of progression, will be considered the junior employee in the job classification that employee is demoted to. The employee so demoted will be required to accept openings in the line of progression as they become available. If the affected employee refuses to accept promotions said employee will be placed on the Callboard. (i) (5) (E) When a person has frozen on a job, and subsequently unfreezes, his/her relative position in the line of progression will be affected in the following manner: Any junior employee who has taken a permanent opening or accepted relief for the next job ahead of the one the person is frozen on, during the time the person is frozen, will remain ahead of the frozen employee in that line of progression.

(i) (6) (A) An employee, with established seniority in a job classification in a line of progression sixty ((60) calendar days or more where a permanent opening exists) who subsequently is demoted due to:

(1) Own request for personal reasons

(2) Company request for cause

will be returned to the utility job classification and will be considered the junior employee among the employees not legitimately frozen in the utility job classification.

(i) (6) (B) If an employee with established seniority in a job classification in a line of progression sixty ((60) calendar days or more where a permanent opening exists), subsequently makes a request or is requested by the Company to be removed from such job due to a physical or mental condition arising after the employee has established seniority in the job classification, and such condition is substantiated by medical authority, authorized by the Company, then each such case will be given individual consideration on its own merits, and where possible the employee may be placed in another job classification in the same line of progression, provided he/she can satisfactorily meet the physical and ability requirements of the job.

(i) (6) (c) If an employee has been off on any type of disability, the Company may post for the vacancy at the end of the short term disability period. The posting for the disability vacancy will result in move ups and status changes to the affected line of progression. In the event that the employee receives an authorization to return to their job after the expiration of the short term disability period but before the expiration of the employee's seniority recall rights, the employee will be placed, in accordance with his/her seniority, back into the line of progression. In such an event, the Company agrees not to curtail the least senior employee that

has bid into the department.

(i) (7) (A) If, due to Job Analysis, a job classification rate is increased and the job is moved to a new position in the line of progression, an eligible senior employee in the line will be given a reasonable opportunity to qualify and if he/ she qualifies, will be permitted to replace a junior employee occupying the job classification which received the rate increase, in order to retain his/her relative seniority position in the line. (Exception: frozen employees.)

(i) (7) (B) If, due to Job Analysis, a job classification rate is reduced, and the job is moved to a new position in the line of progression, an eligible senior employee occupying the job classification which received the rate reduction, will be permitted to replace a junior employee on another job in the same line, in order to retain his/her relative seniority position in the line. (Exception: frozen employees.)

(i) (7) (C) If a new job classification is established and placed in a prior established line of progression, an eligible senior employee in the line may exercise his/her seniority as in (i) (2) - Promotions, paragraphs A, B and C. (Exception: frozen employees.)

(i) (7) (D) If an established job classification is eliminated and removed from an established job progression line, an eligible senior employee in the line may exercise his/ her seniority as in (i) (4) A, B and C.

(i) (7) (E) If a job classification in an established line of progression is removed from the line and placed in a different established line of progression in the same or a different department, an eligible employee with established seniority, occupying the job classification at the time the change occurs, will be given an opportunity to move with the job classification to the position in which it is placed in another line, with his/her established department seniority from the former line, and may exercise such seniority in the line in which the job is placed for promotion (i) (7) (C), (Exception: frozen employees), or during curtailment (i) (4) (D). NOTE: an eligible employee accepting the change may not exercise seniority in the former line if the job remains in the same department, or the former line or department, if the job is moved to another department.

(i) (7) (F) If two (2) or more established job progression lines in the same or different departments are merged to form another line, an eligible employee with established seniority occupying the job classification which is used to form a new line, will be given an opportunity to move with the job classification to the position in which it is placed in another line, with his/her established department seniority from the former line.

When openings occur in succeeding job classifications in the line, the eligible employee will be considered for promotion on the basis of his/her department seniority to the present job classification and will carry accumulated department seniority to each succeeding job classification as openings occur for which he/she qualify, until they reach the position he/she would normally have acquired, with their seniority, in the present line. (Exception: frozen employees). NOTE: An eligible employee accepting the change may not exercise seniority in the former line if the job remains in the same department, or the former line or department, if the job is moved to another department.

(j) When an employee is asked to perform a lower paying job than what they are scheduled for at the convenience of the Company, the employee shall receive the higher rate of pay for all hours worked at the lower paying job.

#### Section 19. Meals

(a) Where a meal period permitted is less than one-half (1/2) hour, the employee shall be paid for the meal period. Where the meal period permitted is one-half (1/2) hour or more, the employee will not be paid for the meal period. The Company will waiver the half-hour requirement when an employee is sent out of the work area to get a meal, providing he/she does it promptly.

(b) The Company recognizes the need for proper implementation of Section 19 for the well-being of the employees who are eligible. Therefore, the Company will make a reasonable effort to allow ample time for all employees to eat whenever possible. It is understood that the objective of efficient production shall be duly considered by the Company.

#### Section 20. - Vacations

Employees as defined in this Agreement shall be granted vacation with pay, subject to the following terms and conditions:

Minimum Qualifying*		Number of
Hours	Years	Weeks
1500	1 but less than 2	1
1000	2 but less than 5	2
1000	5 but less than 10	3
1000	10 but less than 15	4
1000	15 but less than 20	5
1000	20 and over	6

\* To be eligible for a week's vacation during the year subsequent to the anniversary of his/her last hiring date the employee must be on the payroll of the Company on said anniversary date and have worked these minimum hours prior to said anniversary date. If a termination of employment occurred in the eligibility period, credit for length of employment or for hours worked prior to termination of employment shall not be included.

(b) The following provisions apply in the calculations for arriving at Qualifying Hours and Length of Employment:
(1) If termination occurs due to the discontinuance of the job of an employee, no loss of credit for length of employment shall be incurred if the employee is rehired in the same mill within sixty (60) days after the date of such termination.

(2) For time lost due to Workers Compensation injury which bridges the employee's anniversary date, the employee may apply credit towards vacation to either the period before or the period after the anniversary date, but not both.

(3) For the purpose of determining the qualifications for vacations of an employee with one (1) or more years of continuous service, time lost by the employee for which non-industrial Sickness or Accident Benefits are paid to the employee under the Company's Welfare Plan shall be construed as time worked in applying the provisions of this Section 21. Provided, (1) that time so lost shall be computed at eight (8) hours per day and forty (40) hours per week, and (2) that if the time lost so computed exceeds 520 hours in any anniversary year, only 520 hours shall be considered as time worked under the provisions of this paragraph.

(4) All weeks of vacation time shall be considered as time worked for the purpose of determining the qualifications for vacation eligibility. For this purpose, vacation time off shall be computed at forty (40) hours per week. No accrual of vacation will occur during the second 12 months of any disability.

(c) With the understanding that it will not be deemed a precedent after the duration of the emergency, it is agreed that any employee who has left the employ of the Company prior to his/her anniversary date for the purpose of serving in the armed forces, but who has otherwise fulfilled the qualifications for a vacation during the year just preceding that anniversary date, will be granted vacation pay. The vacation pay will be mailed to the employee immediately following said anniversary date, provided satisfactory proof has been furnished to the Company that the employee is serving in the armed forces.

(d) Any returning service person who,

(1) was on the payroll of the Company at the time of induction into the armed forces; and

(2) returned to the employ of the Company within ninety (90) days after being relieved from duty in the armed forces; and

(3) is on the payroll of the Company on the said anniversary date immediately following his/her return, and
(4) had qualified for one week's vacation while in the employ of the Company in the eligibility period in which they were inducted, or in the next preceding eligibility period, or whose

services with the Company immediately preceding his/her induction, plus his/her service since his/her return from the armed forces immediately preceding his/her anniversary date, is sufficient to qualify him/her for a vacation under the requirements existing at the time he/she returns, shall be granted one (1) weeks' vacation with pay, whether or not they worked 1500 hours in the eligibility period immediately prior to said anniversary date.

(e) Any returning service person, when he/she has qualified for one (1) weeks' vacation on any of the basis made available to him/her, and whose total length of service with the Company, including the time spent in the armed forces, is sufficient to qualify him/her for a longer vacation, shall be granted the longer vacation without applying the requirement of hours worked to that period spent in the armed forces.

(f) (1) There shall be but one (1) vacation for each eligibility period and the vacation must be taken within the year following the said anniversary date and may not be accumulated to be used in the following year.

(f) (2) (a) The vacation week for shift workers on a seven-day schedule will be from days off to days off. The actual vacation period for such workers is understood to be the seven work days the employee is scheduled off. The vacation week for shift workers on a five day schedule and for day workers will be from their respective days off to days off.

(f) (2) (b) Vacations shall be paid at the hourly rate of the employee's regular job as such rate exists on the day the vacation starts. The number of hours paid for each vacation week shall be 52 hours for shift workers, 40 hours for day workers. Should the Company return to Southern Swing 7 day rotation, the vacation pay for shift workers will be 56 hours.

Vacation hours will be paid at 56 hours for shift workers and 48 hours for day workers only for vacation accrued prior to September 1, 2002. (f) (2) (c) When working a 10-4 schedule (ten (10) days of work followed by four (4) days off) employees will receive vacation pay on the same basis as that of the employee working the standard rotating shift. The vacation week for employees will be, at the option of the employee, from days off to days off, or the five (5) working days of the work week, for each week of vacation entitlement.

(f) (3) An Employee will be paid vacation pay only for the amount of time that he/she has requested for vacation, which payment will be made immediately prior to going on vacation, provided however, if requested in writing by an employee, the vacation pay will be paid on the next regular succeeding pay periods in the regular amounts of two (2) weeks' pay.

(f) (4) (a) It is the intent of management to accommodate the employees in scheduling vacations as much as possible, but all should understand the practical aspects of the operations and production. Employees should request the vacation period desired off well in advance and with alternative dates. The Company promptly should let the employee know the time allocated for his/her vacation. Should some unusual circumstance or emergency arise which necessitates a change, the employee or employees who are or might be affected should be notified as soon as possible of the contemplated rescheduling of the vacation. For vacation replacement, the replacement should be from the shift crew instead of the senior person in the progression ladder, where possible with due regard to efficient production. Vacation schedules and the move-up should be posted well in advance.

(f) (4) (b) Vacation policies for all departments, will be on a calendar year basis. They will be reviewed annually and discussed with the appropriate Standing Committee by the Plant Manager prior to posting, but not later than December 15. Any changes required after December 15 will be handled in the above manner.

(f) (5) In determining the rate of pay for vacation purposes for an employee who works a substantial portion of his/her time during the year on jobs other than his/her regular job, he/she will be paid an approximate average hourly straight time rate as determined by the payroll department. This practice may result in some employees receiving less than the rate of the job at the start of their vacation and with others receiving a rate higher than the rate of the job they are on at that time. However, if the employee has been promoted and the higher rated job is his/ her regular job at the start of his/her vacation, he/she shall receive the rate of that job.

