



COLLECTIVE AGREEMENT

between

**RESOLUTE FOREST PRODUCTS
Thunder Bay Operations**

UNIFOR - Local 39-386

May 1, 2018 – April 30, 2022

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COLLECTIVE AGREEMENT

between

RESOLUTE FOREST PRODUCTS

Thunder Bay Operations

and

UNIFOR Local 39-39-386

1.0 PURPOSE

Recognizing their mutual interest in the successful operation of the Company and the provision of wages and working conditions as hereinafter provided, the parties hereto agree that it is the duty of the employer and the employees to promote at all times the furtherance of these objectives and, therefore, this Agreement is entered into this 2nd day of September, 2014, between RESOLUTE FOREST PRODUCTS, Thunder Bay, Ontario, hereinafter referred to as the "Company," and UNIFOR Local 39-386, of A.F.L.-C.I.O.-C.L.C., hereinafter referred to as the "Union."

2.0 RECOGNITION

- 2.1 The Company agrees to recognize the Union as the exclusive bargaining agent for all Office and Clerical employees, Camp and Depot Clerical Employees, of the Company as provided in the "Certificates" issued by the Ontario Labour Relations Board dated January 27, and October 14, 1954, and for all Scalers and Tallymen in the employ of the Company in its Woodlands Division in Thunder Bay district save and except check Scalers as provided in the "Certificate" issued by the Ontario Labour Relations Board dated May 5, 1955. For purposes of this Article, Company employees shall be all those employed in the job classifications set out in the wage schedule attached to and forming part of this Agreement, including those who are employed on job classifications which may be established and become part of the attached wage schedule during the term of this Agreement.
- 2.2 Any new position not specifically provided for in Schedule "A" and which is within the scope of the bargaining unit shall be the subject of negotiation between the parties with respect to classification and rate of pay. A Union-Management meeting shall be called for the purpose of such negotiation two (2) weeks in advance of the establishment of such new position, when practical. In no case shall advance notice be less than one (1) week.

In the event that new jobs are created or significant changes occur in existing jobs, the employee may prepare a new or revised job

description, subject to the approval of the department Supervisor, for submission to the Job Evaluation Committee.

It is understood that, if, upon creation of any new position, the Union disagrees with Management's action, a meeting(s) will be arranged within two (2) weeks to consider and resolve the matter.

- 2.3 Management and supervisory employees shall not perform work which would normally be a function of an employee in the job classifications covered by this agreement except when instructing employees and in cases of emergency.

3.0 PERIOD OF AGREEMENT

- 3.1 The Company and the Union agree that this Agreement shall remain in full force and effect from **May 1, 2018, to April 30, 2022**, inclusive, and from year-to-year thereafter, unless written notice of intention to terminate or amend this Agreement is given by either party to the other within ninety (90) days prior to expiring or within ninety (90) days prior to April 30th, any year thereafter in which the Agreement continues.

4.0 STRIKES AND LOCKOUTS

- 4.1 It is agreed that there shall be no strike or lockout so long as this Agreement continues to operate.

5.0 CONDITIONS OF EMPLOYMENT

- 5.1 For the purpose of Collective Bargaining, every employee employed in a position included in the bargaining unit shall, as a condition of employment, become and remain a member of the Union after **six (6)** months from commencement of employment and shall maintain his membership in good standing according to the constitution and bylaws of the Union for the duration of this Agreement.

- 5.2 All new employees shall serve a probationary period of **six (6)** months, during which period the Union shall not act for or represent such employees in any capacity except as to rates of pay and hours of work. It is understood and agreed that such employees shall pay regular monthly dues commencing with the first month of employment.

- 5.3 a) The Company shall have the right to employ temporary help intermittently for periods consecutively not exceeding three (3) months or accumulatively not exceeding four (4) months, during any twelve (12) month period. Student help may be employed intermittently for periods not exceeding four (4) months. Such employees shall, after three (3) weeks of employment, be assessed through payroll check-off the equivalent of regular Union dues.

In the event that such employees continue to be employed beyond the limits established herein, the position will be posted as a vacancy, if after consultation with the Union, the Company considers the job to be permanent.

- b) In the event that such temporary and student employees continue to be employed beyond the limits established herewith, they shall immediately become members of the Union and their seniority, for all purposes, shall be established as of the original date of employment, except as provided in Clause 10, and shall include all time worked during the intervening period.

5.4 Every employee shall give at least two (2) weeks' notice of termination of their employment.

5.5 The Company shall give two (2) weeks' notice of layoff or of termination of employment or shall pay two (2) weeks' salary in lieu of notice, except in cases of dismissal for cause or termination during the probationary period or in cases of whole or partial cessation of operations due to strikes, fires, floods, or other valid reasons beyond the Company's control.

5.6 a) For all new employees employed on jobs in the bargaining unit, the Company agrees to obtain signatures on a card to be provided by the Union, authorizing deduction of Union dues and initiation fees. The cards will be turned over to the appropriate Union Official, and returned to the Company at the time Union dues and initiation fees are to be deducted.

- b) Union dues will be deducted on presentation of a signed authorization from all employees within the bargaining unit. Such dues will be deducted each month from the salaries of employees and same remitted to the Secretary-Treasurer of the Union, with a list of deductions made by the tenth day of the following month, and such list is to include year-to-date deductions for each employee.

- c) Upon hiring, the employer agrees to acquaint new employees with the fact that a Collective Agreement is in effect, and notifies the Union in writing of the employee's name, address, department, position and salary rate.

6.0 JURISDICTION

6.1 The Company will not be asked to act upon any question involving jurisdiction between Unions. Any question of jurisdiction shall conform to the regulations covering such matters as fixed by *The Labour Relations Act of Ontario*.

7.0 DISCRIMINATION

- 7.1 It is not the Company's intention to reduce or discontinue existing privileges unless they are abused. The Company agrees to discuss any abuses with the employee(s) and/or the Union before any reduction or discontinuance of privileges is implemented.
- 7.2 No discrimination or demotion shall be imposed upon any employee for participation or non-participation either past, present or future in the organizing or maintenance of the Union.
- 7.3 There shall be no discrimination against any bargaining unit employee as contained in the Ontario Human Rights Code. Any provision to the contrary is null and void.
- 7.4 Wherever the masculine gender is used in this Agreement, it shall in all cases refer to and include the feminine gender as well.

8.0 MANAGEMENT

- 8.1 Except as otherwise provided in this Agreement, the right to hire, promote, suspend, lay-off, demote, transfer, discharge for just cause or re-employ employees, and the management of the properties of the Company, shall be vested exclusively in the Company and the Company shall have the sole right to determine the number of men and women it will employ or retain in the operation or maintenance of its business, together with the right to exercise full control and discipline over its employees in the interest of proper operation. It is understood that, with respect to the administration of matters of promotion, suspension, lay-off, demotion, transfer, hiring, discharge for just cause, filling vacancies and new positions, Management shall acquaint the Union in writing as soon as possible, of the contemplated action for positions in the bargaining unit. In the event of a dispute arising out of the application of this understanding, the Union reserves the right to refer to the Grievance Procedure with respect to such matters as fall within the scope of the bargaining unit as defined in the Recognition Clause.
- 8.2 For positions in the bargaining unit and contract employees working in Local 39-386, the Company will supply the Union with a list of additions to and deletions from the work list, with effective dates of each within seven (7) days of the date of such change.
- 8.3 The Company agrees that, when clerical or scaling work is not available in its Woods Operations, it will make every effort to employ clerical or scaling workers elsewhere in its operations, having due regard for seniority, ability and fitness, provided that other suitable employment is available and provided also that the Company's requirements permit.

9.0 VACANCIES

- 9.1 a) Any vacancies or newly created positions falling within the scope of the bargaining unit shall be advertised without undue delay by means of a notice posted on designated bulletin boards of the Company for five (5) working days. The notice shall clearly state position, necessary qualifications, salary, department, effective date and expiry date. If the selection creates other job vacancies, the above procedure will be repeated except that the five (5) day period will be reduced to two (2) days. The Union will be notified in writing if no suitable applicant is accepted, prior to the Company hiring from outside.

Employees on vacation during the posting period may, immediately upon their return to work, apply for any positions posted during such vacation provided that the position has not already been awarded, by means of a notice posted on the bulletin boards.

Experience as temporary relief on a permanent job is not a prerequisite and does not prejudice an employee's success in attaining that permanent job through the posting procedure, except where the Company and the Union agree or have agreed that the temporary vacancy will lead to the next permanent position. (See Schedule D.)

- b) The Company shall advise the Union of the successful applicant in writing within ten (10) days of the expiry date of the posting.

The successful applicant shall be moved to his new position, if possible, within ten (10) days, following the awarding of the position. Should this not be possible, the Company will advise the Union of the reason for delay.

- c) The successful applicant will have a sixty (60) day period in which to qualify, or a further time period as may be mutually agreed. During this period, adequate training will be provided. Failure of an employee to qualify, or in the event the employee decides to return to his former position and location within this period, the employee will be entitled to return without loss of seniority or salary position.

10.0 SENIORITY

10.1 Local 39-386 Bargaining Unit Seniority General

- a) Local 39-386 Bargaining Unit Seniority shall be established upon the completion of the prescribed probationary period and shall be effective from the date of employment in a position covered by this Agreement.

(i) Mill Service is defined as the length of an employee's accumulated service with the Company. When two (2) or more employees are hired on the same date, their Mill Service shall be established by the order of hiring. Mill Service will be the seniority used in determining benefit entitlements in accordance with the provisions of this Agreement.

(ii) Local 39-386 Bargaining Unit Seniority shall be defined as the date an employee first enters the service of the Company in the bargaining unit subject to the terms of Article 10. When two (2) or more employees are hired on the same date, their Local 39-386 Seniority shall be established by the order of hiring. Local 39-386 Bargaining Unit seniority shall be established upon completion of the probationary period and shall be effective from the date of employment in a position covered by this agreement, except for temporary employees.

Local 39-386 Bargaining Unit Seniority will be a factor in vacancies, layoffs, recalls, and any other provisions of this agreement.

Seniority accrued in one (1) bargaining unit shall not be interchangeable with other bargaining units. Employees transferring from one (1) bargaining unit to another will be placed at the bottom of the seniority list to which they are transferring and the date of such transfer shall be deemed to be the employee's Local 39-386 Bargaining Unit Seniority date.

- b) For the purpose of establishing original date of employment, temporary employees, after completing the probationary period, shall accumulate actual time worked and such accumulated time shall be used to establish a starting date for Local 39-386 Bargaining Unit Seniority purposes, when permanent employment is achieved.
- c) It is agreed that the employees in the two (2) existing bargaining units comprising the following groups, Main Office, Camp Clerical and Scaling shall carry with them Local 39-386 Bargaining Unit Seniority from group to group.

10.2 Promotion, Lay-off, Rehire and Transfer

- a) Where Local 39-386 Bargaining Unit Seniority, ability and fitness are relatively equal to perform the required tasks, then Local 39-386 Bargaining Unit Seniority will be the determining factor. Such principle shall apply in all cases of decrease, increase, transfer, lay-off, recall or promotion, and in the advancement of employees to higher classifications.
- b) When an employee is temporarily assigned to replace another employee, he will receive the step rate of pay for that assigned position that provides an increase in pay, or retain his former rate of pay, whichever is greater.

- c) In the event that training is required during temporary assignment to enable an employee to perform the job, the employee will retain his former rate of pay until he assumes the duties of the job.
- d) An employee who is promoted to a classification that is in a higher rate group than his former classification shall, upon promotion, receive the next step rate of pay of his new position that provides an increase in his rate of pay.

An employee who transfers to a classification that is in the same rate group as his former classification which requires the same or similar skills shall receive his same rate of pay.

An employee who transfers to a classification that is in the same rate group as his former classification which requires new or different skills shall receive the first level rate of the new classification.

Positions not requiring Additional Certification

An employee's advancement between Level 1 to Level 3 shall be determined on their ability to complete the required duties of the position. In order to advance from Level 1 to Level 2, an employee must demonstrate their ability to complete the majority of tasks required within the position. Once the employee is trained and capable of assuming the full duties of the new job, they will then receive the Level 3 step rate of pay for that position. Questions of interpretation will be decided upon by the Company in consultation with the Union.

Positions requiring Additional Certification

For Group 6 positions requiring additional certification (i.e Payroll Assistants, Accounting Assistants, Transportation Assistant, Transportation Coordinator, Buyer Clerk) the 1st level rate for the classification shall apply upon entry into the position. The 2nd level rate will be paid the month following notification to the Company of successful completion of 25% of the required courses. The 3rd level rate will be paid the month following notification to the Company of successful completion of 50% of the required courses.

Effective the first of the month following notification of successful completion of the required certification, the incumbent shall be paid an additional 4% above the Group 6, 3rd level rate.

The applicable certification will be determined in conjunction with the Training Department and appropriate departmental supervision.

10.3 Bumping Procedure

Permanent Lay-off:

In the event of a reduction in jobs due to job elimination, the employee or employees affected shall be entitled to move as follows, provided they have the Local 39-386 Bargaining Unit Seniority and qualifications:

- a) Employees shall not be able to bump into a higher group.
- b) Employees may bump in the following order:
 - i) the junior employee in the same classification within the same group.
 - ii) the junior employee in another classification within the same group.
 - iii) if unable to bump within the same group, the employee shall bump the junior employee in any classification in the next lower group(s).
- c) If employees are unable to bump in any of the above situations, they will bump any temporary employee, and they will then assume a position as a temporary employee according to their Local 39-386 Bargaining Unit Seniority.
- d) An employee that bumps into a job and has the Local 39-386 Bargaining Unit Seniority, ability and qualifications, shall be entitled to a trial period of up to two (2) months.
- e) If there is no job that the employee can bump into, including temporary jobs, the employee shall be laid-off.

Temporary Lay-Off

- a) Employees shall not be able to bump into a higher group.
- b)
 - i) Employees shall be able to bump the junior employee in the same classification within the same group.
 - ii) The junior employee within any classification in any lower group if they have the required Local 39-386 Bargaining Unit Seniority, ability and fitness.

In the event that the lay-off is one (1) month or less, the employee must be able to commence the work immediately, without additional training.

- c) If employees are unable to bump in any of the above situations, they will bump any temporary employee, and they will then assume a position as a temporary employee according to their Local 39-386 Bargaining Unit Seniority.

10.4 Retention of Local 39-386 Bargaining Unit Seniority

An employee shall retain his Local 39-386 Bargaining Unit Seniority under the following conditions:

- a) Authorized leave of absence and lay-off periods of less than twelve (12) months, or sickness or injury disabling an

employee for work shall not alter his accumulation of Local 39-386 Bargaining Unit Seniority rights.