(g) The allotment of vacation time is to be decided by management. An employee who is entitled to two (2) weeks or more of vacation, must take two weeks of vacation. An employee may bank additional vacation weeks to which he/ she is entitled up to a maximum of twenty-six (26) weeks. Once a vacation week is declared banked by an employee, he/she cannot revoke his/her declaration and use that week of vacation in that vacation year. All weeks of vacation not taken are automatically banked. During the month of January each year, an employee will review, with management, the amount of banked vacation he/she has credited. Banked vacation may be taken and /or paid immediately preceding his/her retirement, on termination or when he/she has exhausted the benefit discussed in Exhibit D, Welfare Plan 2, A & H. Pay for banked vacation will be based on the rate of pay in effect at the time the banked vacation is taken. No employee is to have the privilege of drawing the vacation pay and continuing to work in lieu of taking the vacation, except by mutual agreement of the Company and the Local Unions. However, employees who are unable to schedule and take their eligible vacation entitlement during any one year because of a bona fide disability (e.g. disability for A & H) may be considered to have taken their eligible time off and may receive the vacation pay for which they are entitled after the expiration of their anniversary date.

If an employee loses five (5) consecutive days or more due to department shutdown or mechanical failure, that employee may request, upon return to work, one (1) week's vacation pay. When prior knowledge of such shutdowns exists, the Standing Committees shall be notified.

(h) Effective 6/10/11, day shift employees may schedule up to two weeks of vacation to be taken one (1) day at a time. Effective 6/10/11 tour workers who are eligible for 3 or more weeks of vacation, may schedule up to one week of vacation to be taken on (1) day at a time. Scheduling of these days of vacation shall be in accordance with currently established procedures for scheduling of vacation. The one week of vacation broken up in this manner may be treated as a Floating Holiday only for scheduling purposes if the allotted vacation allowance is full. These days of vacation will be paid as they are taken. An employee who fails to take any remaining individual days of vacation during his/her eligibility period will be paid for those days. Partial weeks of vacation cannot be banked. Employees will not be forced to schedule vacation one day at a time.

(i) An employee who retires pursuant to the Retirement Plan or the Social Security Act, or who is unable to work because of total permanent disability, and who has fulfilled the requirement of this Section 20 as to hours worked during his/her anniversary year, shall be terminated and the requirement that he/she be on the payroll shall be waived and he/she will be paid a sum equivalent to his/her earned vacation. Provided, however, if said retiring employee has not fulfilled the requirement of this Section 20. as to hours worked he/she shall be paid a sum computed on a prorated basis dependent on the hours worked as related to 1000 hours. In the event of death of an employee, his/her heir(s) shall receive the deceased's vacation pay based on the provisions of this Section (i).

(j) Vacation pay will be prorated upon termination, except in cases of discharge for cause and voluntary termination when the Company does not receive at least fourteen (14) days advance notice at 1/12 per month, for those employees who have qualified for a regular vacation.

(k) All continuous Company length of service will be used to compute vacation eligibility.

## Section 21. - Adjustments of Complaints or Grievances

(a) Should there be any dispute or complaint as to the interpretation of any of the clauses of this Agreement, or any

grievance arising out of the operation of this Agreement, the employee or employees will continue to work as per the conditions existing prior to the time the dispute, complaint or grievance arose and such dispute, complaint or grievance will be processed according to the following procedure:

Step 1. Within a reasonable time following the occurrence giving rise to the dispute, complaint or grievance, a written complaint shall be filed by the Shop Steward with the aggrieved employee's immediate supervisor. Not later than three (3) days after filing, the Shop Steward will meet with the immediate supervisor in an effort to adjust the grievance. The employee(s) at their option may attend. If a satisfactory settlement is reached, it shall be reduced to writing on the grievance complaint form and signed by the Shop Steward and supervisor. If agreement is not reached, the Company shall then set up a Step 2 meeting within fifteen (15) days.

Step 2. If a satisfactory settlement is not reached in Step 1, the superintendent will record the Company's position on the grievance complaint form, and the grieved employee together with the shop steward and the Union Standing Committee shall meet with the Superintendent Committee in an effort to adjust the grievance. If a satisfactory settlement is reached, it shall be reduced to writing on the grievance complaint form and signed by representatives of both parties. If an agreement is not reached, the Company shall then set up a Step 3 meeting within forty-five (45) days.

Step 3. If no satisfactory settlement is reached at this time, the superintendent committee will record its position on the grievance complaint form, and the Local Union may, within three (3) days, notify the Company that representatives of the Union will meet with the Management Committee, on a mutually agreeable date, in an effort to effect a settlement. If a satisfactory settlement is reached, it shall be reduced to writing on the grievance complaint form and signed by representatives of both parties.

Step 4. Should there be no satisfactory settlement in Step 3, the matter may be submitted to Arbitration within ten (10) days in accordance with the provisions set forth below:

1. Arbitration shall be conducted by a single arbitrator who shall be selected and to whom the matter shall be submitted in accordance with the then current Rules of the Federal Mediation and Conciliation Services.

2. The functions of the arbitrator shall be to interpret and apply the Agreement. The arbitrator shall have no power to add to or subtract from or to modify any of the terms of the Agreement.

3. In a discharge case submitted to Arbitration and as to which the arbitrator shall find the discharge to be unjustified, the amount of payment for lost time shall be determined by the arbitrator, but shall not exceed payment for time lost as a result of the discharge at the employee's rate of pay of the job the employee was on at the time of discharge.

4. The charging party shall make application to the Federal Mediation and Conciliation Services for a panel of available arbitrators in the Inland Empire area from which an arbitrator for the case shall be promptly selected by the parties in the case by the procedures of said Services. The parties shall cooperate in arranging with the selected arbitrator for the time and place that, subject to the arbitrator's convenience, will best serve for the quickest and least costly disposition of the matter.

5. The decision of the arbitrator shall be final and binding upon both parties. The Union, its officials, agents and employees agree that so long as this Agreement or any extension thereof is in effect, there will be no strikes, sit downs, slow downs, work stoppages, boycotts, or other acts of any natures that tend to interfere with efficient production and operations, nor shall there be any picketing of whatever nature, whether peaceful or otherwise and they shall not otherwise permit, countenance, or condone any such act. Breach of this provision by any employee or group of employees shall constitute a voluntary termination of employment by those employees.

6. The following are the general provisions regarding arbitration:

A. Only a dispute or complaint as to the interpretation

of any of the clauses of this Agreement or any grievance arising out of the operation of this Agreement may become the subject of arbitration and only if and after the timely utilization and completion of all prior steps in the grievance procedure have failed to produce an agreement between the parties.

B. At any time prior to the start of a hearing by the arbitrator, the contending parties may notify the arbitrator that they have reached an agreement and in such event no hearing shall be held.

C. Each party to any case submitted to Arbitration (1) shall bear the expense of preparing and presenting its own case, including witnesses, and (2) shall pay one-half of the charges of the arbitrator incurred in the arbitration of the case.

(b) Any employee electing to present a grievance to the Company in person without the aid of the Local Union shall do so at the various steps and within the time limits set forth in this Agreement and shall observe all other applicable rules and regulations concerning grievances. The appropriate Union representatives shall be notified and shall have the right to be present at any step of the grievance procedure at which the grievance is discussed.

#### Section 22. - Operating Control

(a) Except as otherwise expressly set forth in this Agreement, the right of the Company to manage its business, operations and affairs and to prescribe terms and conditions of employment shall be unimpaired.

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

#### Section 23 - Passes for Union Representatives

(a) Annual passes to the Mill shall be issued to the Presidents of the Local Unions and temporary passes shall be issued to International Union representatives. Passes shall be subject to revocation for abuse of privileges granted.

#### Section 24. - Smoking Zones

(a) Smoking zones shall be established in the mill subject to fire insurance regulations.

## Section 25. - Night Shift Differentials

(a) The Company shall pay a shift differential wage of ninety-five cents (95¢) per hour to employees for all hours worked between the hours of 7:00 p.m. and 7:00 a.m.

(b) When said hours of employment constitute, overtime hours, employees shall be paid for such hours as provided in this Agreement. Computation of payment for such overtime employment shall be based upon the regular rate of pay for the job classification involved, including the Night shift Differential, as provided above.

## Section 26. - Welfare Plan

The Company shall make available to its employees, a Welfare Plan, pursuant to the terms and conditions of Exhibit D, attached hereto and made a part hereof.

## Section 27. - Pension

The Company shall entirely at its cost, provide pension for its employees pursuant to the provisions of Exhibit C, attached hereto and made a part hereof; provided, however, by agreement of the parties, pension shall be closed until September 1, 2010.

The Company will pay employee's proportionate share (based on past voting of wage redirection) of current 10% PIUMPF surcharges as directed by the Trustees. The parties agree to adopt the PIUMPF 2010 Rehabilitation Plan.

In addition to the pension benefits provided by the Company as set forth in Exhibit C, additional pension benefits may be purchased as follows: During the term of this Agreement, the Union will notify the Company of any increase in pension benefits to be purchased. The cost of these benefits will be calculated and the wage schedule set forth in Section 8 - Wages, will be reduced by the amount necessary to purchase the additional benefits. By agreement of the parties, the Union will not exercise this option to purchase additional pension during the term of this agreement.

#### Section 28. - Jury Duty Allowance

(a) Any regular employee who is required to perform jury duty will be entitled to reimbursement at the straight-time hourly rate of his/her regular job for the hours necessarily lost as a result of serving on the jury, provided, however, that such reimbursement shall not exceed eight (8) hours per day or forty (40) hours per week, less pay received for jury duty. The employee will be required to furnish a signed statement from a responsible officer of the court as proof of jury service and jury duty pay received.

(b) Hours paid for jury duty will be counted as hours worked for the purpose of computing vacation and holiday pay and will be counted as hours worked for the purpose of computing any overtime.

(c) Any regular employee involuntarily subpoenaed as a witness in court of law (not as a party to the legal action), will be entitled to reimbursement at the straight time hourly rate of his/her regular job for the hours necessarily lost as a result of serving as a witness; provided, however, that such reimbursement shall not exceed eight (8) hours per day or forty (40) hours per week less pay received for being a witness. The employee will be required to furnish a signed statement from a responsible officer of the court as proof of serving as a witness and witness pay received.

(d) It is the intent of the Company and the Unions that the employees shall work as much time as reasonably possible while on call for jury duty.

#### EXAMPLES:

An employee, regardless of shift, who receives a full day's jury duty pay will not be required to work his/her scheduled shift for that day.

An employee who receives a half day's jury duty pay will be required to work a half shift that day if he/she is released in time to report for work and complete one half of his/her shift. However, an employee who is required to report for jury duty on a day he/she is scheduled to work the graveyard shift is not required to work that preceding graveyard shift.

An employee who is called for jury duty should promptly notify his/her supervisor when he/she is to report for such duty. Whenever possible the employee should notify his/her supervisor approximately how long the estimated time is for said employee to serve on jury duty.

Should the employee be excused from jury duty for the term of the court or from sitting on a particular case he/ she shall contact his/her supervisor as soon as practical and notify said supervisor how long he/she has been excused. The employee shall return to work as soon as practical with due regard to how soon the employee must report for jury duty again.

If it is practical for the employee to work a shift other than his/her own during any time while temporarily excused from a particular case, such should be done.

An employee working a 12 hour shift schedule who is to report for local court jury duty will be required to work onehalf of the preceding night shift if normally scheduled as such. If jury duty is a half-day or less, the employee must return to finish their day shift or work that day's night shift depending on their normal schedule. If jury duty is more than a half-day, the employee is excused from the remainder of their day shift and/or that day's night shift if scheduled as such.

An employee who is to report for any non-local court (i.e. Federal, District, etc.) must notify their supervisor immediately upon notice of such jury duty to work out reasonable schedule accommodations dependent of travel to and from court.

#### Section 29. - Absences

(a) Leave of Absence for Union Business - The President, Recording Secretary and Treasurer of the Local Union shall be granted leave of absence without pay up to one (1) full shift when necessary to enable them to attend the regular periodic meetings of the Local Union provided notice to the Company is given by the Local Union in writing at least fourteen (14) days prior to each such meeting.

(b) Voting in public elections is to be encouraged. If an employee is working overtime hours and would not be off during the hours the polls are open, where possible the employee will be provided sufficient time off to vote if he/she so desires.

#### Section 30. - General Policy

A supervisor shall not perform non-supervising work which in the plant is normally done by an employee, unless such work by the supervisor is performed to assist or instruct an employee who does not have sufficient training, experience, or skills to maintain continuity of operation, or results from the occurrence of fire, flood, or other form of catastrophe, or is performed after reasonable effort to secure qualified employee(s) has failed.

#### Section 31. - Miscellaneous

(a) Personnel records shall be updated at least once per year.

(b) Negotiated improvements to the contract shall be effective on the specified and agreed to dates to all employees then on the payroll list.

#### Section 32. - Funeral Leave

(a) When death occurs to a member of an employee's immediate family, including employee's spouse, mother, father, stepmother, stepfather, stepchildren, brothers, sisters, sons, daughters, mother-in-law, father-in-law, grandparents, spouse's grandparents, grandchildren, brothers and sisters-in-law, sons and daughters-in-law, stepbrothers and stepsisters, the employee, at his/her request, will be granted reasonably necessary time off as funeral leave of absence to attend the funeral, memorial or alternative service.

A regular employee who attends the funeral, memorial or alternative service, will be compensated at his/her regular straight-time hourly rate for hours lost from his/her regular schedule for three (3) consecutive days (five (5) consecutive days for a spouse, children, parents or spouse's parents), one (1) day of which must be the day of the funeral, memorial or alternative service. An employee who has the responsibility for funeral arrangements may be allowed to break up their funeral leave pay as necessary.

(b) Compensable hours under the terms of this Section will be counted as hours worked for the purpose of computing vacation and holiday pay and will be counted as hours worked for the purpose of computing weekly overtime.

(c) A regular employee on vacation who is notified of a death in the immediate family as defined in Section 33 (a) will have that vacation extended by the number of days they would have qualified for if they had been working. To be eligible, the employee must notify the Company as soon as possible while they are on vacation.

#### Section 33- Callboard or Extra Board Employees

The following provisions of this agreement do not apply to Callboard or Extra Board employees:

Section 11 -Days off and Schedule of Shifts Section 13 -Call Time

#### Section 34. - Definitions

(a) Whenever used in this Agreement, including exhibits, the male noun or pronoun is used to include the female noun or pronoun, where applicable, and:

(1) The word EMPLOYEES means all production and maintenance employees of the Company employed in the mill (or mills) covered by this Agreement for whom the Unions are recognized as the sole collective bargaining agency.

(2) The words REGULAR EMPLOYEE mean an employee who has completed the probationary period of ninety (90) days. This probationary period may be extended by agreement between Management and the Union for individual cases. (3) The words TEMPORARY SUMMER EMPLOYEES mean employees who are only employed sometime during the period May 15 through September 15 of any year and whose employment shall terminate no later than September 15. Temporary Summer Employees (unless covered under benefits provided to relatives who are regular full time employees) are entitled to no benefits under the collective bargaining agreement other than wages and safety shoes.

(4) The words TOUR WORKERS mean employees when engaged in operations normally scheduled in advance for at least twenty-four (24) hours continuous running. All other employees are considered DAY WORKERS.

(5) The word DAY means a period of twenty-four (24) consecutive hours, beginning at 7:00 a.m., or at the regular hour for changing shifts nearest to 7:00 a.m. in the particular mill or department thereof.

(6) The word WEEK means a period of seven (7) consecutive calendar days, beginning at 7:00 a.m., or the regular hour for changing shifts nearest to 7:00 a.m. on Monday.

(7) The word MILL means the Pulp and Paperboard Mill, the Tissue Mill and other paper operations of Clearwater Paper Corporation at Lewiston, Idaho.

(8) The words LOCAL UNION mean the Local(s) of the International Union in which employees of the Company are members, and which shall act as the representative of the employees in the performance of those provisions of this Agreement which provide for action by a Local Union.

(9) The words UNION STANDING COMMITTEE mean a committee of not more than four (4) members selected by a Local Union which shall represent the Local Union concerned in the performance of those provisions of this Agreement which provide for action by a Union Standing Committee. The names of the Union Standing Committee shall be certified to the Company by the Local Union.

(10) The words PROBATIONARY EMPLOYEE mean a new

employee other than a temporary summer employee who shall be considered probationary for ninety (90) calendar days following the last date of hire. If the employee is retained in the employ of the Company after the end of the probationary period, plant seniority shall be the date of last hire. The discharge of a probationary employee shall not be subject to challenge via the grievance or arbitration procedures.

#### Section 35. - Contravention of Law

If any provision of this Agreement is in contravention of the laws or regulations of the United States or of the State of Idaho, such provision shall be superseded by the appropriate provisions of such law or regulations so long as the same is in force and effect but all other provisions of this Agreement shall continue in full force and effect. If the parties are unable to agree as to whether or not any provision hereof is in contravention of any such laws or regulations, the provisions hereof involved shall remain in effect until the disputed matter is settled by the court or other authority having jurisdiction in the matter.

## Section 36. - Term of Agreement

(a) This Agreement shall be in full force and effect up to and including August 31, 2014, and shall be automatically renewed thereafter from year to year unless notice to terminate is given by either party as hereinafter provided; and all matters which are within the scope of collective bargaining are closed for the same period, except as provided in this Section.

(b) All notices given under this Section on behalf of the Union shall be given by the President or Vice President of the International Union. Similarly, notices on behalf of the Company shall be given by the designated official of the Company.

(c) This agreement may be modified as to any provisions except the termination provisions of this Section as follows: Either party shall mail to the other party notice in writing, by registered mail, sixty (60) days prior to September 1, 2014, or sixty (60) days prior to any subsequent September 1, on which this Agreement is in effect, that a modification is desired; and if no such sixty (60) days notice is given prior to any September 1, the earliest time at which such notice may later be so mailed is sixty (60) days prior to September 1, of the next year.

(d) When notice of desire for modification has been given, the Union and the Company shall arrange to have their respective representatives meet on a mutually satisfactory date for the purpose of collective bargaining in regard to modifications desired by either party.

(e) In the event negotiations conducted in accordance with this Section break down, either party may terminate this Agreement upon the expiration of ten (10) days' notice in writing, mailed by registered mail to the other party at its respective address, at any time after the September 1, with reference to which the notice of modification has been mailed as provided in (c).

IN WITNESS WHEREOF, the parties hereto caused this Agreement to be executed as of the 1st day of September, 2010.

Clearwater Paper Corporation

- s/ By Bob DeVleming Senior VP, President Consumer Products Division
- s/ By Tom Colgrove Senior VP. President Idaho Pulp & Paperboard Division
- s/ By Bill Copenspire General Manufacturing Manager Consumer Products Division
- s/ By John McKee Mill Manager Idaho Pulp & Paperboard Division
- s/ By Liz Volkman SR Human Resources Business Partner Consumer Products Division

- s/ By Tony Ventresco SR Human Resources Business Partner Pulp & Paperboard Division
- s/ By Scott Corbitt SR Human Resources Manager Idaho Pulp & Paperboard Division
- s/ By Tammi Hernandez SR Human Resources Manager Lewiston Consumer Products Division

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

- s/ By Leo W. Gerard International President
- s/ By Stanley Johnson International Secretary/Treasurer
- s/ By Thomas M. Conway International Vice President Administration
- s/ By Fred Redmond International Vice President Human Affairs
- s/ By Robert LaVenture Director – District 12
- s/ By James A. Woodward Sub-District Director
- s/ By Gaylan Z. Prescott Staff Representative

Local Union No. 608 s/ By John Dugger, President s/ By Jerry Enyeart s/ By Randy Spray s/ By Gary Nissen

- Local Union No. 712 s/ By Dennis Lebold, President s/ By Anthony R. Nedrow s/ By Mark Rhodes
- s/ By Steve Alexander

#### EXHIBIT A MAINTENANCE & OPERATIONS MULTI-SKILL/WORK TO CAPABILITY AGREEMENT

## 1. INTRODUCTION

All maintenance employees work to their capability and be proficient in at least two skills in addition to their primary skill per Attachment "A" – Multi-Skill/Work To Capability Agreement. Operators will be eligible to perform minor maintenance tasks to the limits of their capabilities in a safe manner. This is also described in the attached agreement.

This Settlement Agreement shall supersede all prior work practice agreements, grievance settlements, letters of understanding, etc. when their intent conflicts with the intent of this agreement.

## 2. ELIMINATION OF SOME CRAFTS

Eliminate crafts of Painter and Carpenter and combine these skills into the Labor Crew. These craft people whose craft was eliminated and who curtail to the labor crew will be red circled. Rates will be frozen until the highest rate in the Labor Crew line of advancement (other than Lead and Assistant Lead) exceeds the frozen rate. The red circle rate will be eliminated for those individuals who choose to move into the positions of Mill Services Employee (mail and janitorial) or Dumpster Driver. Effective 9/1/06 the red circles for Painter and Carpenter rates were removed.

## 3. COMBINING OF CRAFTS

 Crafts will be combined into the following categories: E/I (Electrical, Instrumentation, Refrigeration) Mechanical (Millwright, Pipefitter/Insulator, Certified Welding, Machinist/Roll Grinding, and Crane\*) \*Crane operators will work as Helpers in the Mechanical Craft when not being utilized as crane operators.