- b) Employees promoted or transferred to a position outside the bargaining unit shall retain such Local 39-386 Bargaining Unit Seniority as has been accumulated at the time of promotion or transfer for a period of one (1) year.
- c) Employees who return to the bargaining unit within the one (1) year period shall be assessed the amount of Union dues equivalent to what they normally would have paid had they not left it. Such employees shall be permitted to knit together time before and after the transfer for purposes of Local 39-386 Bargaining Unit Seniority.
- d) Employees who return to the bargaining unit after a period of one (1) year shall be considered a new employee in respect to Local 39-386 Bargaining Unit Seniority.
- e) In order to return to the bargaining unit the employee must bid on posted vacancies.
- f) An employee who is on authorized leave of absence on Union business shall accrue Local 39-386 Bargaining Unit Seniority while on such leave of absence, to a maximum of one (1) month in any calendar year.
- g) An employee who is employed on a full time basis by the Union may be granted leave of absence, and shall accrue Local 39-386 Bargaining Unit Seniority while on such leave up to a maximum of one (1) month in any calendar year, and shall retain such accrued Local 39-386 Bargaining Unit Seniority for a period not exceeding twelve (12) months. It is agreed, however, that the twelve (12) month period may be extended for a further twelve (12) month period, if requested in writing by the employee.
- h) The Company will provide Maternity and Adoption Leave in accordance with the Employment Standards Act as amended from time to time and consistent with the Company policy as outlined in the attached form.

10.5 Loss of Local 39-386 Bargaining Unit Seniority and Termination of Employment

Continuity of service shall be considered broken and employment and Local 39-386 Bargaining Unit Seniority terminated when:

- a) An employee quits or is discharged (and the discharge is not reversed through the Grievance Procedure);
- b) An employee fails to report to work at the termination of a leave of absence or within one (1) week after being recalled

to work and fails in either case to provide a satisfactory reason for each failure to report;

- c) An employee is absent from work without providing a reason satisfactory to the Company;
- d) An employee utilizes a leave of absence for purposes other than that for which the leave of absence was granted;
- e) An employee is absent from work on account of accident, illness or disability for a period exceeding twenty-four (24) months. This will not apply for employees on established bonafide W.S.I.B. or L.T.D. claims regularly receiving benefits. In addition, this clause will not be interpreted or applied in a manner which is inconsistent with the provisions of the *Ontario Human Rights Code*, as amended;
- f) An employee is laid-off for eighteen (18) months.

Recall Rights of Twenty Four (24) months will be provided for employees laid off as a result of the Thunder Bay Restructuring Plan.

10.6 For the purpose of establishing the inability of an employee to report for work by reason of sickness, as provided for in this Article, the Company reserves the right to request the employee to provide the Company with a certificate certifying such sickness prepared by a duly qualified medical practitioner.

Employees on the relief/call crew will be entitled to benefits under the following conditions:

- a) The cost of the benefit premiums will be borne by the employee. Payments for benefit coverage will be required to be made in advance, for the remainder of the year by post dated cheques. Benefit coverage will not be allowed to be added or deleted outside a change in family status during the year.
- b) Employees who work greater than 1,365 hours per year will be entitled to benefits as per the Collective Agreement. Should an employee on the relief/call crew work 1,365 hours or more within the calendar year, the cost of benefits outlined above, which the employee had paid for, will be reimbursed by the Company.
- c) Employees who work less than 1,365 hours per year will only be entitled to Extended Health Care and Life Insurance, benefits, the cost of which will be borne by the employee.
- d) Vacation pay for employees with less than 1,365 hours will be as per the Employment Standards Act.

- e) Should the recall rights of the employees on the relief crew expire, and / or should no other Local 39-386 employee be on recall, the relief crew would be collapsed.

10.7 All employees holding a regular position as of September 2, 2014 will remain employed in the mill, except in the following situations:

- When there are technological changes or automation;
- When there is a total closure of the mill, a department or a machine;
- When there is a temporary closure of the mill, a department or a machine due to a lack of orders or because of market conditions;
- When there is a temporary closure because of an accident or other cause beyond the control of the employer (Act of God);
- When there is disciplinary or administrative dismissal;
- When there is a voluntary departure or on retirement.

Job security is not a guarantee of hours of work per week.

Decisions impacting job security

In the event of a situation where the Company must proceed with or is contemplating significant changes that impact the workforce, such as permanent mill, department or paper machine closure, the Company will inform the Union a minimum of 30 days in advance where possible.

The Company will work with the local Union and a National Representative of the union to put in place transition measures to mitigate the impact of these changes, such as early retirement, utilizing all available EI and other programs. Where possible this local discussion will take place within 7 days following the announcement.

11.0 HOURS OF WORK

- 11.1 a) The permanently scheduled work day shall be either seven (7) or eight (8) hours, and the work week shall consist of five (5) days. Daily hours of work shall be scheduled between 7:30 a.m. and 4:30 p.m., with one (1) hour for lunch. The lunch hour shall be established by mutual agreement.
- b) With regard to the Company's Scaling employees, it is agreed that their scheduled work week shall be one of five (5) days. Daily hours of work shall be scheduled in advance locally to meet operational needs and no employees shall be required to work more than forty (40) hours in any week. It is understood

that the work week shall run from Monday through Saturday, except that Scaling personnel when required to work more than five (5) days or in excess of forty (40) hours in any week, or on Sundays or Statutory Holidays shall be compensated as set out in "Overtime." The application of this clause shall be worked out on a local basis by mutual agreement between the Union and the Company.

* See also Alternate Work Week Schedule – Page 41.

11.2 Whenever possible, employees will be scheduled for five (5) consecutive days, exclusive of Sunday. This does not apply to employees scheduled to service seven (7) day operations and the present understanding will continue in effect.

11.3 On a three (3) shift operation, shift scheduling will be as set out below with the understanding that any alteration will be by mutual agreement between the Company and the Union. It is further understood that agreement by the Union will not be unreasonably withheld.

| <u>Shift</u> | <u>Starting Time</u> |
|--------------|----------------------------------|
| 1st shift | From 7:00 a.m. - 8:30 a.m. |
| 2nd shift | From 3:00 p.m. - 4:30 p.m. |
| 3rd shift | From 11:00 p.m. - 12:00 midnight |

Overtime

11.4 Overtime will be any hours before the regular starting time or after the regular closing time and authorized in advance by the Department Supervisor. The Company agrees to maintain sufficient employees to avoid excessive overtime.

11.5 Overtime worked, except as applicable to Scaling Employees, will be compensated for as follows:

- a) Overtime worked on scheduled work days, Monday through Saturday inclusive - time and one-half (1 ½) for each hour worked.
- b) Overtime worked on Sundays, or an employee's assigned day off - time and one-half (1 ½) for each hour worked.

Double time will be paid for all hours worked on a Paid Holiday or in excess of seven (7) hours during the twenty-four (24) hour period of a Sunday, or scheduled day off. Any employee working the 12-8 shift prior to the Sunday, Paid Holiday, or scheduled day off shall qualify for the above providing the hours of work are consecutive. A minimum of two (2) hours shall be given for any work performed on such days.

- c) Overtime worked shall be paid for **via direct deposit**, not later than the pay period following that in which the overtime is

worked. Time off in lieu of overtime pay shall be solely at the option of the employee. If time off is taken, it must be requested in writing and taken at a time mutually agreeable to the Company and the employee and the request for time off will not be unreasonably withheld. If such time off is not taken, overtime worked shall be paid for, to be computed on the basis of one hundred and fifty-two (152) hours per month. It is understood that accumulation of time off in lieu of overtime pay shall not exceed a total of five (5) days.

- d) An employee who has completed his work schedule and has left the Company's property, and who is called back to work, shall receive time and one-half (1 ½) for the hours worked, but in no case shall he receive less than four (4) hours pay at straight time. If, upon completion of the necessary work that required the call-in, the employee is required by the Company to perform any subsequent additional work, it shall be treated as an added Call-in.

11.6 Overtime, as applicable to Scaling employees, will be compensated for as follows:

- a) All overtime worked in excess of scheduled work day or in excess of scheduled work week will be time and one-half rate (1 ½) for each hour worked.
- b) Overtime worked on Sundays, or an employee's assigned day off - time and one-half (1 ½) for each hour worked.

Double time will be paid for all hours worked on a Paid Holiday or in excess of eight (8) hours during the 24-hour period of a Sunday, or scheduled day off. Any employee working the 12-8 shift prior to the Sunday, Paid Holiday, or scheduled day off shall qualify for the above providing the hours of work are consecutive. A minimum of two (2) hours shall be given for any work performed on such days.

- c) Overtime worked shall be paid for via **direct deposit**, not later than the pay period following that in which the overtime is worked. Time off in lieu of overtime pay shall be solely at the option of the employee. If time off is taken, it must be requested in writing and taken at a time mutually agreeable to the Company and the employee and the request for time off will not be unreasonably withheld. If such time off is not taken, overtime worked shall be paid for, to be computed on the basis of one hundred seventy-three (173) hours per month. It is understood that accumulation of time off in lieu of overtime pay shall not exceed a total of five (5) days.
- d) An employee who has completed his work schedule and who is called back to work shall receive a minimum of one (1) hour's straight time pay or time and one-half (1 ½) on hours worked, whichever is greater.

- 11.7 Employees required to extend their regular work day by one (1) hour or more shall be provided with a meal at no cost to them. A hot meal will be provided whenever practical.

Implement flexible work schedules where necessary that provide for both 8 and 12 hour schedules that meet operational requirements and remove financial penalties related to shift changes with less than 24 hours' notice where applicable for relief employees and/or for unplanned or unscheduled shutdown changes.

12.0 PAID HOLIDAYS

- 12.1 a) The following days are to be observed as holidays without loss of pay by all members of Unifor Local 39-386 (except the Mill Yard Scaling Group): New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day and the afternoon of the last working day preceding Christmas Day and New Year's Day. Additionally, two (2) floating holidays will be granted without loss of pay and at a time mutually agreeable on completion of three (3) months of continuous service.

- b) The following days are to be observed as holidays without loss of pay for the Mill Yard Scaling Group only:

New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, and Boxing Day.

Additionally, three (3) floating holidays will be granted without loss of pay and at a time mutually agreeable on completion of three (3) months of continuous service.

- c) The floating holiday provisions noted above in a) and b) do not apply for temporary employees.

- 12.2 When any of these Paid Holidays fall on an employee's scheduled day off, other than Sunday, he shall be granted another day off at a time mutually agreeable to the Company and the employee. When any of these Paid Holidays fall on a Sunday, the observance of the holiday shall be on the Monday following.

- 12.3 a) To qualify for payment of Paid Holiday Pay, an employee must have accumulated a minimum of sixty (60) days of service, and must have been at work on the day preceding the holiday and return to work as scheduled immediately following the holiday, except as provided in 12.3 (b).

- b) An employee shall qualify for Paid Holiday Pay if absent immediately prior to or following the Holiday under the following conditions:

- i) if absent on vacation or approved leave of absence;
- ii) if absent due to illness or accident provided the employee has been at work at sometime within the sixty (60) day period prior to the holiday;
- iii) if on lay-off, provided the employee has worked within the period thirty (30) calendar days immediately prior to or immediately following the Paid Holiday.

12.4 When it is required to perform necessary work on a Paid Holiday, the Company will ask for volunteers with the necessary qualifications to perform the work. If the Company is unable to obtain sufficient qualified volunteers, the Company will have the right to schedule qualified personnel as may be necessary. Employees who work will be paid in accordance with the provisions of Article 11, in addition to Statutory Holiday Pay.

13.0 REMUNERATION

Salary rates shall be covered under Schedule "A" attached hereto.

14.0 VACATIONS

Vacations shall be covered under Schedule "B" attached hereto.

15.0 EMERGENCY AND SICK LEAVE ALLOWANCE

Emergency and Sick Leave Allowance shall be covered under Schedule "C" attached hereto.

16.0 GRIEVANCE PROCEDURE

In the event that grievances or complaints arise in a department of RESOLUTE FOREST PRODUCTS, they shall be finally and conclusively settled as hereinafter provided. Either party may initiate grievances with the procedure pursued as expeditiously as possible.

A grievance shall be submitted within five (5) working days from the time the employee and or the Union receives knowledge of the alleged infraction.

If the Company fails to respond to the Union, without mutual agreement, within the timelines of each step of the grievance process, the Union can advance the grievance to the next step.

Step 1 - An employee, shall in the first stage, confer with the appropriate immediate supervisor, accompanied by his shop steward, in an attempt to find a resolution. The appropriate

supervisor's verbal reply will be given within five (5) calendar days.

Step 2 - If the supervisor's decision is not acceptable, then within fifteen (15) calendar days, the grievance will be submitted in writing by the Union to the superintendent, otherwise the matter will be closed. Such written grievance shall be signed by the grieving party or his representative. The superintendent will give his answer in writing to the shop steward within five (5) calendar days of receipt of such written grievance.

Step 3 - If the reply of the superintendent does not satisfactorily adjust the grievance, a meeting with the department manager may be requested within fifteen (15) calendar days of the superintendent's answer, otherwise the matter will be closed. The departmental manager or his designate will meet the Union in an attempt to resolve the grievance within ten (10) calendar days of a request for such a meeting. The departmental manager shall give his written decision within five (5) calendar days following the aforementioned meeting.

Step 4 - If the reply of the departmental manager does not satisfactorily adjust the grievance, a meeting between the General Manager or his designate and the Union may be requested within fifteen (15) calendar days of the departmental manager's answer, otherwise the matter will be closed. The National Representative of the Union will be present at this meeting. The General Manager, or his designate, shall give his written decision within five (5) calendar days following the aforementioned meeting.

Matters concerning the application, interpretation or administration of the Agreement, that concern a group of employees or that would not normally fall within the authority of the local supervisors referred to in Steps 1 and 2, may be submitted as a grievance in Step 3.

In the event the parties are unable to reach settlement of a grievance through the provisions of the Grievance Procedure, the aggrieved party may within ninety (90) calendar days after the date of the General Manager's written answer in Step 4, notify the other party of a desire to have the dispute arbitrated by a third (3rd) party. Failure to provide such notification within such ninety (90) day period shall constitute waiver by the aggrieved party to further consideration of the case.

If the Company has a grievance as defined in Paragraph 1, it shall commence at Step 3 of this grievance procedure by the departmental manager presenting the matter in writing to the officers of the Union. Failing satisfactory settlement within thirty (30) calendar days, then the matter shall be referred to

the Union and the General Manager or his designate. The National Representative of the Union will be present at this meeting. Failing a settlement at this meeting, then either party may, within ninety (90) calendar days, refer the matter to Arbitration.

ARTICLE 17 ARBITRATION

After referral to Arbitration, the parties will attempt to select an Arbitration Board. The Company will have the privilege of selecting an Arbitrator, the Union will have the same privilege, and the two (2) thus chosen may select a third (3rd) Arbitrator. If these two (2) Arbitrators cannot agree upon a third (3rd) Arbitrator, the Minister of Labour for Ontario shall appoint a third (3rd) Arbitrator and this Board of Arbitration shall convene and render a decision, which shall be final and binding upon both parties to this Agreement.

Either party will have the right to refer the matter to a single Arbitrator, should the parties fail to agree to the Arbitrator, the Minister of Labour for Ontario shall make the appointment. The Arbitrator's decision shall be final and binding upon both parties to this Agreement.