- Support duties will be combined into the following categories:
   Labor Crew (labor, painting, carpentry)
   Oiler (oiler)
- Skill Competency and training outline is per Attachment "B" Proficiency Requirements and Attachment "C" Multi Skill Document.
- For the primary skills of Pipefitter/Insulator, Instrument/ Refrigeration and Roll Grinder/Machinist, recall rights will be based on seniority of the combined previous crafts.

## 4. CONTRACTING OUT

There is no change in our current practice. The Company will continue to communicate with the Union Locals on all contracting out issues. It is not the Company's intent to use subcontractors for the purpose of reducing or transferring work that is presently and normally done by employees in the bargaining unit. See Letter of Understanding dated 9/1/2010.

## 5. APPRENTICESHIP PROGRAM

The Company will continue to have an Apprenticeship Program and apprentices that remain after curtailment (December, 2000) will continue in their current program. The Company will not hire maintenance employees into USW represented jobs from the outside unless there is a total of 2 active apprentices in the Apprenticeship Program for USW. The details of the Apprenticeship Program are outlined below in the Pulp and Paper Mill Mechanic Program.

## 5(a) – PULP AND PAPER MILL MECHANIC PROGRAM

1. Employees in the following trades are subject to the provisions of this Mechanic Program as described above in sub section **3. Combining of Crafts**:

2. The following are the classifications of Mechanics and Helpers:

#### MECHANICS

HELPERS Senior Helper

J + Mechanic Journeyman Mechanic Intermediate Mechanic A Intermediate Mechanic Junior Mechanic A Junior Mechanic

3. The job of J + Mechanic or maintenance person requires all of the qualifications described below for a Journeyman Mechanic and in addition carries the responsibility of performing the function of a lead person over Journeymen and other mechanics; or the responsibility of completely maintaining equipment of a high value and high production capacity; or the sole responsibility for an essential type of highly specialized mechanical work; or a combination of such responsibilities.

A Journeyman Mechanic or maintenance person is one who is a finished mechanic and has the necessary tools required by trade. In general, he/she is a person who could qualify as a journeyman in his/her trade in any industrial or job shop. He/she must be able to execute the necessary work without direct supervision from his/her supervisor. For instance, a Journeyman Pipefitter must be able to take a working drawing or blueprint of a layout; go out on the job; take the necessary measurements, requisition, cut and install the pipe without more than the general, normal supervision or direction of a supervisor.

4. The Company will select the Helpers on its mechanical crews through a procedure which may include such tests as intelligence tests, mechanical aptitude tests, interest and preference tests. Each person selected for a mechanical crew shall indicate his/her desire to learn a specific trades and become a Journeyman, and shall indicate his/her willingness in writing, on a form provided by the Company, to start taking, at his/her own cost, not later than the end of his/her probationary period through correspondence courses or other outside schooling such as mathematical knowledge, blueprint reading, and other related subjects as are required to reach Journeyman status in his/her chosen trade. In addition, those bidding for the welder trade must have successfully completed thirtytwo (32) hours of formal schooling in the welding trade, if available.

5. An applicant selected by the Company to learn a mechanical trade will be placed, when a vacancy exists, on the Senior Helper's job for 1100 worked hours, and at the end of the period, if retained, he/she will be automatically promoted to Junior Mechanic. If a Junior Mechanic is retained as such he/she shall spend 1100 worked hours, at which time he/she shall then be promoted to Junior Mechanic A.

6. During the first sixty (60) days after an applicant has been regularly assigned to a Senior Helper's job, he/she will be classified as probationary on that crew and he/she can be removed from the crew at any time during that period. Prior to removal from the crew of any such probationary helper because of his/her performance, management will notify the standing committee of the intended action and the justification thereof. If the Standing Committee considers the proposed removal unjustified it may process a grievance. If such applicant transferred to the mechanical crew from another department in the plant, he/she will retain his/her seniority in the department from which he/she transferred for a period of sixty (60) days, and will be returned to the job from which he/she transferred if removed from the crew. If he/she is removed from the crew after a period of sixty (60) days, he/she will retain his/her plant seniority and will be given a job, preferably in the department from which he/ she transferred at the starting rate in that department, but if that is not available, he/she will be given a base rate job in the plant: however, such rights shall not apply if discharged for cause. During the probationary period, management will determine as quickly as is practical whether or not the applicant has the aptitude and other characteristics necessary to become a Journeyman. Unless a Helper has earlier been removed from the crew, prior to the expiration of the first sixty (60) days after he/she has been regularly assigned as a Helper, the Company will review with said employee's progress to date.

7. (a) Any employee temporarily assigned to the mechanical crew and doing unskilled work will be paid the utility rate.

(b) Any employee having substantially the qualifications of a Senior Helper, temporarily assigned to work done by a Helper and working under the direct supervision of a Mechanic will be paid the rate of a Senior Helper.

(c) An applicant transferred to the job of Helper, who has temporarily worked with the mechanical crews for continuous periods of two (2) or more forty (40) hour weeks, will be credited with all such periods up to the total time requirement for promotion to Senior Helper.

8. When the employee gualifies for promotion under paragraph 5, the appropriate Senior Helper will be placed in the Junior Mechanic's classification and will spend a period of 1100 worked hours, in that classification, following which time he/she will be eligible and obligated to take a test for Junior Mechanic A. Upon satisfactory passing of that test he/she will immediately be advanced to Junior Mechanic A. Upon completion of 2200 worked hours, as Junior Mechanic A, he/she will be eligible and obligated to take a test for Intermediate Mechanic. Upon satisfactory passing of that test he/she will immediately be advanced to Intermediate Mechanic. Upon completion of 1100 worked hours, as Intermediate Mechanic he/she will be eligible and obligated to take a test for Intermediate Mechanic A. Upon satisfactory passing of that test he/she will immediately be advanced to Intermediate Mechanic A. Upon completion of 1100 worked hours, as Intermediate Mechanic A, he/she will be eligible and obligated to take a test for Journeyman. Upon satisfactory passing of that test, which will be designed to determine if he/she meets the qualifications of a Journeyman set forth in paragraph 3, he/she will immediately be advanced to Journeyman. It is understood and agreed that a person who fails to pass the test at the end of each classification period will be given an additional period of time up to 360 worked hours (on a case by case basis will not exceed a cumulative total of 2080 hours for the duration of the employee's apprenticeship), during which a second test

will be given, and if he/she fails to pass the second test he/ she shall be removed from the crew.

9. Outside mechanics may be employed in any of the established classification, except that an outside mechanic will not be employed at the Junior and Intermediate classification to fill a vacancy if an appropriate Senior Helper is available for promotion to Junior Mechanic.

10. The progress and qualification of each mechanic below the grade of Journeyman will be periodically reviewed at intervals of not more than 1100 worked hours. Records of the results of these reviews will be maintained and will, at his/her request, be discussed with each person at 1100 worked hour intervals. If the employee so desires, he/she may have his/her Union Representative present at the time his/her progress report is discussed with said employee. Whenever such a review of such a mechanic has been completed, the Company shall notify said employee in writing, with copy to the Local Union, calling the employee's attention to the completion of such review and the employee's right to request a discussion of it.

11. Management will adopt an organized plan as far as practical of rotating each person below Journeyman through different departments, including shift work, and under different Journeymen, in order that said employee may gain the widest variety of experience in the work of his/her chosen trade.

12. It is recognized that a handicapped person may be unable to progress as above set forth and in any such case the Mill Superintendent, after consultation with the Standing Committee, may deviate from the above described progression, but unless the consent of the Standing Committee has been obtained, the Superintendent's action shall be subject to the grievance procedure.

13. Nothing hereinabove shall be construed so as
(a) To oblige the employer to hire or retain any
employee unless there is work for the employee, or
(b) To mean that any right or obligation of
either party to the Labor Agreement, established under that

Agreement and not herein specifically amended, has been modified or revoked.

14. Members need to refer to the current MATC document for current and specific information.

Amended.February 1, 2005.

## 6. MAINTENANCE PLANNERS

A new Planner structure will be implemented per Attachments "D", "E", and "F".

### ATTACHMENT "A" MULTI-SKILL/ WORK TO CAPABILITY AGREEMENT

The intent of this agreement is to enable employees to work to the limits of their capabilities as it relates to maintenance work. This will be defined as completing any assigned work they are capable of doing as outlined in this agreement.

Safety of the employee and other employees will not be jeopardized. An employee shall have the authority to make the decision not to perform a specific task, based on the job requiring skills exceeding their secondary skill capabilities. Such decision shall be eligible for review. The purpose of this review shall be to identify the skills required for the specific task, with regard to possible additional employee training needed. Any such review shall include participation by the employee's standing committee.

IPP & CPL will have two crafts, E&I and Mechanical. Within the two crafts, employees possess primary skills.

CRAFT	PRIMARY SKILLS
E&I	Electrical
	Instrument
	Refrigeration
MECHANICAL	Millwright
	Pipefitter/Insulator
	Certified Welding
	Machinist/Roll Grinding
	Cranes

Basic support duties will be performed by the Labor Crew. This will include carpentry, painting, scaffolding, cement work, and other basic labor duties.

Operators will be eligible to perform minor mechanical maintenance tasks to the limits of their capabilities in a safe manner without requiring a craft person to be present.

The Company commits to the Union that there will be a clear understanding and intent by the Company that employees in these primary skill areas will be trained and provided hands on experience in other secondary skills areas. These areas of training for secondary skills are attached and to be used only as examples. A key element of any skills training will be the safety aspects of the work performed. Once trained, employees will be expected to use the new skills to work with other employees to provide effective maintenance for the mill.

All maintenance employees will be allowed and should work to their capabilities within their primary, secondary and universal skill classifications.

For overtime and callout, the first priority will be individuals

holding the appropriate primary skill classification for the work involved. The second priority will be individuals holding the appropriate secondary skill classification for the work involved.

### ATTACHMENT "B"

## MAINTENANCE SECONDARY SKILLS PROFICIENCY REQUIREMENTS

## 1. ELECTRICAL SKILLS PROFICIENCY REQUIREMENTS

- 1. Change 110 volt control devices
- 2. Lighting
- 3. Conduit/wire
- 4. Belts and sheaves
- 5. Change motor
- 6. Change brushes
- 7. Read PLC-to troubleshoot

### Mandatory 8. Read and understand schematics

- 9. Test equipment proficiency
- 10. Install cable and tray
- 11. PM checks

Proficiency requires demonstrated competence in 80% of the above listed skills. Those skills marked as mandatory must be included in the 80%.

All electrical secondary skill employees will be provided a safety orientation consisting of a minimum of Basic OSHA Electrical Safety Course, Overcurrent Protection Course, High Voltage Training Course and specific Clearwater Paper Corporation safety guidelines.

## 2. INSTRUMENT SKILLS PROFICIENCY REQUIREMENTS

## Mandatory

1. CL2 monitor

## 2. Read and understand schematics

- 3. Loop sheets
- 4. Change auto valves
- 5. Calibrate transmitters, transducers, and switches
- 6. Calibrate valve positioners

- 7. Calibrate gauges
- 8. Change thermocouples and RTD's
- 9. Change and clean magmeters

## Mandatory

- 10. FoxPro database
- 11. PM checks

Proficiency requires demonstrated competence in 80% of the above listed skills. Those skills marked as mandatory must be included in the 80%.

## 3. REFRIGERATION SKILLS PROFICIENCY REQUIREMENTS

Mandatory	1. Troubleshoot A/C system-temp controls
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- Change Filters
- 3. Check/Change bearings

Mandatory

- 4. Temp/Pressure charts/relationships
- 5. Copper tubing workMaintain ice machines and water coolers
- 6. Westvaco service
- 7. Service air washers
- 8. Duct heaters
- 9. PM checks

Proficiency requires demonstrated competence in 80% of the above listed skills. Those skills marked as mandatory must be included in the 80%.

# Additional skills the company may choose to offer to specific individuals:

- 1. Refrigeration handling (types and safe handling)
- 2. EPA certification
- 3. Charge systems

Have basic A/C class taught by journeyman.

## 4. MILLWRIGHT SKILLS PROFICIENCY REQUIREMENTS

- 1. Change pump
- 2. Change washer wire

- 3. Change gearbox
- 4. Change coupling
- 5. Repack equipment
- 6. Minor mobile equipment repairs and maintenance
- 7. Conveyor pulleys and rolls
- 8. Drive chains and belts
- 9. Roll changes
- 10. Replace cylinder
- 11. Bearing changes
- 12. Unplug screens, refiners, jordans, rotary locks, sand filters
- 13. Fab work
- 14. PM checks

Proficiency requires demonstrated competence in 80% of the above listed skills.

## 5. PIPEFITTER/INSULATOR SKILLS PROFICIENCY REQUIREMENTS

- 1. Repack valves
- 2. Change valves
- 3. Pipe hangers
- 4. Install blanks
- 5. Digester inspections
- 6. Screwed piping
- 7. Plastic piping
- 8. Change blow lines
- 9. Disconnect piping to change out equipment and reconnect
- 10. Change gaskets
- 11. Reset fire system
- 12. Tubing
- 13. PM checks
- 14. Threading machines
- 15. Fab work
- 16. Basic insulation work

Proficiency requires demonstrated competence in 80% of the above listed skills.

## 6. WELDER SKILLS PROFICIENCY REQUIREMENTS

- 1. Plasmarc cutting
- 2. Plastic welder
- 3. Gas metal arc welding
- 4. Stick welding
- 5. TIG welding
- 6. Metal fabrication
- 7. Metal knowledge
- 8. Be able to build guards, chutes, repair dumpers
- 9. Demolition
- 10. PM check

Proficiency requires demonstrated competence in 80% of the above listed skills.

Welding courses will be developed and offered to those individuals needing to qualify in this proficiency.

### 7. MACHINIST SKILLS PROFICIENCY REQUIREMENTS

- 1. Bore coupling
- 2. Drill press
- 3. Mic tolerances
- 4. Set lathe up
- 5. Read blueprints
- 6. Operate press
- 7. Milling machine-key ways

These skills are mandatory and apply to one person (Journeyman Roll Grinder). That person will be scheduled into the machine shop until a proficiency level is achieved.

## ATTACHMENT "C" MULTI-SKILL DOCUMENT

The maintenance department will be divided into 2 crafts. These are Electrical/Instrumentation and Mechanical. The following is a description of what secondary skills would be required from each primary craft.

# 1. ELECTRICAL/INSTRUMENTATION

<b>Primary:</b> Electrician <i>Required Secondary</i> :	Instrument, Refrigeration
<b>Primary:</b> Required Secondary:	Instrument Electrical, Refrigeration
Current Primary: Required Secondary:	Refrigeration (to be combined with Instrument) Electrical, Instrument
2. MECHANICAL	
Primary: Required Secondary:	Welders Millwright, Pipefitting
Primary: Required Secondary:	Millwright Welding, Pipefitting
<b>Primary:</b> Required Secondary:	Pipefitter Welding, Millwright
Current Primary: Required Secondary: Choice:	Insulators (to be combined with Pipefitters) Pipefitter Millwright Welding
Primary: Choice of 2:	Machinist Pipefitting Millwright Welding
Current Primary:	Roll Grinders* (to be combined with Machinists)
Required Secondary: Choice:	Machinist Pipefitting Millwright
	5
*Apprentices will switch Primary: Required Secondary:	Welding to Machinist Apprentice Program Crane Millwright, Pipefitting

• Planners from crafts will fall under the same guidelines.

# 3. Universal Skills required by all maintenance craft personnel are as follows:

- Incidental cutting, burning and welding Examples:
- Heat a bearing or coupling
- Heat to bend metal
- Tack weld

Examples:

- \* motor base
- \* pump base
- \* install stow rack, cable tray support
- \* weld rods onto a bearing in order to pull it
- Cut metal
- Cut off a bearing
- Basic Carpentry Examples:
  - Build simple concrete forms, shipping crates, winterization walls
  - Cribbing and simple staging
- Basic Lubrication
   *Examples:*
- Grease and add oil
- Basic Staging Examples:
  - Erect 'Safeway' type scaffolding
- Basic Painting Examples:
  - Paint platforms, pumps, bases
- Basic Insulation Examples:
  - Remove and reinstall insulation to do job

# 4. Wage rate for Multi-skill for new hires:

- Hire 90%
- 1<sup>st</sup> skill 95%
- 2<sup>nd</sup> skill 100%

• 100% rate can be achieved A.S.A.P. following one year.

#### ATTACHMENT "D" IPP MAINTENANCE PLANNING DEPARTMENT

Following is the proposed makeup of the Maintenance Department Planning Group for the immediate future. The size of the group will change depending upon workload and may decrease in the future.

1 - Planning Department Coordinator (Has the option of planning work)	Salaried
1 – Mill Wide Instrument Planner	Hourly
2 – Mill Wide Electrical Planners	Hourly
3 – Mechanical Planners	Hourly
1 – Planning Designer / Drafter (May perform planning work)	Salaried
1 – Designated Backup Instrument Planner	Hourly
1 – Designated Backup Electrical Planner	Hourly
1 – Designated Backup Mechanical Planner	Hourly

Supervisors, Technical Assistants, Engineers, Shutdown Planner, Downtime Planners and Contractor Coordinators can and will perform planning work as needed.

Additional hourly craft persons may be utilized as planners when the work load or job knowledge requires specialized planning.

All Maintenance Planners will be determined based solely upon needed qualifications and attitude. Management will monitor performance of each planner concerning proficiency, quantity and quality. All planners will be expected to plan to their capabilities and will not be limited by craft lines.

The Planning Department Coordinator will be expected to implement a process for preparing a weekly work schedule. He / She will use available departmental resources, including clerical help to prepare and publish this schedule.

The type of work planned by the planning department will be modified to better fit the needs of the mechanics and operations. Simple, routine work that can be handled by a skilled craft person may be assigned to that person without any planning. Maintenance management will make this determination.

Hourly planners may use tools, if needed to further determine the scope of a work request.

## ATTACHMENT "E" CPL MAINTENANCE PLANNING DEPARTMENT

Following is the proposed makeup of the CPL Planning Group for the immediate future. The size of the group may change depending upon workload and may decrease in the future. We will maintain the (2) salaried positions in the Department

1 - Planning Department Coordinator	Salaried
(Has the option of planning work)	

1 – Mill Wide EI&R Planner	Hourly
1 – Tech Area Planner	Hourly
2 – Mechanical Planners	Hourly
1 – Mechanical Planner	Salaried

1 – Designated Backup EI&R Planner	Hourly
1 – Designated Backup Mechanical Planner	Hourly

Supervisors, Engineers, and Leadmen can and will perform planning work as needed.

Additional hourly craft persons may be utilized as planners when the work load or job knowledge requires specialized planning.

All Maintenance Planners will be determined based solely

upon needed qualifications and attitude. Management will monitor performance of each planner concerning proficiency, quantity and quality. All planners will be expected to plan to their capabilities and will not be limited by craft lines.

The Planning Department Coordinator will be expected to implement a process for preparing a weekly work schedule. He / She will use available departmental resources, including clerical help to prepare and publish this schedule.

The type of work planned by the planning department will be modified to better fit the needs of the mechanics and operations. Simple, routine work that can be handled by a skilled craft person may be assigned to that person without any planning. Maintenance management will make this determination.

Hourly planners may use tools, if needed to further determine the scope of a work request.

#### ATTACHMENT "F" PLANNER POSITION

- I. Adopt the following QUALIFICATIONS ATTRIBUTES:
  - A. Well respected by crafts (credible).
    - Is a source of knowledge to craftsmen and supervisors alike.
    - Quality work packages that are readily accepted by the mechanics.
  - B. Good human relations skills.
  - C. Positive attitude that embraces change.
    - Willing to learn new skills and/or process areas.
    - Constantly works towards breaking down barriers in order to get the job done.
  - D. Good administrative skills.
    - Able to write clearly and precisely.
    - Proficient in Word, Excel, Access and Outlook Express.
    - Competent in JD Edwards.
    - Systematic and well organized.
    - Analytical and decision making skills.

- E. A dependable "Self Starter" personality who is able to perform continually at a high level.
  - Recognize a "Need" and be willing to step up and solve a problem without being asked.
  - Take ownership of the work management planning process and to drive the process to overcome roadblocks, resolve differences and correct deficiencies.
  - F. Not a clerk.
  - G. Understands the planner role.
  - Ability to communicate well with supervisors, operators, management, vendors, engineering, purchasing, accounting and mechanics.
  - I. A team player.
  - J. Able to handle multiple tasks routinely.
  - K. A desire to constantly learn and grow in the position.
- II. Adopt the Planner Responsibilities from the Plan as identified in the Pulp and Paper SET recommendations, page 4 and 5.
- III. All planners may use tools, if needed to further determine the scope of a work request.
- IV. Additional hourly craft persons may be utilized as planners when the work load or job knowledge requires specialized planning.
- V. Supervisor, Technical Assistants, Engineers, Shutdown Planner, Downtime Planners and Contract Coordinators can and will perform planning work as needed.
- VI. The planning department coordinator will implement a process for preparing a weekly work schedule. He/ She will use available departmental resources, including clerical help to prepare and publish this schedule.
- VII. Post these qualifications and responsibilities as per

a job bid in the Labor Agreement. Everyone in the bargaining unit(s) plant wide may bid. With regard to jurisdiction an employee shall retain membership or affiliation with the organization from which he came. (Subject to current law)

- VIII. The Company and the Unions shall establish a Panel of six (6) people: three (3) from the Company and three (3) from the Unions- one (1) IBEW Local 73, one (1) USW Local 608 and one (1) USW 712.
  - A. This Panel shall be responsible for developing questions for job candidates.
  - B. This Panel shall be responsible for interviewing the job candidates and selecting the positions based on the following standards.
    - Candidates will be selected based on qualifications and attitude. In the event of a tie, seniority will be the tiebreaker.
    - The 6 members of the Panel will determine the candidate's score using a uniform, mutually agreed system of scoring.
    - 3. We will interview the most qualified applicants as determined by the joint selection committee. The candidates interviewed will have the ability to strike two interviewers off the panel, one from the salaried group and one from the bargaining unit group. Four interviewers will conduct the interview utilizing the agreed upon questions.
    - Any employee that does not turn in an application will be disqualified from this bid.
    - 5. Any employee not selected, or

disqualified, shall be entitled to an explanation for such action, if so requested.