The Arbitration Board or single Arbitrator shall not be authorized to render any decision inconsistent with the terms of this Agreement, nor shall it alter, add to, or amend any of its provisions. It shall, however, have the right to make a just, equitable award.

Any of the time limits provided herein may be extended by mutual consent of the parties hereto.

Each party shall bear the cost of its own nominee and the fee and expenses of the Chairman of the Arbitration Board shall be shared equally between the Company and the Union.

18.0 DISCIPLINE AND DISCHARGE

18.1 When an employee is to be disciplined or discharged for just and reasonable cause, he shall be notified in writing and a copy of such notice shall be given to the Union. The employee, accompanied by a Union representative, shall meet with the Company to discuss the cause of the disciplinary action. Failure to resolve the matter shall in no way jeopardize the employee's right to have recourse to the grievance procedure.

18.2 a) A claim made by an employee (or by the Union on his behalf) within five (5) working days of the receipt of the aforementioned notice that such employee has been unjustly discharged, shall be treated as a grievance and handled in accordance with the grievance procedure. The five (5) day

period may be extended by mutual consent in special circumstances.

- b) Where an investigation by the Company and the Union reveals that an employee has been unjustly discharged, he shall be reinstated and reimbursed for the lost time involved and have all pension and seniority rights restored.

19.0 PAY PROVISIONS

19.1 Payment of salaries will be made bi-weekly, on every second Tuesday.

19.2 Deductions from salary, except those required by law, order-in-council, or government regulation, shall be made only upon authorization signed by the employee.

20.0 RULES AND REGULATIONS

20.1 Rules and regulations as issued from time to time by the Company shall be applicable to all members of Local 39-386. The Company shall supply the Union with written copies of all rules and regulations as they are brought into existence, revised or updated.

20.2 Notices

The Union shall have the privilege of posting notices of meetings of members and other approved notices at specified places on the Company's premises. The Human Resources Department will be furnished with copies of all such notices for approval prior to posting.

21.0 TECHNOLOGICAL CHANGES

Recognizing the need for introducing from time to time, technological changes and automation, and having full concern for the impact of such changes on its employees, the following procedures have been agreed to:

- a) The Company undertakes to advise the Union, as far in advance as possible, and in any case not less than sixty (60) days before the introduction thereof, of technological changes and/or automation which the Company has decided to introduce which will result in significant changes in the employment status of employees.
- b) The Company further agrees to discuss with the Union, the effect of such changes on the employment condition of employees and to consider, where possible, ways and means of providing other jobs for employees displaced by the change.
- c) Each instance will be studied on its own merits and full consideration will be given to length of service, skills, and edu-

cation. Such measures as early retirement, retraining and transfers to other jobs will be considered.

When as a result of technological change an employee requires new skills or knowledge in order to perform the duties of his current position, the Company will provide the necessary training.

- d) In the event of a permanent employee, with one year's continuous employment, being set back to a lower paid job due to technological change, his rate shall be maintained for a period of six (6) months from date of set-back and for a further period of six (6) months an adjusted rate will be established midway between his previous rate at time of set-back and the rate of his new permanent job. At the end of the one (1) year period the rate of his new permanent job will apply.
- e) In the event that a permanent employee, with one (1) year's continuous service or more, is laid-off because of automation or mechanization, he shall be given three (3) months' notice of separation.

22.0 SEVERANCE PAY

22.1 A permanent employee with at least one (1) year's continuous service, who is laid-off due to job elimination by Management decision for such causes as more efficient operation, change or elimination of process or lack of orders, shall be paid Severance Pay. Severance Pay shall not be paid due to job elimination for such causes as seasonal lay-off, fire, flood, explosion, or "Act of God." Service shall not be deemed to have been broken by authorized leaves of absence or by layoffs which do not involve the removal of the employee's name from the payroll. Severance Pay shall be paid in accordance with the following:

Permanent lay-off

In the event of a permanent paper machine, department or mill closure, the maximum amount of severance pay will be one and one-half (1 ½) weeks of pay per year of continuous service.

Lay-off – 12 consecutive months

If the duration of a lay-off exceeds twelve (12) consecutive months, one-half (½) week of pay will be paid per year of continuous service in addition to the current provisions. The total amount of severance pay that an employee may receive will not exceed one and one-half (1 ½) weeks of pay per year of continuous service, for any reason, for any time. The number of continuous years of service shall be calculated from the last lay-off period for which the employee received severance pay. This is effective for lay-offs commencing after the first day of the month following ratification of the Collective Agreement.

- a) Severance Pay will not be paid to employees who resign or are discharged. One-half of his Severance Pay is payable after the employee has been laid-off due to job elimination for a period of six (6) weeks. The second half of the Severance Pay is payable after the employee has been laid-off a total of three (3) months. It shall be the responsibility of the employee to make application for such Severance Pay.
- b) If recalled to work before the Severance Pay payment is payable, no such payment will be made. Any employee refusing a recall shall forfeit his right to Severance Pay.
- c) If an employee is recalled after having received all of the Severance Pay due him, he will, as of the date of return, commence a new period of accumulation which will be credited toward any future lay-off.
- d) If an employee is recalled after having received half of the Severance Pay due him, he will, upon return to work, retain the right to the unpaid portion which will be added to any new accumulation of Severance Pay.

23.0 GROUP LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

23.1 Group Life Insurance and Accidental Death and Dismemberment benefits shall be provided in accordance with the full summary of these plans which is attached to and forms part of this Agreement. The terms and conditions governing these Plans are outlined in the master insurance policies issued to the Company by the Insurance Carrier(s).

24.0 SOCIAL BENEFITS

24.1 a) The Company agrees to pay the premium costs of O.H.I.P. during the term of this Agreement.

- b) Provincial medical care coverage will be provided to all employees who are off work due to a Workplace Safety and Insurance Board claim or Weekly indemnity Disability claim for a maximum period of twelve (12) months from date of accident or illness, provided the disability continues.

24.2 a) Weekly Indemnity Plan

- Weekly indemnity premium costs will be fully paid by the employee.
- There will be one Master Policy with consideration for sub groups representing the Non-UNIFOR Unions. The Union will design the Plan to fit its members' needs and will own the master policy of this plan. The Company will be responsible for its administration.

- The Dispute Resolution Mechanism-Weekly Indemnity will be applied in accordance with the Company's letter dated March 29, 2010.
- b) The Weekly Indemnity benefits payable under this plan will be reduced by any disability or sickness benefits paid under the provisions of any government legislation or any Company benefit plans, except for War Disability Pensions and Workplace Safety and Insurance Board Disability Pensions.
 - c) Benefits shall cease on the effective date of retirement under the provisions of the Company Retirement Plan.
- 24.3 a) The Company further agrees to pay the full cost of a Long Term Disability Plan providing for 55% of an employee's normal weekly earnings payable to Age sixty-five (65) or termination of the disability, whichever occurs first, with the understanding that the Company is allowed to retain the employee's portion of the Employment Insurance Credit on sick leave as presently enacted. This shall apply only to employees with one (1) year or more of continuous active service on a full-time basis.
- b) To qualify for Long Term Disability Insurance Benefits, an insured employee must be totally and continuously disabled and prevented from performing any occupation for which he is qualified by prior training, education or experience.
 - c) Long Term Disability Benefit Coverage

The Company agrees to upgrade Long Term Disability benefit payments for all employees who have been continuously disabled for five (5) years or more to reflect the May 1, 1999; May 1, 2000; May 1, 2001; May 1, 2002; and May 1, 2003, wage increases as outlined below.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 1999, wage increase and will take effect from the later of:

- (i) May 1, 1999, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2000.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 2000, wage increase and will take effect from the later of:

- (i) May 1, 2000, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2001.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 2001, wage increase and will take effect from the later of:

- (i) May 1, 2001, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2002.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 2002, wage increase and will take effect from the later of:

- (i) May 1, 2002, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2003.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 2003, wage increase and will take effect from the later of:

- (i) May 1, 2003, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2004.

Pensionable Service

The Company agrees to upgrade Pensionable Service for all employees who have been continuously disabled for five (5) years or more to reflect the May 1, 1999; May 1, 2000; May 1, 2001; May 1, 2002; and May 1, 2003; wage increases as outlined below:

Employees who are in receipt of Long Term Disability at January 1, 2000, and who have completed a five (5) year qualifying period will have the pensionable service recomputed with effect from that date to reflect the May 1, 1999, wage increase.

Employees who are in receipt of Long Term Disability at January 1, 2001, and who have completed a five (5) year qualifying period will have the pensionable service recomputed with effect from that date to reflect the May 1, 2000, wage increase.

Employees who are in receipt of Long Term Disability at January 1, 2002, and who have completed a five (5) year qualifying period will have the pensionable service recomputed with effect from that date to reflect the May 1, 2001, wage increase.

Employees who are in receipt of Long Term Disability at January 1, 2003, and who have completed a five (5) year qualifying period will have the pensionable service recomputed with effect from that date to reflect the May 1, 2002, wage increase.

Employees who are in receipt of Long Term Disability at January 1, 2004, and who have completed a five (5) year qualifying period will have the pensionable service recomputed with effect from that date to reflect the May 1, 2003, wage increase.

24.4 These adjustments exclude any change in the benefit calculation formula, for shift differential.

Benefits payable under either of the above plans will be reduced by any amount received for the same disability from the following sources:

- any federal, provincial, or municipal Government plan, including disability benefits payable under the Canada Pension Plan;
- any Group Disability Insurance or Pension Plan through the Company.

24.5 The full text of the Weekly indemnity Disability Benefit Plan and the Long Term Disability Benefit Plan, are attached to and form part of this Agreement. The terms and conditions governing these plans are set out in the master insurance policy issued to the Company by the Insurance Carrier(s). The administration of these plans is subject to the Grievance Procedure, however, final decision with respect to claims disposition will be the responsibility of the Insurance Carrier(s). The Company agrees to pay immediately the cost of compensable broken items with the understanding that reimbursement will be made by the individual.

24.6 The Dental Fee Schedule from the Association of *Dental Surgeons* applicable throughout the term of the 2018-2022 Collective Agreement shall be as follows:

- For the 2018 calendar year, the 2017 schedule of fees shall apply;
- For the **2019** calendar year, the **2018** schedule of fees shall apply;
- For the **2020** calendar year, the **2019** schedule of fees shall apply;
- For the **2021** calendar year, the **2020** schedule of fees shall apply;
- For the **2022** calendar year, the **2021** schedule of fees shall apply;

24.7 Effective the first day of May, 2006, the Company agrees to pay the premium cost of the Extended Health Care Plan during the term of this Agreement. The full summary of this Plan, dated October 1,

1978, is attached to and forms part of this Agreement. The terms and conditions governing this Plan are outlined in the master insurance policy issued to the Company by the Insurance Carrier(s).

24.8 The Retirement Income Plan (1972), Traditional Plan as amended to, forms part of this Agreement.

The new pension account is effective January 1, 2011 and forms part of this agreement. A description of the Plan is printed in this Agreement for information purposes only. Any questions of administration or interpretation of the Plan will be decided based on the rules of the full Plan text.

24.9 Medical Certification Fees

The Company will compensate an employee for the full fee charged by a physician for the completion of a medical certificate of illness, if such a certificate is required by the Company to support an employee's claim for benefits pursuant to the Weekly Indemnity Plan or the Long Term Disability Plan. Payment will be initiated upon the production of a formal receipt from the attending physician.

25.1 Shift Differential

In addition to the regular rates, a Shift Differential will be as follows:

- Second shift - designated as a regular shift beginning between the hours of 8:31 a.m. and 4:30 p.m. - 50¢ per hour.
- Third shift - designated as a regular shift beginning after 4:31 p.m. - 70¢ per hour.

It is agreed that the first shift is designated as a regular shift beginning between the hours of 7:00 a.m. and 8:30 a.m.

25.2 Mileage Allowance

Effective May 1, 2006, employees who are required to use their own vehicles in the performance of their work shall be reimbursed thirty-six cents (36¢) per kilometre. To be reviewed annually.

25.3 Safety Footwear

As of the date of ratification, the Company agrees to pay up to a maximum of **\$250** annually to employees who have completed six (6) months continuous service, toward the purchase of protective footwear, provided they provide a receipt to the Payroll Office confirming the purchase of approved CSA footwear in accordance with Mill standards.

It further agrees that matters having to do with the provision of protective clothing will be resolved with the Union concerned at the department level.

25.4 Meal Policy







The Company will provide a meal to all employees who are required by the Company to work in excess of two (2) hours overtime before, or one (1) hour after their regular hours worked and every four (4) hours thereafter unless mutually agreed that a meal is not necessary. A hot meal will be provided whenever possible.

Meals will not be supplied to employees working in excess of scheduled hours for their own convenience. The News and Kraft lunch rooms will continue to house vending machines which will be managed by a separate 3rd party. For those employees who are eligible to receive a meal, but chose to receive the equivalent value of the meal instead, the payment of the meal's value, based on current practice, will be issued to the employee via payroll on the next available pay and will be subject to applicable payroll deductions. The equivalent value of a meal is \$19.00.

DATED AND SIGNED AT THUNDER BAY, ONTARIO, THIS 28th day OF MARCH , 2018.

FOR THE COMPANY:

FOR THE UNION:

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26.0 SCHEDULE "A"

**RESOLUTE FOREST PRODUCTS
Thunder Bay Operations**

and

**UNIFOR
Local 39-386**

SCHEDULE OF WAGE RATES

Effective May 1, 2018 – April 30, 2022

27.0

SCHEDULE "B"

VACATIONS

27.1

- a) Vacations with pay shall be paid on a calendar-year basis – January 1st to December 31st.

Vacation Allowance shall be as follows:

All employees, on completion of one (1) years' service, shall receive two (2) weeks' vacation with pay which may be taken any time within the calendar year in which their first anniversary falls.

All employees, on completion of five (5) years' (60 months) service, shall receive three (3) weeks' vacation with pay which may be taken any time within the calendar year in which their fifth anniversary falls.

All employees, on completion of ten (10) years' (120 months) service, shall receive four (4) weeks' vacation with pay which may be taken any time within the calendar year in which their tenth anniversary falls.

All employees, on completion of seventeen (17) years (204 months) service, shall receive five (5) weeks' vacation with pay which may be taken any time within the calendar year in which their eighteenth anniversary falls.

All employees, on completion of twenty-five (25) years' (300 months) service, shall receive six (6) weeks' vacation with pay which may be taken any time within the calendar year in which their twenty-fifth anniversary falls.

Beginning with the vacation year 2000, all employees on completion of twenty-three (23) years of service (276 months), shall receive six (6) weeks of vacation with pay which may be taken any time within the calendar year in which their twenty-third anniversary falls.

All employees, on completion of thirty (30) years' (360 months) service, shall receive seven (7) weeks' vacation with pay which may be taken any time within the calendar year in which their thirtieth anniversary falls.

- b) All employees taking vacation between November 1st and April 30th, of the following year, excluding the month of December, shall be granted a bonus of 10% of their weekly vacation pay for each week of vacation taken during that period.
- c) The calculation of vacation pay shall be 2.2% of gross earnings in the previous calendar year or one (1) week's earnings at normal pay, whichever is greater, for each week of vacation entitlement. Effective January 1, 2000, the calculation of vacation pay shall be 2.2% of gross

earnings in the previous calendar year or one (1) week's earnings at normal pay, whichever is greater, for each week of vacation entitlement.

- d) Employees who work intermittently and who do not hold permanent positions will not be eligible for vacation time off but would be paid the appropriate vacation pay allowance based on bi-weekly gross earnings and paid at a time mutually agreeable between the Company and the employee but in no case later than year end.

27.2 Supplementary Vacation

Employees with twenty-five (25) years of continuous service shall receive the following additional vacation in the calendar year in which they attain:

| | | |
|--------|----|--------------------|
| Age 60 | -- | additional 1 week |
| Age 61 | -- | additional 2 weeks |
| Age 62 | -- | additional 3 weeks |
| Age 63 | -- | additional 4 weeks |
| Age 64 | -- | additional 5 weeks |

- 27.3 If an employee works 50% or more of the qualifying year at a higher rate of pay, he shall receive vacation pay at the higher rate.

27.4 Permission and Time of Vacation

- a) Employees shall be given the opportunity of stating their preference for their first three (3) week vacation period according to both Union seniority and position.
- b) An employee shall consult his department head by February 28th, in each calendar year to arrange a mutually agreeable time for his vacation period stating the month in which the vacation is desired and the specific vacation period. Annual vacation not booked prior to May 1, 2006 will be subject to one (1) week notice of cancellation without penalty and may be scheduled by management.
- c) No more than three (3) weeks shall be taken between June 1 and September 30, unless special arrangements can be made for substitution. All employees shall be granted their first 3 week vacation request in accordance with 27.4 (b), with the understanding that not more than two (2) weeks can be taken at one time.
- d) When a recognized holiday or half-holiday falls within the vacation period such time shall not be counted as vacation and the vacation period shall consequently be extended one (1) day or one half (1/2) day before or after the holiday period, upon mutual agreement between the employee and their supervisor.

- e) On rare occasions it may be absolutely necessary to request an employee to forego his vacation period during a particular year. Should this occur, vacation time may then be accumulated. However, under no condition will vacation accumulation be extended a second year. Such accumulated vacation may be taken at one (1) time.

28.0

SCHEDULE "C"

EMERGENCY ALLOWANCE

- 28.1 a) The Company agrees to provide the Union with required time off, at Union expense, for Union representatives to service Bargaining Unit personnel employed in the Company's Woodlands Operation.

The Company further agrees that, upon two (2) days written notice, and prior to the posting of normal schedules, the Company will grant leave of absence without pay for Union representatives to conduct Union business. It is understood that such leave will not exceed three (3) days in any calendar month for such employee. In the event additional time off is required, the Company will not unreasonably withhold permission.

- b) All employees shall be entitled to a maximum of five (5) working days off with pay, in addition to vacation allowance, during each calendar year for bona fide emergencies in which absence from duty is necessary or obligatory. Typical emergency absences are illness in the employee's immediate family, bereavement leave, or the birth or adoption of a child. Continuous absence from duty in excess of one day shall be supported by a doctor's certificate or other proof of emergency if requested by Management.

A new employee shall build up his five-(5) day emergency allowance at the rate of one-half (1/2) day per month.

The emergency allowance may be taken one-half (1/2) day or more at a time, as required.

The Company may at its discretion extend emergency allowance in the case of bereavement in the immediate family.

Unused emergency allowance cannot be carried over to subsequent years.

The Company reserves the right to revoke these privileges in cases of abuse or when efficiency of operations is seriously impaired.

28.2 Sick Leave Allowance

Employees with less than 15 years of service

The Company will continue to provide the Sick Leave Plan for current employees **with less than 15 years of service** as of May 1, 2006, based on an accumulation of ½ day per calendar month of service to a maximum of twenty (20) days at 70% of regular salary. To qualify, an employee must have completed 12 continuous months of service. Sick leave is not cumulative in excess of twenty (20) days nor cumulative subsequent to an absence within the same year. Unused sick leave cannot be carried forward to a later period of time.

Employees with 15 or greater years of service

The Company will continue to provide the Sick Leave Plan for current employees **with fifteen (15) years or more** service as of May 1, 2006. The Sick Leave Allowance shall not exceed twenty (20) days at 70% of regular salary in total in each calendar year. Sick Leave is not cumulative. Unused Sick Leave is not carried forward to a later period.

For each group of employees, the maximum number of weeks allowable off work and on the sick leave plan combined with the Weekly Indemnity plan shall not exceed 52 weeks for any one illness. Employees expected to reach 52 weeks off work shall apply for Long Term Disability benefits.

Continued absence from duty in excess of one (1) day is to be supported by a doctor's certificate if requested by Management.

See attached seniority list for clarification of eligibility.

Employees hired subsequent to May 1, 2006

Employees hired subsequent to May 1, 2006, shall be eligible for a maximum of three (3) sick days per year at 70% which are non-cumulative. Un-used sick days cannot be carried forward to the following year. Subsequent to the use of the three (3) sick days, the employee would be eligible for Short Term Disability (STD) benefits as per the terms and conditions of the Weekly Indemnity Disability Plan.

28.3 Jury Duty

- a) An employee who is prevented from working his scheduled shift due to being on jury duty, reporting for jury roll call, or as a subpoenaed witness, shall be paid the difference between the pay received for such duties and his normal straight time hourly earnings, which he otherwise would have received.

- b) An employee scheduled to work the midnight to 8:00 a.m. shift or tour immediately prior to jury roll call or any other duties stipulated in this Article shall be excused upon request, and will receive their normal straight time rates for that shift.

- c) An employee subpoenaed to testify in court on his regular scheduled day off for reasons directly related to his job responsibility shall be entitled to be reimbursed for the time lost up to a maximum of eight (8) hours pay.

SCHEDULE "D" POSITION QUALIFICATIONS**Payroll (Mill / Woodland Payroll)****Minimum Education Qualifications:**

2 year College diploma in Business (Accounting or Payroll, or Human Resources preferred), with one-year experience required. The position requires the successful candidate to possess, or be willing to enrol in and successfully complete the Payroll Management Certificate program within a mutually agreed to time frame.

Accounting Department**Senior / JR Accounting Assistant (Mill/ Woodlands Accounting)****Minimum Education Qualifications:**

University degree and accounting designation (CMA/CGA) required. The position requires the successful candidate to possess, or be willing to enrol in and successfully complete the CMA / CGA certification program within a mutually agreed to time frame.

Accounts Payable**Minimum Education Qualifications**

2 year College Diploma in Accounting required.

Purchasing Department**(Buyer Clerk)****Minimum Education Qualifications**

Grade 12 required. The position requires the successful candidate to possess, or be willing to enrol in and successfully complete the Principles of Buying (15 weeks – PMAC) and the Principles of Transportation (15 weeks-PMAC) within a mutually agreed to time frame.

Transportation Department**Transportation Coordinator / Freight Clerk****Minimum Education Qualifications**

Grade 12 required. The position also requires the successful candidate to possess, or be willing to enrol in and successfully complete the Canadian Institute of Traffic and Transportation (CITT) program within a mutually agreed to time frame.

Maintenance / Engineering Department**Maintenance Clerk****Minimum Education Qualifications**

Grade 12 required.

Health and Safety**Minimum Education Qualifications**

Grade 12 required.

Information Technology**Minimum Education Qualifications**

Two year College Diploma Electronics /Engineering Technology-Computers required.

GIS Technician**Minimum Education Qualifications**

Two Year College Diploma – Geometrics Technician program.

Scaling Department**Scaler****Minimum Education Qualifications**

MNR Scaling Licence (currently under review).

General Provisions re Education Qualifications

It is understood that the above education qualifications are the minimum required as outlined above.

The Company reserves the right to amend the qualifications as required in consultation with the Union based on operational changes/requirements.

Incumbents with existing agreements and/ or new applicants shall be enrolled or be willing to enroll at the first available opportunity in the required program, and are required to successfully complete the required courses in a time frame mutually agreeable between the parties.

In the event that an employee is unsuccessful more than twice in obtaining the required certification as outlined above, or is unwilling to enroll in the course, he/she will relinquish the position. If this should occur, the parties shall meet to discuss the member's continued employment and / or other suitable placement if possible.

In the event that the applicable certification program is cancelled, or subsequently changed, an alternative program will be arrived at through mutual agreement between the parties.

Based on operational need, and at the Company's discretion, the above language would not apply to employees temporarily relieving in positions based on the ability of the temporary employee to successfully complete the required tasks.

30.0 JOB EVALUATION PLAN

The Job Evaluation Plan and its associated Committee will be established and will function in accordance with the following terms and conditions:

- a) All jobs in the jurisdiction of Local 39-386 in the Thunder Bay Mill and Woodlands Operations will be evaluated.
- b) The Plan will consist of six (6) salary grades and evaluations will be based on the factors and point values as described in the "CUPE Job Evaluation Plan."
- c) Job descriptions will require the incumbent's and supervisor's signature to be considered completed, subject to changes by the Evaluation Committee. The Job Evaluation Committee will be supplied with copies of job descriptions at least one (1) week prior to the particular jobs being evaluated.
- d) Job Evaluation Committee:
 - i) The Joint Committee will consist of six (6) regular members, with three (3) members being appointed by each signatory party. An alternate will also be appointed by each party to be used in cases of prolonged absence or when the job evaluated is that of a Committee member or in the department of a Committee member.
 - ii) Committee members and alternates will be determined before the evaluation process begins.
 - iii) A member of the Human Resource Department will act as non-voting Chairman/Secretary of the Committee.
 - iv) The incumbent and his supervisor may be called upon to appear before the Committee to supply additional information and clarification. Where there is more than one (1) incumbent in a job, a spokesperson will be chosen by the Union.
 - v) Where the Committee is unanimous in its evaluation, such decision shall be final and binding. If the Committee is unable to reach a unanimous decision on a particular evaluation, the matter will be referred to the Manager, Human Resources, or his appointee and a representative designated by Local 39-386, Unifor for adjudication. Their decision shall be final and binding, and not subject to the Grievance Procedure.
 - vi) Detailed evaluation results will be maintained by the Committee on a confidential basis.

e) Rates of Pay

- i) Group salary rates for the six (6) salary grades are based on rates identified in the Wage Schedule of the Collective Agreement.
- ii) Where the evaluation results in a rate higher than that presently in effect, the higher rate will be paid on the date of implementation.
- iii) Where the evaluation results in a rate lower than that presently in effect, the present rate will be maintained as a “red circled” rate and will be applicable only to the incumbent(s) on the date of implementation. Incumbents who have their jobs “red circled” will be eligible to receive 75% of future general wage increases until the differential has been eliminated.
- iv) Employees hired, transferred or posted to another department after the implementation date will receive the group rate of the job for which they are hired, transferred, or accept through job posting.

f) Re-Evaluation/New Jobs

Upon request by the Company or the Union, job descriptions, qualifications and evaluations will be revised for jobs which have a significant change in duties. Evaluations will be made after a reasonable period of not more than three (3) months, and any change in rate will be subject to the conditions outlined above. Newly-created positions will be evaluated after a period not to exceed three (3) months.

Upward adjustments will be retroactive to a mutually agreed upon date.

31. WORK PRACTICES

Bargaining unit employees will continue to perform their basic functions, however, for reasons of efficiency and temporary absences of other employees they may also be assigned work not related to their primary function or department.

32. LETTERS OF UNDERSTANDING

All Letters of Understanding in effect between the Company and Union shall be considered part of this Agreement and will be attached as a supplement to the Collective Agreement, except those letters identified and agreed as personal, which will be filed in the employee's personnel file.

33. Canadian Community Fund

Upon ratification, the Company will pay into the Canadian Community Fund (Unifor National Office – 205 Placer Court, Toronto ON M@H 3H9) two cents (\$0.02) per hour for all hours worked

SCHEDULE "E"

INDEX

LETTERS OF UNDERSTANDING

Between

**RESOLUTE FOREST PRODUCTS
Thunder Bay Operations**

And

UNIFOR Local 39-386

May 1, 2018 – April 30, 2022

INDEX

LETTERS OF UNDERSTANDING

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RESOLUTE FOREST PRODUCTS

Thunder Bay Operations
2001 Neebing Avenue
Thunder Bay, Ontario P7E 6S3
Tel. (807)475-2110
Fax (807)475-8643
www.resolutefp.com

39-386-90-01

LETTER OF UNDERSTANDING

between

**RESOLUTE FOREST PRODUCTS
THUNDER BAY OPERATIONS**

and

**UNIFOR,
LOCAL 39-386**

**Re: ALTERNATE WORK WEEK AND WORK DAY SCHEDULING
(MILL YARD SCALER)**

It is understood that this Agreement is supplementary to the Collective Agreement between the parties, and is intended to cover the special conditions arising from the re-arrangement of workweek and workday scheduling.

A. General

1. Alternative Work Week and Work Day Scheduling will be introduced as described herein on a trial basis for the Scalers assigned to work in the mill yard, on a date mutually agreed to by the parties.
2. There will be an initial trial period of three (3) months duration. During this time, either party may request a meeting to discuss any problems that may arise in the operation of this Agreement. At the end of the three (3) month trial period, the parties agree to review these arrangements for the purpose of either continuing or terminating the special Agreement.
3. Once implemented on a continuing basis following the trial period, either party may terminate this special Agreement upon giving the other party at least ninety (90) days written notice of their desire to terminate the arrangement.
4. It is understood and agreed the intent of this Agreement is to ensure that implementation of the modified workweek schedule results in no increase to the cost of the Company's operation nor deterioration of efficiency or productivity. Should problems be identified subsequent to the implementation, which are not addressed by this Agreement, the

parties agree to meet and resolve such problems in a manner consistent with this intent.

5. This Agreement will not become a matter of discussion at any negotiations held between the parties for the renewal of any future Collective Agreement, but rather will be held as a separate Agreement that may only be altered or amended in accordance with the intent as stated above.

B. Alternative Work Week Scheduling

It is understood that Alternative Work Week Scheduling will apply only to the mill yard scaling group of employees.

The following provisions of the Collective Agreement and all other Letters of Understanding, etc., between the parties, shall be amended as follows and as applicable only to those employees assigned to the alternative schedule.

The current twelve (12) hour/forty-two (42) hour schedule is based on an eight (8) shift rotation.

It is understood that after the posting of the weekly schedules, an employee's day off may not be changed without mutual agreement.

It is also understood that an employee's shifts may be changed from days to nights or vice versa within the weekly schedule. If the change of shift takes place prior to the posting of the weekly schedule and the employee is notified 24 hours in advance, no monetary penalty is applicable. If the change takes place after the posting of the weekly schedule, employees will be entitled to time and one half for each shift changed within the block – no further premium would be applicable.