- We will maintain a pool of qualified applicants for one year after filling openings.
- IX. Employees selected in the following manner shall have a 60 day evaluation period which may be extended for an additional 30 days, with no more than 2 extensions allowed. During said period either the employee may return to that employee's regular job or the Company may return the employee to that employee's regular job.
  - A. Once the initial evaluation period is completed the employee will be expected to commit to the position for a period not less than one year.
  - B. At the end of one year the employee may elect to stay in the position.
  - C. At any time after the one-year commitment the employee may elect to return to that employee's regular job or position without loss of seniority or relative position. Maintenance employees who came off of shift for the Planner position are not to be put back on shift upon their return. An employee exercising this option shall give at least 30 days' notice.
- X. The Company shall move to immediately fill all vacancies created by the promotion or selection of the employee (s) to fill these positions.
- XI. In the event a non-craft employee, selected to fill the Planner position and has completed at least one year in the position, returns to that employee's regular job, the employee (s) moved to fill the temporary vacancy will not be adversely affected

by the return. If a vacancy occurs after said return the returning employee may fill that vacancy.

- XII. Alternate Planners: The Company will maintain the number of alternate planners determined to be appropriate by the department management. When they are not utilized in the Planning department, they will be returned to their normal department. The primary alternate planner will be mainly utilized for vacation relief and during extensive workload periods. The primary alternate will schedule their vacation through the Planning Group. The secondary alternate(s) will be utilized during extensive workload periods or when the need for additional planning is necessary. The secondary alternate(s) will schedule their vacations through their normal crew(s).
- XIII. RATE OF PAY: See Wage table in Exhibit A; as per Agreement Section 8 – Wages. All negotiated increases apply, which includes mechanic's adjustment. (Adjusted appropriately for IBEW rate)
- XIV. Planners may be used to perform maintenance work for callout, overtime and down days per the following:
  - Any maintenance work performed will be paid at the Planner Rate (excludes Alternate Planners who are not set up as Planners at the time).
  - For callouts, Planners would be called after the primary list has been exhausted.
  - For overtime, Planners would be offered work after the primary list has been exhausted.
  - For down days, Planners would be scheduled as the workload dictates.
  - Headcounts, vacations and overtime tracking would remain as per the current Planner Agreement.
  - Planners shall be placed by seniority within their primary skill group for purposes of layoff and recall.

The parties agree that at any time during the course of this Agreement the parties will meet to discuss any issues

that arise related to this document. There may be several factors that would cause this to occur (i.e. evolution of the Plan, unexpected issues). This includes the modification or termination of this Agreement.

See December, 2000 settlement agreement for details of work to capability changes, skills achievement and staffing levels.

## EXHIBIT B I. THE JOB ANALYSIS PLAN

The Job Analysis Plan is a semi-scientific plan developed for the purpose of uniformly evaluating and appraising jobs according to the skill, working conditions and responsibility factors required by and contained in each job, thereby resulting in the establishment of a uniform method of wage rate determination based upon job conditions which will provide job rates equitable and proper in their relationship with each other and with the utility rate. The steps are in accordance with the conversion schedule negotiated in 1957.

# II. THE SCOPE AND LIMITATIONS OF THE PROGRAM

A. The job analysis program shall not be applied to the job included in the mechanical trades listed in Exhibit A-II.

B. All other jobs covered by the Labor Agreement shall be considered eligible for analysis when presented in the manner prescribed herein to the Joint Job Analysis Board hereinafter provided for.

## **III. ADMINISTRATION AND PROCEDURE**

A. Job Analysis Directors

(1) The Job Analysis Directors shall be composed of one (1) representative of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and one (1) representative of Clearwater Paper Corporation. (2) It shall be the duty of the Job Analysis Directors:
 (a) To direct and supervise the functioning of the Job Analysis Program in accordance with the policies and procedures adopted by the parties to the Labor Agreement through negotiations.

(b) To receive reports from Plant Analysis Committees and to recommend improvements where necessary in the procedure of the Committees.

(c) To review cases of analysis upon request of either union or management members of the Plant Analysis Committees.

(d) To review the general operation of the Joint Job Analysis Board as to methods, factors, procedures, delays, etc.

(e) To direct the Joint Job Analysis Board as to changes in methods which do not constitute basic changes. The Directors shall not negotiate rates or exercise any of the collective bargaining functions of the International Union or of Clearwater Paper Corporation.

(f) To recommend improvements in the Job Analysis Program to future conferences for consideration.

B. Joint Job Analysis Board

(1) The Joint Job Analysis Board shall consist of one
 (1) representative of the International Union and one (1) representative of Clearwater Paper Corporation.

(2) (a) It shall be the duty of the Joint Job Analysis Board to evaluate and set the rate for any job presented for analysis in accordance with this program.

(b) It shall be the duty of the Board to follow the methods, tables and charts of the Job Analysis Program adopted and used in the member mills of the Uniform Labor Agreement between the Pacific Coast Association of Pulp and Paper Manufacturers and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, except the analysis shall be based on the utility rate.

(c) All decisions of the Joint Job Analysis Board must be agreed by both members of the Board before becoming official.

# C. Plant Analysis Committee

(1) The Company and each Local Union shall create a Plant Analysis Committee which shall consist of two (2) members representing the Local Union involved and two (2) members representing the Company.

(2) It shall be the duty of the Plant Analysis Committee:

(a) To act upon all requests for Job Analysis which may arise in the mill and to make application to the Joint Job Analysis Board on forms provided when and if in their opinion such analysis would result in a rate change. Any decision to submit a job to the Joint Job Analysis Board for analysis must be unanimously agreed upon by all members of the Plant Analysis Committee representing both the management and the Union involved who act upon the question.

(b) To make investigations of jobs submitted for analysis and to assist in pointing out factual and pertinent information relative to the job to the Joint Analysis Board at the time of analysis.

(c) To make a written report to the Job Analysis Directors which will include, (1) the number of jobs the Plant Analysis Committee has submitted to the Joint Job Analysis Board for analysis, and (2) a list of the jobs on which the union and management members of the Committee have been unable to agree as to whether an analysis should be made, with a statement of the facts on which the disagreement was based.

(3) Either the union or the management members of the Plant Analysis Committee may request a review by the Job Analysis Directors of any case of analysis where, in their opinion, proper application of the job analysis standards has not been accomplished.

(4) Effective September 1, 2003, only those jobs that have had a SIGNIFICANT change in duties and responsibilities will be analyzed. A meeting with the Joint Job Analysis board shall be limited to once per year if practical.

# **IV. GENERAL POLICIES**

 The analyzed job rate arrived at through official analysis by the Joint Job Analysis Board will be final and binding upon both parties to the Labor Agreement unless review has been requested as provided in Section III-C, paragraph (3). In case of such review the decision of the Job Analysis Directors shall be final and binding upon both parties.

(2) In cases where an official analysis indicates an upward adjustment in the rate for a job, the adjustment will be retroactive to the date agreed upon by the Plant Analysis Committee which is entered on, and a part of the application for analysis provided for in Section III-C, paragraph (2) (a) setting forth the Plant Analysis Committee.

(3) When an official analysis results in a downward adjustment of a rate (other than a temporary rate) for a job, the rate prior to the analysis will nevertheless be paid as a red circle rate. Wage increases will not apply to red circle rates: When the analyzed rate for the job becomes equal to or higher than the red circle rate, the red circle rate will be eliminated. However, if changes in progression ladders cause a subsequent job analysis which results in a reduction in pay, incumbent employees will be red circle and will be eligible for any subsequent general wage increase.

(4) In any case where a new job has been created, the Plant Analysis Committee of the local mill will make application to the Joint Job Analysis Board for a temporary rate for the new job. The temporary rate assigned will remain in effect until the official analysis is made. It will be the duty of the Plant Analysis Committee to agree on a date on which the job became sufficiently stabilized to have permitted an official analysis, and any increase resulting from the analyzed rate will be paid retroactively to that date.

(5) Insofar as possible, the Joint Job Analysis Board will complete its analysis of all new jobs or jobs which have been

changed since June 1, 1955.

Members of the Plant Analysis Committee shall be invited to be present during the analysis of the jobs; or at the option of the Plant Analysis Committee the Joint Job Analysis Board will explain in detail the analysis computations to the Plant Analysis Committee before leaving the mill. In those cases where it is not possible to complete the analysis at the mill, the Joint Job Analysis Board will return to the mill and explain the analysis computations before making the results official.

(6) Upon request, the Joint Job Analysis Board shall furnish to the Plant Analysis Committee, a copy of the job description and analysis computation forms pertaining to any specific job that has been analyzed in the plant. The copies of the said forms furnished are to be retained in the files at the plant office and will be open and given to the Union Job Analysis Committee upon request.

(7) Members of the Plant Analysis Committee or other employees in the mill who are relieved from their jobs during working hours to assist in carrying out the functions of the Job Analysis Program will be paid by the Company at their regular job rates for the time during their regular shifts, thereby preventing any loss in their regular income. Time put in on analysis work outside the employee's regular shift will not be paid for by the Company.

(8) Only those employees on the payroll of the Company on the date the analysis is officially reported to the Union and the Company will be eligible to receive retroactive pay resulting from an increase in job rate under our Job Analysis Program, excepting that persons terminating to enter the armed forces or who are retired, or the estates of persons who are deceased will also be eligible.

(9) Effective July 1, 1984, the present job analysis "whole step" conversion table shall be modified to a "half step" conversion table. Effective July 1, 1984, all future job analyses based on future changes in job content shall be calculated based on the "half step" conversion table.

#### EXHIBIT C

#### PENSION

A complete description of the plan is contained in a separate booklet prepared by the PACE Industry Union - Management Pension Fund and distributed to each employee covered by this plan.

#### EXHIBIT D

#### WELFARE PLAN

The Company will furnish to each of its eligible employees a Welfare Plan, providing the following benefits: \$1,000 Life Insurance provided for employees retiring on and after July 1, 1973.