The above language does not apply to temporary Scalers, where the Company maintains its right to change shifts subject to relief requirements with no penalty before or after the posting of the weekly schedules.

The Company will post weekly schedules for the current twelve (12) hour shifts prior to 3:00 p.m., Tuesday.

1. Hours of Work

Scalers shall normally be assigned to the shift schedule and scheduled hours of work as outlined on the attached shift schedule. The workweek shall commence on Sunday.

2. Relief

Relief and availability lists will be required to be established and posted in each department with suitable qualified relief, with the

understanding employees will be available on their middle two days off, one hour before and after the start of the shift with the understanding employees will attend when called.

In the event that a short notice vacancy occurs, and the Company has determined a replacement is required, the relief will come from the temporary Scaler if available, or if not, the departmental relief list.

Relief lists are to be established and posted in conjunction with the weekly work schedules such that suitable available relief have been identified for Short Notice Vacancies within the block, with the understanding that employees will respond when called. Failing the availability of the designated employees on the relief list as described above, the vacancy will be assigned to the junior qualified employee, unless in the opinion of the Company, the vacancy does not need to be filled or alternative arrangements satisfactory to the Company can be made. It is important that, in the spirit of the Collective Agreement, the obligation to provide relief is fulfilled with no monetary penalty to the Company.

3. Overtime Premiums

Overtime at the rate of time and one-half (1 ½) will be paid for all hours worked in excess of the scheduled workday and on Sunday, Paid Holiday or the employee's assigned day off.

Double time will be paid for all hours worked in excess of twelve (12) hours on Sunday, Statutory Holidays, or scheduled days off.

4. Shift Differential

Shift differential provided for in the Special Agreement shall be:

6.30 a.m. to 6.30 p.m. – eight (8) hours at 0 cents and four (4) hours at 50 cents

6.30 p.m. to 6.30 a.m. – four (4) hours at 50 cents per hour and eight (8) hours at 70 cents per hour

5. Vacations

a) Vacations will be on the block vacation system [four (4) consecutive scheduled twelve (12) hour workdays], and weekly pay shall be calculated on the basis of forty-two (42) hours at regular straight time rate.

For the purpose of scheduling time off for eligible vacation, the definition of one block of vacation is understood to be four (4) consecutive twelve (12) hour workdays. It is understood that an employee who is available on his scheduled days off immediately preceding or following the vacation block can be asked for voluntary overtime assignments as a last resort exclusive of normal relief requirements. In relation to the above 12 hour agreement, relief and

availability lists will be required to be established and posted in each department with suitable qualified relief, with the understanding that employees will be available on their middle two days off, one hour before and after the start of the shift with the understanding that employees attend when called.

b) for the purpose of calculation of vacation pay, weekly pay shall be on the basis of forty-two (42) hours at regular straight time rate.

6. Emergency Allowance/Sick Leave

a) Emergency Allowance - This clause will be administered on the basis of payment for each regular shift missed (either eight (8) hours or twelve (12) hours) but in no event shall the total paid exceed forty (40) hours pay.

b) Sick Leave - This clause will be administered in accordance with the collective agreement.

7. Floating Holidays and Statutory Holidays

a) Effective January 1, 2007, floating holidays for eligible employees will consist of two (2) twelve (12) hour days off, or three (3), eight (8) hour days off at the employee's option.

b) Employees who work on a Statutory Holiday shall be paid in accordance with the overtime provision of the Agreement (B3) and in addition, shall be granted a day off with eight (8) hours pay at a time satisfactory to the employee and his supervisor.

c) This Agreement is subject to the approval of the Director appointed under the *Employment Standards Act of Ontario*.

The parties also agree to the following:

The Company cannot guarantee hours of work for anyone, however, in accordance with an established twelve (12) hour schedule, the following hours will constitute a full work week:

(a) 3 x 12 hours + 1 x 8 hours = 44 hours

(b) 2 x 12 hours + 2 x 8 hours = 40 hours

(c) 1 x 12 hours + 4 x 8 hours = 44 hours

(d) No 12 hour shifts + 5 x 8 hours = 40 hours.



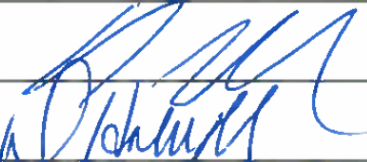


Any hours worked in excess of the above combinations in a week shall be paid at premium rates of pay.

ORIGINALLY SIGNED AT THUNDER BAY, ONTARIO THE 15TH DAY OF AUGUST, 1990

REVISED AND SIGNED AT THUNDER BAY, ONTARIO, THIS 28th DAY OF MARCH, 2018

FOR THE COMPANY:

FOR THE UNION:

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39-386-06-01

LETTER OF UNDERSTANDING

between

**RESOLUTE FOREST PRODUCTS
THUNDER BAY OPERATIONS**

and

**UNIFOR,
LOCAL 39-386**

Re: LEAD-HAND SCALER

The above parties have met and agreed to the following:

1. The **Lead-hand's** core responsibilities will be that of the Staff Supervisor (including but not be limited to monitoring hours of work, crew and job performance, knowledge and enforcement of Company policies and procedures and compliance with the Ontario Health and Safety Act). The Lead-hand Scaler will not be responsible for issuance of formal disciplinary action. Based on Operational need, the Lead-hand Scaler may be assigned bargaining unit work as required.
2. It is understood that Management reserves the right to determine when it is necessary to fill the position. Should a Lead-hand Scaler leave this classification for whatever reason, he/she will return to the last position they held, forgoing any promotions made during their absence.
3. The successful applicant for the position of Lead-hand Scaler, will be selected based on ability, qualifications and skill to perform the job. Where the above factors are relatively equal, seniority will be the determining factor.

The required skills include but are not limited to the following:

- Strong oral, written and interpersonal relations skills
- Ability to work independently
- Thorough understanding of all woodlands scaling systems and their interrelationship with other woodlands computer systems.

- Thorough knowledge of the chip, tree length, short wood, and hog fuel fibre flow processes and the related scaling and delivery issues.
 - Maintains a valid Scaler's Licence
4. Relief for the **Lead-hand Scaler** will be established as necessary. Management reserves the right to determine when it is necessary to fill the vacancy. Should it be necessary to fill the vacancy as determined by Management, the successful candidate would be selected by the criteria outlined above.
 5. Employees promoted to a Lead-hand Scaler position, will have a rate established based on the previous Scaler assignment, subject to evaluation under the Job Evaluation Plan, plus a premium of \$0.50/hr.



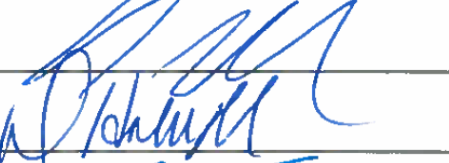


The workweek will be **forty-five (45)** hours for pension and benefit purposes.

ORIGINALLY SIGNED AT THUNDER BAY, ONTARIO THE 1st DAY OF May, 2007.

REVISED AND SIGNED AT THUNDER BAY, ONTARIO, THIS 28th DAY OF MARCH, 2018

FOR THE COMPANY:

FOR THE UNION:

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39-386-13-1

LETTER OF UNDERSTANDING

between

**RESOLUTE FOREST PRODUCTS
THUNDER BAY OPERATIONS**

And

**UNIFOR,
LOCAL 39-386**

**Re: VACATION LIMITATIONS DURING PLANNED MAINTENANCE
SHUTDOWNS**

Further to the letter dated March 24, 2011, Letter of Intent Pertaining to 4% Labour Cost Savings, the following language is agreed to regarding vacation limitation during planned maintenance shutdowns.



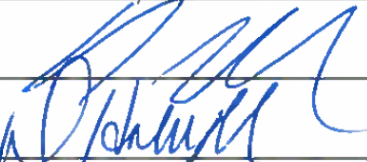



1. All terms of the agreed upon vacation scheduling policies and appendices will be adhered to as agreed, subject to the changes provided in the "Vacation Limitations during Planned Maintenance Shutdowns" Letter of Understanding, for the duration of the current collective agreement.
2. Annual Vacation entitlement will be January 1-December 31 respecting departmental requirements. The company will confirm the dates of the Vacation Limitation Periods prior to the third Saturday in January of each year such that employees can request their vacation around the shutdowns. Should the date of the Vacation Limitation Period change on or after the third Saturday of January, the Company and the Union shall discuss such changes to the Vacation Limitation Period, and any subsequent changes to the Vacation Limitation Period for that year must be mutually agreed to between the employee and the Company.
3. All Unions will agree to two vacation limitation periods per calendar year.
4. Vacation limitation periods must end prior to June 15th or commence after September 15th in any calendar year.
5. A vacation limitation period will be as follows
 - a. Day Workers-one 7 day Sunday to Saturday period
 - b. Tour Workers-one 4 day 48-hour block per shift
6. The Union(s) and Company agree that in some extraordinary situations, during either a vacation limitation period or any vacation period throughout the year, the Company may waive the rules regarding vacation limitations. If a member of a given Union has what they think is an extraordinary

situation, a Senior Manager of the member will meet with representatives of the members Union to discuss the situation.

RESIGNED AT THUNDER BAY, ONTARIO, THIS 28TH DAY OF MARCH, 2018.

FOR THE COMPANY:

FOR THE UNION:

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(39-386-14-01)

LETTER OF UNDERSTANDING

between

**RESOLUTE FOREST PRODUCTS
THUNDER BAY OPERATIONS**

And

**UNIFOR,
LOCAL 39-386**

Re: Contracting Out

In the context of the current negotiations, the parties agree to put in place a mechanism to address issues arising from the use of contracting out. This mechanism is defined as follows:

The Company commits to sharing with the local Union, information related to work being contracted out. Except in case of emergencies, information will be shared within 30 days, where possible. On a quarterly basis, the Company will provide an opportunity for the Local Union to ask questions and make suggestions on work awarded to contractors.

A steering committee comprised of a Senior Vice President, Operations, a Vice President, Operations, a Vice President, Human Resources, and three Union members will be put in place to discuss challenges the Company is facing and review contracting out issues identified by the National or local Unions. The steering Committee will meet three months after ratification, and as required thereafter.

It is agreed that the use of contracting out will not result in the lay-off of active employees holding a regular position and of employees in the labour pool for the purpose of vacation planning calculated on an annual basis.



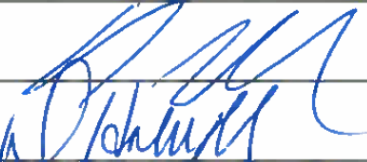



It is agreed that all existing language in the Collective Agreement remain unchanged and that the present letter of Understanding constitutes an undertaking that must guide the parties.

SIGNED AT THUNDER BAY, ONTARIO, THIS 2ND DAY OF SEPTEMBER, 2014

RESIGNED AT THUNDER BAY, ONTARIO, THIS 28TH DAY OF MARCH, 2018.

FOR THE COMPANY:

FOR THE UNION:

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B E N E F I T P L A N S

- **Retirement Income Plan**

- **Group Life Insurance Plan**
 - **Accidental Death
and Dismemberment Plan**

- **Weekly indemnity Disability Benefit Plan**

- **Long Term Disability Benefit Plan**
 - **Dental Care Plan**

 - **Extended Health Care Plan**

**AGREEMENT COVERING
RETIREMENT INCOME BENEFITS**

by and between

RESOLUTE FOREST PRODUCTS

Thunder Bay Operations

and

UNIFOR Local 39-386

Traditional Plan

1972 Pension Plan

Effective January 1, 2011 the Company will establish a new single pension plan for all unionized employees of its Canadian paper mills. The parties will jointly request government and regulatory approval for the new pension plan.

The new pension will be applicable to service accrued on or after January 1, 2011, it will be referred hereunder as the Target Benefit Plan.

The Traditional Pension Plan: for retired and inactive employees as of January 1, 2011 and the years of credited service accrued to December 31, 2010 for active.

1. The Company and the Union agree that this Retirement Income Benefits Agreement shall remain in full force and effect for a period of ten (10) years, from May 1, 2009, to December 31, 2010.
2. The parties to this Agreement covering Retirement Income Benefits (the "Agreement") agree that there will be no change, suspension, or discontinuance of the Retirement Income Program, as summarized herein, for the life of this Agreement, except through mutual agreement by the parties to this Agreement or through Government legislation. If at any time it shall be necessary or appropriate to make any revisions in the Retirement Income Plan (1972) (the "Plan") to obtain or retain any acceptance or approval by tax authorities or to comply with any applicable law, either party may negotiate appropriate adjustments, providing however that the pension benefits accrued pursuant to this Agreement prior to the date of adjustment are not reduced.
3. The parties to this Agreement further agree that the Terms and Conditions of the Agreements Covering Retirement Income Benefits between the parties prior to May 1, 1987, will continue to

apply to the determination and payment of benefits in respect of former employees of the Company who retired, died, or terminated employment for any other reason prior to May 1, 1987, in accordance with the Agreement that was in force at the time each such individual left the employee of the Company.

4. The conditions and provisions of this Agreement will be embodied in the text of the Retirement Income Plan (1972) as amended to November 28, 1997. There will be three (3) Union representatives on the Union Pension and Insurance Committee provided the Union Pension and Insurance Committee shall not have authority to make changes in the Plan involving additional cost to either the employees or the Company.
5. Meetings will be held each year including one (1) at which the actuarial valuation and other financial and statistical reports will be presented. If any, lost wages for one Representative per Unifor Local will be paid for the time spent attending such meeting at the mill level. Where applicable, existing local arrangements for travel and expenses will be maintained. The Company will provide annually to the Union Pension and Insurance Committee the following information:
 - a) estimated total annual employee contributions;
 - b) estimated total annual Company contributions;
 - c) list of pensioners retired during the previous year and amount of pensions for each;
 - d) list of employees who entered the Plan during the previous year;
 - e) list of separations from the Plan during the previous year.

6. Eligibility and Participation

Effective January 1, 1994, all employees covered by the Collective Agreement shall be eligible and shall be required to join the Plan on the January 1st next following the date on which they have completed one (1) year of service, provided that they are not then sixty-five (65) years of age or over. Each eligible employee will be required to complete an enrolment form provided by the Company for that purpose.

a.) Normal Retirement Date

The normal retirement date for all employees covered under the Plan will be the first day of the month next, following the date on which they become sixty-five (65) years of age.

b.) Notice of Retirement

- Employees will be required to request their quote at least 4 months prior to their actual retirement date.
- Employees requesting to retire from the employ of the Company will confirm to the Company in writing, their intention to retire no later than 90 days prior to their actual retirement date.
- Should the retirement quote not be received by the Company within the 90 day period, the employee will be required to confirm by written notice to the Company of their intention to retire within 14 days of receipt of the pension quote.
- In the event of a significant issue such as a lay-off or interruption of work (strike or lock-out), the 90 day notice period will be waived.
- In the event that a "life changing event" occurs, the Company will review the employee's request on a case by case basis in terms of approving the request for retirement and waiving the 90 day period.