52 weeks, non-occupational accident and sickness disability income benefits with benefits beginning for accident or hospitalization (1st day) and sickness (4th day). The three (3) day A&S waiting period will be waived for outpatient surgery. Employees must apply for Social Security benefits after twenty-six (26) weeks which, if provided by Social Security, will be integrated with/offset from Company plan payments. A&S benefits will stop as of date of notification of award for PIUMPF or Clearwater Paper Corporation disability or retirement. Social Security awards will be subrogated from effective date of disability. It is further understood that, in any case, there shall be no gap in the payment of a benefit.

Workers Compensation Supplement; \$70 per week - 52 weeks

1<sup>st</sup> day – 4<sup>th</sup> day maximum 70 percent of weekly base earnings. (Calculated on forty-five (45) hour basis).

Person off with occupational injury will be covered by A&S bracket rate for first 5 days, if not covered by Workers Compensation (effective 7-1-78).

1. Life Insurance - AD&D 7-1-07 increases to \$50,000 The Company shall offer optional Dependent and additional employee Life insurance coverage at the employee's cost.

 A&S – Accident & Sickness benefits will be paid at the bracketed contract rates shown in column 9-1-01 for the life of the agreement. Health Plan Wage adjustment is excluded from the Accident & Sickness brackets.

kness b	orackets.	
17.51	- 18.00 =	410
18.01	- 18.50 =	420
18.51	- 19.00 =	430
19.01	- 19.50 =	440
19.51	- 20.00 =	450
20.01	- 20.50 =	460
20.51	- 21.00 =	470
21.01	- 21.50 =	480
21.51	- 22.00 =	490
22.01	- 22.50 =	500
22.51	- 23.00 =	510
23.01	- 23.50 =	520
23.51	- 24.00 =	530
24.01	- 24.50 =	540
24.51	- 25.00 =	550
25.01	- 25.50 =	560
25.51	- 26.00 =	570
26.01	- 26.50 =	580
26.51	- 27.00 =	590
27.01	- 27.50 =	600
27.51	- 28.00 =	610
28.01	- 28.50 =	620
28.51	- 29.00 =	630
29.01	- 29.50 =	640
29.51	- 30.00 =	650
30.01	- 30.50 =	660
30.51	- 31.00 =	670
31.01	-31.50 =	680
31.51	- 32.00 =	690
32.01	- 32.50 =	700
32.51	- 33.00 =	710
33.01	- 33.50 =	720
33.51	- 34.00 =	730
34.01	- 34.50 =	740
34.51	- 35.00 =	750

35.01	- 35.50 =	760
35.51	- 36.00 =	770
36.01	- 36.50 =	780
36.51	- 37.00 =	790
37.01	- 37.50 =	800
37.51	- 38.00 =	810
38.01	- 38.50 =	820

Brackets will be added using the same ratios shown to increase weekly benefits as wage increases may require.

Employees shall become eligible for Life, A&S, Medical, Dental and Vision benefits the day following completion of the ninety (90) day probationary period.

An employee laid off or given a non-military leave of absence may continue his/her Group Life and Accidental Death and Dismemberment Insurance up to three (3) calendar months, provided he/she makes arrangements with the Company for payment in advance of his/her monthly premium.

In addition to the benefits provided above, the Company will furnish to each of its eligible employees the following additional coverage:

A comprehensive health care plan of all hospital, medical and surgical benefits including dental, vision and hearing coverage, for non-occupational illness and injury, will be provided by third party administrators chosen by mutual agreement. Any change in administrator(s) during the life of the agreement will be by mutual agreement.

Effective January 1, 1997 and each January 1 thereafter, each employee will be covered in the Clearwater Paper Corporation Health Care Plan under one of the following options as elected by the employee during a November open enrollment period each year. Employee Premiums\*

Plan	9/1/2010	1/1/2012	1/1/2013	1/1/2014
\$300/\$600	20%	20%	20%	20%
\$600/\$1200	10%	12%	16%	20%

\* Premiums effective 7/1/07 calculated on a retrospective basis. Premiums beginning 1/1/08 will be calculated on a prospective basis.

Change of Health and Welfare Administrators:

The company may change health plan administrators provided they have written mutual agreement with the Union to do so; the Union will consider all factors presented in its evaluation, including provider availability, provider continuity, quality of care, and cost, and shall not unreasonably deny agreement to such changes.

An additional health care plan for active and/or retired employees may be offered to bargaining unit employees during the term of the Agreement provided the Union has agreed in writing to all the terms and conditions of such offering in advance. The Company agrees not to implement exclusive home delivery for maintenance prescription drugs without concurrence of the Union. No changes will be made that are inconsistent with the substantive plan benefits negotiated or with the cost sharing arrangements negotiated. Composite cost equals 12 months' claims (August 1 through July 31) plus administration divided by average number of covered employees for the same period rounded to the nearest dollar. The amount in excess of \$200,000 per claim for the same 12-month period will not be included in the plan calculation for premium sharing. The Company will fully cooperate with the union in sharing health care plan cost information

Orthoptics when pre-approved by the medical plan third party administrator will be covered under the Vision Care Plan.

Negotiated benefit changes will be extended to those employees presently off work. A complete description of coverage is contained in a separate booklet prepared by the Company and distributed to each employee.

#### **GENERAL PROVISIONS**

A. Retirement (for employees hired before Jan. 1, 1997)

# Employees who retire between July 1, 1975 and July 1, 1985

Such employees are eligible for medical coverage as described in the benefits books in effect on the dates of their retirement.

# Employees who retire in Plan A and after July 1, 1985; effective September 1, 1988 and September 1, 1989

Active employees will assume any increase in premium that the retirees are required to pay. It is understood that the Company will not assume any additional cost with this change than it would have paid had the retirees continued to pay their share of premium increases.

# Employees who retire between July 1, 1991 and December 31, 1996

Such employees are covered under the \$100/\$300 deductible medical plan in effect during that period at no charge to them.

Employees retiring 1/1/97 through 8/31/02 who are eligible for retiree health care benefits as described below will be covered by the plan in effect on the retirement date at the premium in effect on that date. Retirees may change coverage during any open enrollment period. Premium for the new coverage will be fixed at the rate in effect on the change date.

**Employees retiring on or after 9/1/02** who are eligible for retiree health care benefits as described below will be subject to any plan changes and premium sharing adopted as part of the active employee health care plans during their retirement years. Retirees may change coverage during any open enrollment period. Premium for the new coverage will be the rate in effect on the change date.

Employees retiring on or after 9/1/03 who are eligible for retiree health care benefits as described below will be subject to any plan changes adopted as part of the active employee health care plans during their retirement years. Effective 1/1/04 retirees will pay 30% of the cost of retiree coverage.

#### Pre-65 Coverage

Active employees age 40 or greater with at least 10 years of service with Company on 12/31/96 will be covered. All others will not be covered.

## Post-65 Coverage

Active employees eligible for early retirement (age 55 with 10 years of service) on 12/31/96 will be covered. Company will pay Medicare Part B premiums for employee and spouse up to a maximum of \$50 per month per person. Coverage under Medicare Part B is required for participation in the Company health plan at age 65 and later.

**Employees retiring on or after 7/1/07** and during the term of this Agreement who are not eligible for retiree health care benefits may participate in the active employees plan at their own expense (based on separate retiree rate); provided, however, that election must be made at time of retirement or it is waived forever. Further, if such an employee initially opts to participate at the time of retirement and later drops coverage, they will not be able to re-enroll at a later time. This benefit applies only to pre-Medicare eligible coverage, and terminates once a retiree becomes eligible for Medicare.

Employees not eligible for early retirement on 12/31/96 will have no Company sponsored post-65 health plan coverage.

## **Retirees eligible for Medicare**

For retirees and/or their spouses who are eligible for medical plan coverage and become eligible for Medicare, regular plan benefits will be paid less any Medicare benefits for which the person is eligible.

## Retiree's death

In the event a retiree dies, his/her surviving spouse

and/or dependent children under the age of 18 may continue medical and vision coverage under the same terms and conditions that applied to retiree (see above) until the spouse remarries or the children reach age 18.

# B. RETIREMENT (For Employees hired January 1, 1997 and later);

Employees hired after 12/31/96, or transferring into this bargaining unit from other Company employment after 12/31/96 shall have no retiree health care coverage except as noted above for Employees retiring on or after 7/1/07.

# C. HEALTHCARE REIMBURSMENT ACCOUNTS

The Company will contribute on a quarterly basis \$170 per month per employee (excluding summer hires, and probationary employees during the first 90 days) to the Health Reimbursement Account Fund administered by the USW Industry Health and Welfare Fund office. A Health Reimbursement Account will be established for each eligible employee which may be used for the reimbursement of health related expenses as defined in the Plan Document.

The trust shall provide that health care benefits are payable only to the extent that the trust has assets and that such benefits are subject to change in the future as determined by the trust. The Company's sole liability is to make contributions to the trust as provided in the labor agreement.

Upon adequate notice from the Union (not less than 30 days), Clearwater Paper Corporation agrees that the Union may designate (no more than once per year) a specific amount per hour out of wages to be redirected to the HRA. Any future wage increases will be applied to the amount so designated. However, any contribution pursuant to such Union designation shall not be part of any employee's base wage rate for any purpose. Payment to the HRA will be made on a quarterly basis.

Note: Effective 9/1/05, the Company will direct \$.346 per hour to the Health Reimbursement Account Fund. Rate will increase as follows: retroactive to 9/1/10 - \$.39, 9/1/11 - \$.398, 9/1/12 - \$.406, 9/1/13 - \$.414.

The Company shall offer Health Care Flexible Spending and Dependent Care Flexible Spending Accounts.

# D. OTHER INSURANCE BENEFITS:

Other Insurance Benefits: If an insured person is entitled to any medical or Major Medical benefits or services from another source, such benefits under this plan may be reduced to an amount, which together with all such other benefits will not exceed 100% of any necessary, reasonable and customary item of expense covered under this Plan or any such other Plan.

# E. EMPLOYEE'S DEATH:

If an employee should die before retirement, Company will pay medical plan cost for the spouse and dependent children for up to 3 months, starting the first of the month following death.

Effective January 1, 1981, when an employee dies while actively employed by the Company and that employee, at the time of death, is eligible for early retirement, or has completed 25 years of service, group Hospital-Surgical-Medical coverage will continue for the spouse and dependent children who continue to be eligible under the respective plan definitions until either the spouse remarries, is covered by another group insurance plan, or is eligible for Medicare, whichever occurs first.

# F. DISABILITY:

The Company will continue to pay the costs of medical and dental benefits as if the employee were actively at work for up to 24 months in the case of an occupational illness or accident or for up to 12 months in the case of a non-occupational illness or accident.

#### DENTAL PLAN

Dental benefits will be provided as part of the healthcare plan for employees and the employees' eligible dependents.