7. Earnings

Effective May 1, 1984, an employee's "Earnings" for all purposes of the Plan will be at the rate of his basic annual remuneration as at the May 1st, coincident with or immediately preceding the date or month for which a determination of "Earnings" is required, exclusive of overtime, commissions, bonuses, or gifts, received from and determined by the Company.

8. Normal Retirement Benefits

Effective May 1, 2002, each member of the Plan who is in the active employment of the Company on or after May 1, 2002, or who is in receipt of benefits under the Company's Long Term Disability Insurance Plan at that date, and each employee who becomes a member after May 1, 2002, who subsequently retires at this normal retirement date under the Plan will receive an annual retirement income determined as follows:

1.65% of his Final Average Earnings x Years of Pensionable Service.

Effective May 1, 2005, employees hired after the date of ratification (April 12, 2006) who are in the active employment of the Company on or after, 2005, or who are in receipt of benefits under the Company's Long Term Disability Insurance Plan at that date, and each employee who becomes a member after April 12, 2006, who subsequently retires at his normal retirement date under the Plan, will receive an annual retirement income determined as follows:

1.70% of his Final Average Earnings x Years of Pensionable Service.

Effective May 1, 2009, employees hired after the date of ratification (April 12, 2006) who are in the active employment of the Company on or after April 12, 2006, or who are in receipt of benefits under the Company's Long Term Disability Insurance Plan at that date, and each employee who becomes a member after April 12, 2006, who subsequently retires at his normal retirement date under the Plan will receive an annual retirement income determined as follows:

1.75% of his Final Average Earnings x Years of Pensionable Service.

This pension is inclusive of the pension, if any, payable to the member by The Standard Life Assurance Company under the Former Plan and GR. P.W. 10066.

(Accumulation of credited service under the Traditional Pension Plan has stopped on December 31, 2010)

For purposes of this Section:

(i) "Final Average Earnings"

Final Average Earnings means that the annual average of the members Monthly Earnings during the five (5) best period of twelve (12) consecutive months prior to the date a determination is required, producing the highest average. For the complete definition, please refer to the Pension Plan text.

(ii) "Canada Pension Plan Benefit"

Canada Pension Plan Benefit means the retirement pension that would be payable under the Canada Pension Plan at the member's retirement date as if he were age sixty-five (65) at that date, assuming that the member has a full unreduced contributory period under the Canada Pension Plan and assuming that his earnings have always equalled or exceeded each year's YMPE (as defined in the Canada Pension Plan).

9. Special Provisions Relating To Female Members Who Were Participating In the Plan as of April 30, 1973

A female employee who was a member of the Plan on April 30, 1973, and who, under the Terms of the Plan as constituted at that date would normally have retired at age sixty (60), shall retain the right to retire at any time between age sixty (60) and sixty-five (65) at her own option. That portion of her retirement income accrued or granted prior to May 1, 1973, will be payable on the basis of a normal retirement age of sixty (60), while the retirement income granted or accrued from May 1, 1973, will be payable on

basis of a normal retirement age of sixty-five (65).

10. Early Retirement

- a) Effective May 1, 2004, any member in service who elects to retire early upon his attainment of age fifty-eight (58) or after, provided he has accumulated at least twenty (20) years continuous service, will receive commencing on his early retirement date, a retirement income benefit equal to the retirement income benefit he had accumulated to such early retirement date without actuarial reduction subject to minimum reductions required by Revenue Canada. Such employee will also be provided with a bridging supplement, commencing on his early retirement date, equal to thirty dollars (\$30) per month for each full year of continuous service [to a maximum of thirty (30) years] reducing to fifteen dollars (\$15) per month for each year of continuous service [to a maximum of thirty (30) years] on the first of the month next following the employee's sixtieth (60th) birthday. If such employee retires early, on or after age sixty (60) with at least twenty (20) years of service, the bridging supplement will equal fifteen dollars (\$15) per month for each year of continuous service to a maximum of thirty (30) years. The amount of fifteen dollars (\$15) referred to above will be increased to sixteen dollars (\$16) in the case of retirees who retire on or after January 1, 1999. The bridging supplement will reduce to zero (0) on the first day of the month following the member's sixty-fifth (65th) birthday or on his prior death.

The amount of thirty dollars (\$30) referred to above will be increased to thirty-two dollars (\$32) in the case of retirees who retire on or after January 1, 1999, and the amount of thirty-two dollars (\$32) referred to above will be increased to thirty-three dollars (\$33) in the case of retirees who retire on or after January 1, 2002.

- b) A member who has not attained age fifty-eight (58) or over, but who has accumulated at least twenty (20) years of continuous service may, with the consent of the Company, retire on the first day of any month during the ten (10) year period immediately preceding his normal retirement date and will receive, commencing on his early retirement date, a retirement income benefit equal to the normal retirement income benefit he had accumulated to such retirement date, adjusted by applications thereto of an appropriate factor based on his attained age in accordance with the following table:

| <u>Attained Age</u> | <u>Adjustment Factor</u> |
|---------------------|-----------------------------------|
| 57 | 0% (when retire at age 57) |
| 56 | 88% |
| 55 | 82% |

Effective May 1, 2009, the Pension Plan rules will be modified such that an active employee retiring at age fifty-seven (57) or more with at least twenty (20) years of continuous service will be entitled to an unreduced pension and bridge benefit, subject to the minimum reductions imposed under the regulations of the Income Tax Act.

Such member will also be provided with a bridging supplement commencing on his early retirement date equal to thirty dollars (\$30) per month for each full year of continuous service with the Company to a maximum of thirty (30) years, reducing to fifteen dollars (\$15) per month for each full year of continuous service [to a maximum of thirty (30) years] on the first of the month next following the employee's sixtieth (60th) birthday. The amount of fifteen dollars (\$15) referred to above will be increased to sixteen dollars (\$16) in the case of retirees who retire on or after January 1, 1999. The bridging supplement will reduce to zero (0) on the first day of the month next following the member's sixty-fifth (65th) birthday, or on his prior death.

The amount of thirty dollars (\$30) referred to above will be increased to thirty-two dollars (\$32) in the case of retirees who retire on or after January 1, 1999, and the amount of thirty-two dollars (\$32) referred to above will be increased to thirty-three dollars (\$33) in the case of retirees who retire on or after January 1, 2002.

The bridging supplements referred to above will be reduced by 2/3 of 1% for each month (8% per annum) by which such early retirement precedes the attainment of age fifty-eight (58).

The retirement income benefit payable under the Standard Life Assurance Group annuity policy to a member who retires early as in (a) or (b) above will be supplemented by this Plan so that he will receive the same proportion of his retirement income benefit under the Former Plan as he will receive under this Plan.

- c) A member who has accumulated less than twenty (20) years of continuous service may, with the consent of the Company, retire on the first day of any month during the ten (10) year period immediately preceding his normal retirement date and will receive, commencing on his early retirement date, a retirement income benefit equal to the actuarial equivalent of the normal retirement income benefit he had accumulated to such retirement date.

11. Special Early Retirement

An employee who has attained age fifty-seven (57) and who suffers a proven and certified medical disability but is not eligible to receive benefits under the Company's Long Term Disability Plan, or who has attained age fifty-seven (57) and is displaced as a result of a workforce reduction, may be

granted the right to retire early on the first day of any month prior to age sixty-five (65) and shall be entitled to receive his accrued normal retirement income benefits without actuarial reduction. The rules and regulations governing such retirements shall be as established by mutual agreement between the Company and the Union Pension and Insurance Committee. This benefit will also be supplemented from this Plan to place the pension payable from Standard Life under the former Plan on the same unreduced basis as is provided under this Plan.

Effective May 1, 1998, each such member who, at the date of his Special Early Retirement, has completed at least twenty (20) years of continuous service will also receive a bridging supplement commencing on his early retirement date equal to thirty dollars (\$30) per month for each full year of continuous service with the Company to a maximum of thirty (30) years, reducing to fifteen dollars (\$15) per month for each full year of continuous service [to a maximum of thirty (30) years] on the first of the month next following the employee's sixtieth (60th) birthday. The amount of fifteen dollars (\$15) referred to above will be increased to sixteen dollars (\$16) in the case of retirees who retire on or after January 1, 1999. The bridging supplement will reduce to zero (0) on the first day of the month next following the member's sixty-fifth (65th) birthday, or on his prior death.

The amount of thirty dollars (\$30) referred to above will be increased to thirty-two dollars (\$32) in the case of retirees who retire on or after January 1, 1999, and the amount of thirty-two dollars (\$32) referred to above will be increased to thirty-three dollars (\$33) in the case of retirees who retire on or after January 1, 2002.

The bridging supplements referred to above will be reduced by 2/3 of 1% for each month (8% per annum) by which such early retirement precedes the attainment of age fifty-eight (58).

12. Postponed Retirement

A member's retirement may be postponed beyond his normal retirement date, on a year-to-year basis, but only with the consent of the Company and in no event beyond his seventieth (70th) birthday. In such event, the member's required contributions to the Plan will cease at his normal retirement date and his retirement income benefits at his actual retirement date will be actuarially increased from the benefits otherwise payable at his normal retirement date.

13. Pensionable Service

For purposes of this Agreement covering retirement income benefits, "Pensionable Service" means years and whole months of continuous service with the Company while a contributing member to the Plan, subject to the following schedule:

| <u>HOURS WORKED IN PLAN YEAR</u> | <u>PENSIONABLE SERVICE FOR THAT PLAN YEAR</u> |
|--------------------------------------|---|
| 2,080 or more | 12 months |
| 1,905 to 2,079 | 11 months |
| 1,730 to 1,904 | 10 months |
| 1,555 to 1,729 | 9 months |
| 1,380 to 1,554 | 8 months |
| 1,205 to 1,379 | 7 months |
| 1,030 to 1,204 | 6 months |
| 855 to 1,029 | 5 months |
| 680 to 854 | 4 months |
| 505 to 679 | 3 months |
| 330 to 504 | 2 months |
| 155 to 329 | 1 month |

(Separate graded scales where regular work week is other than forty (40) Hours.)

Notwithstanding the foregoing, "Pensionable Service" will also include continuous service with the Company prior to May 1, 1947, which was recognized as pensionable service under the former Plan.

14. Employee Contributions

Effective January 1, 1999, and each subsequent May 1st, an eligible employee who is a member of the Plan will contribute each year an amount equal to: 4.5% of earnings up to the Yearly Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan, and 6.0% of Pensionable Earnings in excess of the YMPE.

Effective May 1, 2007, an eligible employee who is a member of the Plan will contribute each year 6.5% of Pensionable Earnings.

Effective May 1, 2008, an eligible employee who is a member of the Plan will contribute each year 7.0% of Pensionable Earnings.

Effective May 1, 2009, an eligible employee who is a member of the Plan will contribute each year 7.5% of Pensionable Earnings.

Effective January 1, 2011, employees will no longer contribute to the Traditional Pension Plan.

Contributions may not be withdrawn while the member remains in the employment of the Company.

If the number of hours in a particular pay period for which a member is compensated at his basic rate of pay is less than twenty-five (25) hours, the Company will not deduct his contribution instalment otherwise required under the terms of the Plan. The amount of such contribution not deducted will be deducted from his pay in subsequent payroll periods in the same Plan Year unless the employee notifies the Payroll Office within a reasonable time that he wishes to forego the missed contributions and related pensionable service.

If the amount of such instalment in any payroll period is greater than the member's pay for the period, the Company reserves the right to defer the deduction of such amount from wages to subsequent payroll periods in the same Plan Year.

15. Error Correction

Starting with new requests made after the date of ratification (April 12, 2006), when correcting a bona fide error or mistake to credited service in a Pension Plan, including past service, any increase in such service will be subject to the employee making contributions for the length of the increase in credited service, using the most recent employee contribution formula and rate of pay.

16. Disability Accrual

- a) While receiving benefits under the Company's Long Term Disability Plan, a member will continue to accrue Pensionable Service and continuous service. During such period of disability accrual, the member will not be required or permitted to contribute to the Plan. His earnings as of each May 1st, falls in such period of disability accrual will equal his rate of Earnings in effect at the May 1st, immediately prior to the date he became eligible to receive payments under the Long Term Disability Plan, subject to any adjustments made prior to May 1, 1998, and subject to the following further adjustments.

Each member at May 1, 1999, who is and has been in receipt of benefits under the Company's Long Term Disability Plan for at least four (4) continuous years immediately prior to that date, will have the rate of Earnings recomputed with effect from that date to reflect the general wage increase at May 1, 1999.

Each member at May 1, 2000, who is and has been in receipt of benefits under the Company's Long Term Disability Plan for at least four (4) continuous years immediately prior to that date will

have the rate of Earnings recomputed with effect from that date to reflect the general wage increase at May 1, 2000.

Each member at May 1, 2001, who is and has been in receipt of benefits under the Company's Long Term Disability Plan for at least four (4) continuous years immediately prior to that date will have the rate of Earnings recomputed with effect from that date to reflect the general wage increase at May 1, 2001.

Each member at May 1, 2002, who is and has been in receipt of benefits under the Company's Long Term Disability Plan for at least four (4) continuous years immediately prior to that date will have the rate of Earnings recomputed with effect from that date to reflect the general wage increase at May 1, 2002.

Each member at May 1, 2003, who is and has been in receipt of benefits under the Company's Long Term Disability Plan for at least four (4) continuous years immediately prior to that date will have the rate of Earnings recomputed with effect from that date to reflect the general wage increase at May 1, 2003.

- b) An employee who qualifies for Long Term Disability on or after January 1, 2000, and who retires will have his pension calculated based on the greater of:
- his rate at the time of disability as defined in the Collective Agreement;

or,

 - the base rate in the Mill (Labourer rate) in each of the years used to calculate his pension.

17. Benefits on Death Prior to Retirement

- a) In the event of death before retirement, the deceased member's beneficiary will receive the sum of the member's required contributions made to the Plan on and after May 1, 1972, with interest.
- b) If the member had previously terminated his employment, the beneficiary will receive the sum of such required contributions which were left in the Plan at his termination date with interest.
- c) If the member dies while on postponed retirement, he will, for the purpose of this Plan, be deemed to have retired on the first day of the month in which his death occurs, and retirement benefits will be paid to his beneficiary of joint annuitant, if any, in accordance with the normal or optional form of benefit elected by the member.
- d) The member's beneficiary will also be entitled to any benefit payable by The Standard Life Assurance Company in respect of

contributions made under the former Plan. The interest paid by Standard Life on and after May 1, 1973, will be augmented by this Plan to increase the effective rate to the interest rate that applies for the appropriate period.

18. Interest

The rate of interest under this Plan shall be equal to 4.5% per annum from May 1, 1972, to December 31, 1986, and 6.5 % per annum thereafter. Effective January 1, 1987, interest shall be credited from the end of the month in which each employee contribution is made and shall be compounded annually to the beginning of the month in which payment is made or in which a determination is required.

19. Benefits on Death After Retirement

Retirement income benefits are payable for the remaining lifetime of a retired member with the guarantee that, if the member dies before a total of sixty (60) monthly benefit payments have been made, the balance of such payments will be continued to his beneficiary, or provide for commutation of the benefits for the balance of the guarantee period to the estate. Prior to his date of retirement, a member may, however, elect to have his retirement income benefit paid in optional form and in such event, the benefits, if any, payable following the death of the member will be determined in accordance with the terms and conditions of such optional form.

Optional forms available under the Plan include:

- a) An increased pension payable for life with payment ceasing at the date of death;
- b) A reduced pension payable for life with a guarantee that at least one hundred and twenty (120) or one hundred and eighty (180) monthly payments will be made. Guaranteed payments falling due after the member's death are payable to his beneficiary;
- d) A reduced pension payable for life which, upon the member's death, continues in whole or in part (as elected by the member) to the member's surviving spouse or designated beneficiary for life.

Optional forms of pension will be paid in the actuarial equivalent of the normal form of pension.

20. Benefits on Termination of Employment

On termination of employment, a member may elect to receive a lump sum refund of his required contributions to the Plan made on and after May 1, 1972, with interest, or he may elect to accept a deferred retirement income benefit commencing at his normal retirement date. Such deferred retirement income benefit will be in the amount which

can be provided by the sum of the member's own required contributions to the Plan, plus a vested portion of the remainder of the retirement income benefit accrued or granted to him to the date of his termination of employment. In this regard, the vested portion of such remaining retirement income benefit will be equal to 50% after five (5) years for participation in the Plan and the former Plan, scaling up by 10% per year to 100% after ten (10) years of such participation.

He will also be entitled to any benefit payable on termination of employment by The Standard Life Assurance Company under the former Plan, with interest accruals from May 1, 1973, augmented by this Plan to equal the rate of interest that applied during the appropriate period.

The vesting and locking-in provisions of the Pension Benefits Act of Ontario will, however, apply at all times if termination of employment occurs after a member has completed ten (10) years of continuous service and has attained age forty-five (45).

21. Portability

Effective the first day of the month following ratification of the Collective Agreement (May 1, 2006), for active employees participating in a Company Pension Plan that are transferred within the same Company, with no interruption in employment, pension portability as described hereunder will apply. For an employee who has been laid off for a period of less than twelve (12) consecutive months, the pension portability described hereunder will also apply if he has not received his severance pay or withdrawn his pension entitlement. In cases where the former mill and the new mill have different registered Pension Plans, the following will apply.

The employee will enter into the Pension Plan of the new mill and will start accruing credited service under this Plan from the date of transfer of employment. This Plan will recognize the service completed under the former Pension Plan for purposes of eligibility for ancillary benefits (early retirement and bridge benefit)

The employee will stop accruing years of credited service in the former Plan. Years of service and pensionable earnings at the new mill will be recognized in the former Plan for purposes of eligibility for ancillary benefits and calculation of final average earnings, and benefits under the former Plan will be based on the former's Plan provisions in effect on the earlier of the date of termination of employment with the Company, retirement from the Company or death.

Such employee will therefore have pension entitlements in two (2) different registered Pension Plans.

22. General Provisions

- a) The Company shall have the sole right to determine the Funding Agency and the method of funding under the Plan and any other

pension arrangement. The Company will keep the Union Pension and Insurance Committee informed of any contemplated changes.

- b) The Company agrees to incorporate this Agreement into the Main Labour Agreement. The expiration date of this Agreement will coincide with the expiration date of the Main Labour Agreement.

23. Special Increases (for members who retired after May 1, 1984)

Between May 1, 1998, and April 30, 2004, pensions in payment (excluding bridging supplements) will be increased each year by 50% of the increase in the Consumer Price Index, subject to a maximum increase of 5% payable in January of each year on a pro-rated basis. The increase in the Consumer Price Index is calculated during the twelve (12) month period that ends with October of the year preceding the year in which an increase is to become effective.

Special Increases (for members who retired prior to May 1, 1984)

Employees who have retired under the terms of the Company Pension Plan prior to May 1, 1984, will receive annual special increases each January 1st, equivalent to 50% of the increase in the Consumer Price Index, maximum 5% during the previous twelve (12) month period, using October as the base month. All such increases, however, are subject to the approval of the Company's Board of Directors each year.

The Pension increases will be payable in the same form of payment that applies to the member's pension already in the course of payment.

For the purpose of this section, "Consumer Price Index" means the Canada all-items Consumer Price Index (1992=100) as published by Statistics Canada.

If, by reason of law or guideline established by a Government Body, the Company is required to provide increases in pensions for retired employees, the Company will only be required to increase pensions under this section such that the resulting pension equals the greater of:

- a) The pension benefit determined by including the Pension Increases provided under the paragraph above; or,
- b) The pension benefit determined by including the increases required under such law or guideline.

The above amended are subject to approval by Revenue Canada and the Pension Commission of Ontario.

Administrative and Legislative Changes

During the term of this Labour Agreement, the Company will be making certain administrative changes to the pension plan regarding the way management responsibilities are carried out. These changes in no way affect the participant's benefits nor affect the responsibilities of the Pension Committee.

Certain changes are required from time to time as a result of Federal and/or Provincial legislation in the pension area. Our pension plan texts are reviewed on a periodic basis and where necessary changes are made to meet current legislation.

The Company agrees to discuss changes in the pension text with the pension committee recognizing that any changes required by law will be complied with by the Company.

The Traditional plan design is presented below:

| Pension (see notes) | | | | | | | | | | |
|--|---------------|----------------|---------------|----------------------------|------------------------------|----------------------------|---------------|---------------|---------------|----------------|
| Benefits | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| (Effective May 1, except when specified otherwise) | | | | | | | | | | |
| Formula % | | 1.70 % | | | | 1.75 % | | | | |
| Post-retirement adjustment* (January 1) CPI x 50%, Max: 5%(see note 2) | | x | | x | | x | | x | | X |
| *For retirements after May 1, 1984 | | | | | | | | | | |
| Employee Contributions | | 6% from Jan 01 | 6% | 6% to April 30 from May 01 | 6.5% to April 30 from May 01 | 7% to April 30 from May 01 | 7.5% | 7.5% | 7.5% | 7.5% |

Note 1: Pension amendments will be implemented in two steps. The plan will be first amended in 2005 and this first amendment will cover changes occurring between Jan. 1st, 2005 and Dec. 31st, 2008 including indexation in 2005 and 2007. A second amendment will be made in 2009 and will cover changes taking place between January 1st, 2009 and April 30th, 2014 including indexation in 2009, 2011 and 2013. To be effective, these amendments must comply with laws and regulations in effect when filings are made.

Note 2: The pension adjustment formula is based on the Consumer Price Index for the 12-month period ending in October of the preceding year (rounded to the nearest tenth of one per cent), subject

to a maximum 5% adjustment. For calculation purposes, the Consumer Price Index means the all-items index (1992=100, or if not available, the latest series available) published by Statistics Canada.

Governance

The pension plan will be administered and managed by a board of Trustees with an equal number of Trustees appointed by the Employer and the Union. However, the Company will continue to manage, administer and make investment decisions related to the traditional account.

The traditional account rules and funding management will be administered and controlled by Resolute Forest Products as was the case in the prior plan.

The Company will remain responsible for the obligations of the traditional account and will give the union a schedule of reduced special payments that will be provided to the government.

All future gains and surpluses in the traditional account will remain in the plan. However, if at any time in the future, the traditional account reaches a solvency ratio of 100% the Company keeps the right to terminate and liquidate the traditional account for non active employees.

Fixed contributions from the employer and the employees will be made to the new pension account for future service. The Company and the Union agree to create a Technical Committee with an equal number of Union and Company representatives to establish the plan provisions of the new pension account and to jointly present the results to the Government. It is understood that the Technical Committee will develop the provisions of the new pension account based on a 7.5% / 7.5 contribution level. The remaining employees and Company contributions will be used to build a reserve in the new account. The approved benefits from this new account will not be improved for the duration of the agreement. The provisions will need to be consistent to maintain an adequate funded level.

Moreover, the Technical Committee will establish the provisions of the new pension account with respect to the required adjustments of the benefits in the event that the funding and solvency ratios are not at 100%. These provisions will be required by the Board of Trustees to adjust the benefits in order to restore the financial balance of the new pension account.

Continuous service in the new pension account will be recognized in the traditional account for benefit (including bridge benefit) eligibility purposes. However, benefit amounts (including bridge benefit) from the traditional account will be calculated using service frozen as of date emergence. Final average salary will not be frozen at the date of emergence.

Upon agreement by the parties of the above mentioned conditions, the moratorium of the 2004 Collective Agreement will be removed except for the Mersey mill.

New pension account for future service of active employees as of January 1, 2011

Governance (as of March 2, 2012)

The Company is responsible for the obligations of the Traditional Pension Plan and, consequently, funding and administration of the Traditional Pension Plan are the responsibility of the Company. In addition, the Company will continue to manage, administer and make investment decisions with respect to the Traditional Pension Plan.

The rules of governance of the Traditional Pension Plan will remain in force.

All future earnings and surplus account will remain in the Traditional Pension Plan. However, if at any time in the future the Traditional Pension Plan reaches a solvency ratio of 100%, the Company reserves the right to terminate and liquidate the Traditional Pension Plan for inactive and retired employees.

Section II -Target Benefit Plan applicable to service accrued on or after January 1, 2011

Effective January 1st, 2011, the Company will establish a new single pension plan for all unionized employees of its Canadian paper mills.

The Target Benefit Plan will cover the accumulated service from January 1st, 2011.

The complete provisions of the Plan are contained in the official text, which is available for the purpose of consultation, at the Human Resources Department.

Contributions under the Target Benefit Plan are as follows:

Company: 8% of contributory earnings (10% as of 1 May 2011)

As of May 1, 2021 the Company's contribution will increase by 1% to 11%

Employee: **9%** of contributory earnings

Summary of the Target Benefit Plan

Benefits will be determined on the basis of the level of assessment set and the level of reserve requirements as determined by the Régie des rentes du Québec.

The parties will meet to develop the plan rules.

It is understood that the benefit under Target Benefit Plan will be determined based on the contribution level of 15% (ref. Memorandum of agreement of March 7, 2010).

The approved benefits from the Target Benefit Plan will not be improved for the duration of the agreement.

Governance The Target Benefit Plan is administered and managed by a Board of Trustees composed of an equal number of trustees appointed by the company and unions. The Board's responsibilities will be determined by the parties.

The final text of the Target Benefit Plan will be an agreement between the parties.

GROUP LIFE INSURANCE PLAN

The Company will arrange with an insurer to maintain a Group Life Insurance Plan. The Plan will be subject to the terms of the insurance policy which will include the following main provisions:

1. Definitions

- a) "Employee" means a person in the active employment of the Company, who participates in this Plan.
- b) "Insurer" means the insurance company or carrier appointed by the Company for the purpose of this Plan.
- c) "Plan" means RESOLUTE FOREST PRODUCTS, Group Life Insurance Plan.
- d) "Amount of Coverage" means the amount of Term Life Insurance payable upon the death of the employee.
- e) "Basic Term Life Plan" means the Plan of Term Life Insurance in which all its eligible employees must participate.
- f) "Optional Term Life Plan" is a Plan in which the eligible employee of the Company elects to participate.
- g) "Unit of Optional Coverage" is the amount of coverage the eligible employee can select.

2. Eligibility

- a) All employees of the Company who are members of the Unions listed below shall be eligible to participate in this Plan, in accordance with the provisions listed herein:
 - UNIFOR, Locals 39 and 257;
 - UNIFOR Local 39-386;
 - International Brotherhood of Electrical Workers, Local 1565;
 - International Union of Operating Engineers, Local 865.
- b)
 - i) Participation in the Basic Term Life Plan is limited to eligible employees who have accumulated one (1) year of service with the Company.
 - ii) Participation in the Optional Term Life Plan is open to all eligible employees who have accumulated one (1) year or more of service with the Company.

3. Application to Company

Eligible employees must submit a signed application card to the Company for the Basic Term Life Insurance. If the employee elects to participate in the Optional Term Life Plan, the employee

must submit a signed application to the Company, authorizing deduction of the required premium. This signed application card must be returned within thirty-one (31) days of becoming eligible, otherwise satisfactory medical evidence of insurability will be required at employee cost.

4. Amount of Insurance

Active Employees: Effective May 1, 2006, Active employees with one (1) or more years of accumulated service, will be eligible for Basic Term Life Insurance in the amount of \$75,000. Effective May 1, 2017 Basic Life Insurance will be \$80,000. **Effective May 1, 2018 Basic Term Life Insurance will be \$90,000.**

Effective September 1, 2006, a new company-administered Optional Life Insurance plan for Active employees will be implemented. This plan, fully paid by the employee, will be available to employees less than 65 years old. This new Optional Life Insurance will be available on the life of Active employees to a maximum of \$200,000, in increments of \$25,000.

With notification to the Mill Human Resources Department, employees will be permitted once a year to amend their level of coverage. Formal notification of such change must be made by November 30th of the preceding year to be effective January 1st of the following year or later, upon acceptance from the insurance carrier following proof of good health.

Coverage premiums will be based on sex, age and smoker or non-smoker status; restrictions and exclusions will be subject to the insurance provider's plan policies. Associated premium costs will be administered through payroll deductions. Coverage will end at termination, at age 65 or upon retirement, whichever is earlier.

Existing additional life insurance coverage provided is no longer available to new applicants.

Retired Employees: \$5,000

5. Required Premium

Active Employees: Effective May 1, 2006, each participating employee will be provided a Basic Term Life Insurance of \$75,000 at no premium cost to the employee.

As of May 1, 2018 Basic Term Life Insurance will be increased to \$90,000.

An eligible employee who elects to participate in the Optional Term Life Insurance will be required to contribute the necessary premium as required.

Retired Employees: No contribution is required.

6. Commencement of Insurance

- a) Basic Term Life Insurance commences on the second (2nd) day of the month following accumulation of one (1) year of service provided an application card has been signed and submitted within thirty-one (31) days of becoming eligible.
- b) Optional Term Life Insurance commences the first month following or coincident with the date the employee becomes eligible provided an application card has been signed and submitted.
- c) For a previously participating employee returning from lay-off or an authorized Leave of Absence, Basic Term Life Insurance commences on the first day of full-time work.
- d) For a previously participating employee returning from lay-off or an authorized Leave of Absence, Optional Term Life Insurance commences on the first day of the month following or coincident with the date he resumes full-time work.
- e) For an employee who elects to participate in the Optional Term Life Insurance Plan later than thirty-one (31) days after the date he first became eligible, coverage is effective the first of the month following or coincident with the date he submitted a signed application card, provided the employee submits satisfactory evidence of insurability.
- f) An employee must be actively at work on the day his Basic Term Life Insurance or Optional Life Insurance commences, otherwise his insurance will commence on the date of return to active work.