If an employee should die before retirement, Company will pay dental insurance premiums for spouse and dependents for a maximum of 3 months, starting the first of the month following death (effective 7/1/77).

Eligible dependents, excluding spouses of retirees will be covered under the dental plan.

#### EXHIBIT E COVERAGE OF SATURDAY CONVERTING SCHEDULES:

It is the policy of the Company in normal five (5) day operations, to post scheduled Saturday work during the week previous to that Saturday where possible.

Also, it is the policy of Consumer Products Division Management to post unscheduled work by Wednesday afternoon preceding the Saturday work and where possible Management will continue to make efforts to do so.

Consideration will be given individual requests to be excused from Saturday work when such work results in more than forty (40) hours during a given week. All requests must be made through Shift Supervisors and will be granted based on need and availability of a suitable replacement in the judgment of Management.

In the event callboard availability prevents suitable coverage or on shift advancement, employees will be required to report to work Saturday, except that mutual trade request within job classifications will be given consideration by Shift and Department Supervisors where need exists and staffing requirements met.

#### EXHIBIT F 401K SAVINGS PLAN

#### **EFFECTIVE NOVEMBER 1, 1987**

The Company will make available to qualified employees the agreed to 401K Savings Plan.

1. Effective January 1, 2003, or upon ratification of the new Labor Agreement, whichever comes later, the maximum allowable employee contribution will be increased to twenty-five percent (25%).

2. New employees will be eligible for both the Basic and Supplemental parts of the 401(k) Plan the first of the month following 90 days of service. The Company will automatically enroll each newly hired employee in the Basic and Supplemental parts of the 401(k) Plan.

Effective July 1, 2007, the Company will make a Basic Contribution of one percent (1%) of each employee's eligible earnings to their 401(k) account (does not apply to retro).

3. Effective January 1, 2008, the Company will make a Matching Company Contribution of \$.55 for each dollar up to 6% of an employee's eligible compensation for each employee who makes Supplemental Contributions to the 401(k) Plan. For the Supplemental Employee Contributions, the employee who is auto-enrolled will contribute 3% of eligible employee compensation for the first year of participation, and then have an automatic addition of 1% per year until 6% is reached. The employee may opt out of participation in 30 days or change the rate of their contribution at any time following enrollment.

Company Contributions will vest at the rate of 20% per year. The date vesting begins is the date the employee is employed by the Company. In addition, employees will be automatically vested upon retirement, total and permanent disability, attainment of age 65 or death, regardless of years of service.

Effective January 1, 2007: The Basic Contribution and Supplemental Company Match Contribution will be invested in the same manner as each employee's own contributions.

## EXHIBIT G 12 Hour Shift Agreement

There is no intent to change the meaning, interpretation or intent of the current labor agreement, except where necessary to accommodate the 12 hour shift agreement. This Exhibit outlines the operating guidelines for the 12 hour rotating shift schedule.

It is understood that the following guidelines will be adhered to regarding the 12 hour rotating shift schedule:

- There will be no adverse effects on employee safety, morale, attendance or mill efficiency caused by the 12 hour shift schedule.
- There will be no decrease in quantity or quality of production caused by the 12 hour shift schedule.
- Adequate qualified replacements will continue to be available for relief purposes when required per language contained in the 12 hour shift schedule language.
- Qualified employees will continue to be available for work (i.e. wire and felt changes, lockout, etc.) when required with due consideration for safety and efficiency of operations.

The Company and the Union agree to modify provisions of the labor agreement so that utilization of a 12 hour shift schedule will not result in additional cost to the Company, nor will it adversely affect the employee.

The parties agree the terms and conditions of the existing labor agreement remain in full force and effect regardless of what work schedule is in effect at the mill. The 12 hour shift schedule and memoranda are to apply only to 7 day rotation tour workers. Either party (the Union Standing Committee or the Company) may, at any time, cancel the 12 hour shift schedule. Upon such cancellation the Southern Swing Schedule will be resumed and all conditions of the Labor Agreement will apply. Prior to such cancellation the party calling for termination of the 12 hour shift schedule will notify the other party of the concerns causing such termination. The other party may offer such suggestions as appropriate to correct the concerns. If agreeable the party calling for termination of the 12 hour shift schedule may rescind their action.

This agreement is subordinate to the Labor Agreement.

## **12 HOUR ROTATING SHIFT LANGUAGE**

For the purpose of a 12 hour shift schedule, the parties hereby mutually agree to the following terms and conditions:

- The parties agree the terms and conditions of the 1. existing Labor Agreement remain in full force and effect at the mill. The 12 hour shift schedule and memoranda are to apply only to 7 day rotation tour workers. Either party (the Union Standing Committee or the Company) may, at any time, cancel the 12 hour shift schedule. Upon such cancellation the Southern Swing schedule will be resumed and all conditions of the Labor Agreement will apply. Prior to such cancellation the party calling for termination of the 12 hour shift schedule will notify the other party of the concerns causing such termination. The other party may offer such suggestions as appropriate to correct the concerns. If agreeable the party may rescind their action If a bail out is exercised the 12 hour shift schedule would continue until the end of the cycle.
- The twelve (12) hour shift times of 7:00 a.m. will define a day as period of twenty-four (24) hours beginning 7:00 a.m., and a week as a period of seven (7) calendar days beginning at 7:00 a.m. Monday. Definition of Day under Labor Agreement remains in effect.
- 3. When filling vacancies with overtime on the regular weekly work schedule, the process will be to ask the senior eligible employee who last held the position, who can accept or decline the work. In the event the senior eligible employee that last held the position does not and so on, until the junior eligible employee that last held the position is reached. That employee will be forced.
- 4. It is clearly understood by both parties that qualified replacements must be available for relief purposes when required. Replacements will normally come from either callboard employees or employees on their scheduled days off. When overtime work is required,

the Company will make reasonable effort to assign it to an employee(s) from the position or job classification in which the vacancy occurs by:

A. Call in senior eligible person on their days off that last held the position.

B. Call in junior eligible person on their days off, that last held the position.

- C. Refer to volunteer list by job classification by seniority of eligible employees in the line of progression.
- Refer to volunteer list by seniority of eligible and qualified employees in the line of progression.
   Pay would be that of the job.
- E. If necessary an employee will be forced to cover the vacancy. The force order will be the order that employees were called in items a. through d. above.

Note – not eligible if would place in a situation of exceeding contractual maximum allowaqble work hours or rest requirements.

- Overtime at the rate of time and one-half will be paid for all work in excess of twelve (12) hours in any one day at the contract pay rate for hours worked on the 12 hour shift schedule.
- 12 hour shift workers shall receive time and two tenths (1.2) pay at the contract rate for time worked on Sunday. Hours worked on a Sunday past twelve hours or 40 hours in that week will be paid at time and onehalf (1.5) at contract rate of pay.
- Floating holidays will be paid at the straight time contract rate of the last job performed prior to time off. Each 4 on 4 off tour worker will receive 48 hours of Holiday pay per the current labor agreement. Employees will be permitted to take four (4) twelve hour

days off. In addition to the current language regarding taking of banked floating holidays, tour workers may draw down one (1) additional 12 hour floater, per floater year (January 1 through December 31) from accumulated banked floating holidays. Floating holidays will be scheduled as they have been in the past.

- Jury duty allowance is provided, however, such reimbursement shall not exceed twelve (12) hours a day at the contract rate of pay or forty (40) hours per week at the contract rate.
- Funeral leave is provided per current contract language. Reimbursement shall not exceed twelve (12) hours pay at the contract rate per eligible days.
- 10. If an employee is called out prior to his or her regular starting time, he/she will be paid at the call out rate at time and one-half contract rate until the beginning of his/her regular shift. After twelve (12) continuous hours of work, time and one-half at contract rate will apply.
- Group term life insurance, AD&D, A&S, accident coverage and pension will be covered based on existing contract language.
- Time worked on non-restricted holidays will be paid per current contract provisions (Ref. Section 7 – Holidays, and Section 10 – Overtime, #2).
- 13. Attached is the schedule for the 12 hour shift schedule.
- 14. For the 12 hour shift schedule, the 24 hours between the two day shifts and two night shifts shall be considered the training period. The company will work with the crews to schedule meetings and/or training to accommodate the crew's preferred time/day (subject to availability of vendors, instructors, etc.) There may be occasions when mandatory meetings or training may need to be scheduled outside of this period. In those cases, at least 7 days notice will be provided. Attendance will be considered voluntary with less than

7 days notice.

- Employees scheduled to attend meetings or training 15. sessions on a day they would have worked a twelve hour shift, will be allowed to return to their regular (day) scheduled twelve hour shift after the meetings and training sessions in order for them to complete a twelve hour shift. Should the meeting or training session be outside of the regularly scheduled shift hours the employee will be paid at time and one-half the contract rate. If an employee goes back to their shift, the person covering goes home.
- 16. See Section 19 of the Labor Agreement for meal provisions.
- Except as outlined above, the terms and conditions of 17. the existing collective bargaining agreement remain unchanged.

WEEK	М	Т	W	Т	F	S	S
1	D	D	N	N	-	-	-
2	-	D	D	N	N	-	-
3	-	-	D	D	N	N	-
4	-	-	-	D	D	N	Ν
5	-	-	-	-	D	D	Ν
6	N	-	-	-	-	D	D
7	N	N	-	-	-	-	D
8	D	N	N	-	-	-	-

#### SCHEDULE A

\*This schedule requires eight weeks to complete one cycle.

COMMENTS:

HOURS The first four weeks are 48 hours each and the second four weeks are 36 hours each. This creates unbalanced pav periods with some checks for 96 hours and others for 72 hours of work

Time off is always four consecutive days. TIME OFF

ROTATION The rotation always follows the same pattern of two day shifts then two night shifts followed by four days off

## LONGEST PERIOD OF WORK

All work periods are for four consecutive days consisting of two day shifts and two night shifts.

 $\underline{\mathsf{WEEKENDS}}$  In the eight-week cycle, there are three full weekends off and two

weekends with only one day off.

VACATION Days off to days off.

#### EXHIBIT H Letter of Understanding – Contracting Out

Letter of Understanding - Contracting Out January 7, 2003

The Company will continue to communicate with the Union on all contracting out issues.

The Company will consider Union proposals for in house performance. The Union Standing Committee will in a timely manner review and report back to the Company with regard to in house performance of the work to be contracted out. In deciding about contracting out the Standing Committee shall look at overall feasibility, manpower requirements, and project completion deadlines in deciding whether to perform the work in house.

For those projects that are performed by in house personnel the Standing Committee shall be responsible for selection of a leadman, who shall receive the leadman rate of pay. In reaching agreement that projects shall be performed in house the possible requirement that these projects shall be scheduled outside of standard work hours and requires payment of overtime shall not be a consideration.

Reaffirmed September 1, 2010, by:

Dan P. Murphy

Gaylan Z. Prescott