7. Termination of Insurance

The insurance under this Plan shall terminate on termination of employment. If an employee is laid-off, coverage may be continued for a period of not more than six (6) months, subject to advance payment of the required contributions. A conversion clause will apply on termination of insurance.

8. Continuation for Total Disability

During total disability an employee will continue to receive Group Life Insurance Coverage until recovery or age sixty-five (65), whichever occurs first, at no premium cost to him in the same amount as prior to his disability. If the employee retires under the Company Pension Plan,

the Group Life Insurance will be \$5,000 and will be provided at the expense of the Company.

9. Claims

At an employee's death from any cause while insured, the amount of insurance shall be paid promptly to his beneficiary.

10. Beneficiary

Any employee covered by this Plan may, subject to the provisions of any applicable law from time to time in force, designate a beneficiary to receive any benefits payable under this Plan on his death and may alter or revoke such designation from time to time.

11. Assignment

No assignment by any employee of any insurance to which he may be entitled under this Plan shall be valid.

12. Insurance Certificate

The insurer shall issue to the Company for delivery to each employee covered under the Plan a certificate evidencing the coverage to which he is entitled under the Plan.

13. General

The Company will meet with the Mill Council Pension and Insurance Committee annually and at any other reasonable time to discuss problems which arise concerning the Group Life Insurance Plan.

LIFE INSURANCE COVERAGE – DEPENDENTS

Basic Dependent Life Insurance (Company Paid)

Effective May 1, 2006, for employees actively at work at that time, the Company will provide a Basic Dependent Life Insurance Plan fully paid by the Company on the following basis:

1. Spouse - **\$7,500**;
2. Eligible Dependents - **\$3,500 each**.

Employees must have accumulated one (1) year of service with the Company to be eligible. Other Plan rules will be similar to those which apply to Optional Term Life.

Optional Dependent Life Insurance (Employee Paid)

The Company will provide an Optional Dependent Life Insurance Plan fully paid by the Employee on the following basis:

1. Spouse - \$10,000;
2. Eligible Dependents - \$5,000 each.

The spouse's life insurance will be reduced to \$5,000 upon the employee's retirement, and cancelled on his death.

Employees must have accumulated one (1) year of service with the Company to be eligible. Other Plan rules will be similar to those which apply to Optional Term Life.

For the purpose of the benefits section (Group Insurance, Health Care and Dental Plans): "Spouse" means either of two persons who,

- a) Are married to each other, or;
- b) Are not married to each other and are living together in a conjugal relationship,
 - i) Continuously for a period of not less than one (1) year, or;
 - ii) In a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Family Law Act.

Dependent Child means:

Any single child who is the natural or adopted child of the participant or of his spouse who depends on the participant for livelihood and who meets at least one of the following conditions:

- a) He is more than fourteen (14) days and under twenty-one (21) years of age;
- b) He is under twenty-five (25) years of age and attending an educational institution on a full-time basis;
- c) He became totally and permanently disabled while still considered to be a dependent under a) or b) above. Insured children suffering from a physical or mental disability will continue to be covered beyond the maximum age as long as they are dependents of the employee.

ACCIDENTAL DEATH AND DISMEMBERMENT PLAN

The Company will arrange with an insurer to maintain an Accidental Death and Dismemberment Insurance Plan. The Plan will be subject to the terms of the insurance policy which will include the following main provisions:

1. Definitions

- a) "Employee" means a person in the active employment of the Company, who participates in this Plan.
- b) "Insurer" means the insurance company or carrier appointed by the Company for the purpose of this Plan.
- c) "Plan" means RESOLUTE FOREST PRODUCTS, Accidental Death and Dismemberment Plan.
- d) "Injuries" means accidental bodily injuries which are received while the employee is insured under the Plan and which result in a covered loss independently of sickness and all other causes.
- e) "Principal Sum" means the amount of insurance granted the employee as shown in the records of the Company.

2. Eligibility

All active, full-time Union Members of the Company shall become eligible upon completion of three (3) months of continuous employment.

3. Application to Company

Eligible employees must submit a signed enrolment card to the Company for the Accidental Death and Dismemberment Insurance.

4. Benefit Schedule

Effective May 1, 2006, the Plan provides a principal sum of \$50,000 with benefits paid for injuries according to the following table of losses, provided such losses occur within three hundred and sixty-five (365) days of the accident: Effective September 1, 2014 the AD & D coverage will be \$75,000. Effective May 1, 2017 AD & D coverage will increase to \$80,000. **Effective May 1, 2018 AD & D coverage will be increase to \$90,000.**

| | |
|--|---------------------------------|
| Loss of life | Principal Sum |
| Loss of both hands, both feet or both eyes | Principal Sum |
| Loss of one hand and one foot. | Principal Sum |
| Loss of one hand and one eye or one foot and one eye | Principal Sum |
| Loss of speech and hearing | Principal Sum |
| Loss of one arm or one leg | Three-quarters of Principal Sum |
| Loss of one hand, one foot or one eye .. | Two-thirds of Principal Sum |

| | |
|--|---------------------------------|
| Loss of speech or hearing..... | One-half of Principal Sum |
| Loss of thumb and index finger on one hand..... | One-third of Principal Sum |
| Loss of hearing in one ear | One-sixth of Principal Sum |
| Loss of use of both arms or both hands | Principal Sum |
| Loss of use of one arm..... | Three-quarters of Principal Sum |
| Loss of use of one hand..... | Two-thirds of Principal Sum |
| Paraplegia (total paralysis of both lower limbs) | Principal Sum |

Only one (1) of the amounts shown above (the largest applicable) will be paid for injuries to the same limb resulting from any one (1) accident.

Notwithstanding the amounts specified above, the maximum payable under this Plan for all losses sustained by an Employee as a result of the same accident shall not exceed the Principal Sum.

5. Exclusions

The Plan does not cover:

- a) Suicide or any attempt thereat, sane or insane;
- b) Loss caused by act of declared or undeclared war or injuries sustained while in an armed service;
- c) Injuries received while travelling by air except as provided for air travel in the insurance policy.

6. Required Premium

The monthly premium cost is paid by the Company.

7. Commencement of Insurance

- a) Accidental Death and Dismemberment Insurance commences on the first (1st) day of the month following accumulation of three (3) months of service provided an application card has been signed and submitted within thirty-one (31) days of becoming eligible.
- b) For a previously participating employee returning from lay-off or an authorized Leave of Absence, Accidental Death and Dismemberment Insurance commences on the first day of full-time work.
- c) An employee must be actively at work on the day his Accidental Death and Dismemberment Insurance commences, otherwise his insurance will commence on the date of return to active work.

8. Termination of Insurance

The insurance under this policy shall terminate on termination of employment for whatever reason.

9. Continuation for Total Disability

Coverage will continue at no premium cost to the employee as long as he meets the "Definition of Disability" under the Weekly Indemnity and Long Term Disability Plans.

10. Beneficiary

Benefit payments for loss of life are payable to the beneficiary designated by the insured. All other benefits are payable to the insured.

11. Air Travel Coverage

The Plan includes coverage for injuries received while a Protected Person is travelling in the status of a passenger, but not in the status of a pilot or member of the crew, in:

- a) any civil aircraft which has a current and valid D.O.T. (Department of Transport - Canada) airworthiness certificate, or its foreign equivalent, of other than a limited, restricted or experimental classification and which is operated by a person holding a current and valid pilot's licence (other than a student certificate) of a rating authorizing him to operate it, or;
- b) any transport type aircraft operated by the Canadian Armed Forces, the Royal Air Force Air Support Command (of Great Britain) or by the Military Air Transport Service (MATs) of the United States, other than a single engine jet aircraft, which is being operated by a pilot who has proper authorization to operate it provided, however, that such aircraft is at the time making a flight which is for the principle purpose of transporting passengers or passengers and cargo and not for or in connection with any other operational purpose or any tactical or test purpose, and provided such injuries are otherwise covered by the Plan.

12. Administration of this Plan is subject to the Grievance Procedure; however, final decision with respect to claims disposition will be the responsibility of the Insurance Carrier.

ARTICLE 1

WEEKLY INDEMNITY PLAN

- 1.01 The union is the owner of the master policy of this program, the text of the policy governs its application. The company is responsible for its administration.
- 1.02 The premium cost for the weekly indemnity plan is entirely paid by the employee.

Group Insurance

Group insurance coverage for future retirees will be negotiated at the local level.

Death Benefits - Retirees

The company will provide a \$5,000 death benefit coverage for future retirees.

Dispute Resolution Mechanism – Weekly Indemnity

The aforementioned mechanism shall be applied as follows:

- When an employee decides to appeal a decision made by the Insurance Company regarding his/her eligibility for benefits, the employee shall immediately advise the Mill HR Department, which will in turn advise the Insurer;
- Upon simple notice from the Mill HR Department, the Insurer shall maintain the employee's benefits until such time as a final decision (without appeal) has been rendered by an independent physician, as stipulated in the mechanism. Thus, the employee will not have to reimburse any amount other than any advance payment provided by the Company, if ever the Insurer's cheque is delayed, as stipulated in the agreement negotiated in 2004 regarding this matter;
- Incidentally, the fees for medical expertise and transportation shall be assumed by the Insurer, in the same capacity as a medical exam required by the Insurer itself.

LONG TERM DISABILITY BENEFIT PLAN

1. Definition

In this Plan, unless otherwise specifically provided:

- a) An insured employee is considered totally disabled if, after having completed benefits under the Weekly Indemnity Plan or a Salary Continuation Plan, he is unable because of disease or injury to perform the duties of his regular occupation, for the ensuing twenty-four (24) months, and thereafter he is unable to perform any and every duty of every occupation in the Mill for which he is reasonably fitted by education, training, or experience.

The existing maximum monthly benefit will increase by \$200 for employees actively at work on or after the first day of the month following ratification of the Collective Agreement and by another \$100 for employees actively at work on May 1, 2007. These improvements will be fully paid by the Company. The monthly maximum benefit is increased to \$2800 for cases of disability commencing the month following disability. Locals benefiting from a higher amount will maintain it.

- b) "Employee" means an employee in the active employment of the Company, who participates in this Plan;
- c) "Insurer" means the insurance company or carrier appointed by the Company;
- d) "Plan" means RESOLUTE FOREST PRODUCTS, Long Term Disability Benefit Plan;
- e) "Wage" means an employee's normal weekly wage prior to the start of disability, excluding any overtime premium or shift bonus.

2. Participation

- a) All employees of the Company listed on the participation schedule shall be eligible to participate in this Plan, in accordance with the provisions listed herein.
- b) Participation in this Plan is limited to eligible employees who have completed one (1) year of accumulated employment with the Company.

3. Amount of Disability Benefits

The amount of disability benefit shall be 55% of an employee's wage, payable until the earlier of recovery, or attainment of age sixty-five (65).

4. Eligibility for Payment

- a) An employee shall be eligible to receive an amount of disability benefit after fifty-two (52) weeks of Weekly Indemnity/Salary Continuance entitlement for the same disability under the Company's Weekly Indemnity Disability Benefit Plan.
- b) An employee absent from work and in receipt of an amount of disability benefit, shall continue to receive such benefit, even though a work shortage develops which would have resulted in his being laid-off had he been at work, provided that the employee remains disabled and continues to furnish evidence satisfactory to the Company and/or insurer, and verifies the continuance of disability.
- c) An employee shall not be eligible for an amount of disability benefit under this Plan unless he is actively employed by the Company at the date that he becomes eligible or until he subsequently returns to active employment.
- d) In the event of a lay-off, an employee who is insured under the terms of this Plan shall be considered as still employed for purposes of this benefit up to the end of the policy month next following the policy month in which the employee was laid-off.
- e) An employee making a claim for an amount of disability benefit after lay-off or termination of employment, for disability established to the satisfaction of the Company and/or insurer as having occurred prior to his lay-off or termination, shall be eligible for an amount of disability benefit provided such disability was accompanied by a continuance of absence that commenced prior to actual lay-off or termination.
- f) Successive periods of disability separated by less than three (3) consecutive months shall be considered one (1) period of disability, unless the subsequent disability is due to an accident or illness entirely unrelated to the previous disability and commences after return to active employment on full-time.
- g) The monthly benefit will cease at the earliest of the following occurrences:
 - (i) The date at which the disability ceases,
 - (ii) The date at which the employee is eligible for an unreduced pension,
 - (iii) The date at which the employee reaches 65 years of age,
 - (iv) The death of the employee.

Current provisions will not be reduced by the above-noted language.

- h) An amount of disability benefit under this Plan shall not be paid in the event the absence is a result of:

- (i) any injury arising out of or sustained while doing any act or thing pertaining to any occupation or employment for remuneration or profit, or;
 - (ii) self-destruction or any self-inflicted injury, while sane or insane, or;
 - (iii) any injury or illness resulting from insurrection or war, whether war be declared or not, or from participation in riot or civil commotion, or;
 - (iv) disability for which the employee is not under the treatment of a physician, or;
 - (v) alcoholism or drug addiction, unless the employee is confined in a hospital or institution licensed to provide care and treatment incident thereto, or unless the employee is undergoing regular rehabilitative treatment approved by the insurer and a physician.
- i) An amount of disability benefit will not be payable following the early retirement date of an employee, if early retirement was approved prior to the onset of disability.
 - j) An amount of disability benefit will not be payable for those days for which the employee receives holiday pay, vacation pay, or more than one-half (1/2) day's regular pay, from the Company.

5. Payment of Benefits

- a) The daily rate of payment for each calendar day of absence that qualifies for payment shall be one-seventh (1/7) the weekly amount of disability benefit under Section 3 hereof. Payment of such benefits will be made in accordance with Section 5(b) below.
- b) Disability benefits will be paid monthly in arrears. The monthly benefit is equal to:

$$\frac{55\% \times \text{Employee's Wage} \times 2080/2184}{12}$$

- c) Long Term Disability Benefit Coverage

The Company agrees to upgrade Long Term Disability benefit payments for all employees who have been continuously disabled for five (5) years or more to reflect the May 1, 1999; May 1, 2000; May 1, 2001; May 1, 2002; and May 1, 2003, wage increases as outlined below.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 1999, wage increase and will take effect from the later of:

- (i) May 1, 1999, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2000.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 2000, wage increase and will take effect from the later of:

- (i) May 1, 2000, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2001.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 2001, wage increase and will take effect from the later of:

- (i) May 1, 2001, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2002.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 2002, wage increase and will take effect from the later of:

- (i) May 1, 2002, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2003.

Changes to the Long Term Disability Benefit coverage will reflect the May 1, 2003, wage increase and will take effect from the later of:

- (i) May 1, 2003, and;
- (ii) the completion of the five (5) year qualifying period provided this occurs before May 1, 2004.

d) Pensionable Service

The Company agrees to upgrade Pensionable Service for all employees who have been continuously disabled for five (5) years or more to reflect the May 1, 1999; May 1, 2000; May 1, 2001; May 1, 2002; and May 1, 2003, wage increases as outlined below:

Employees who are in receipt of Long Term Disability at January 1, 2000, and who have completed a five (5) year qualifying period will have the pensionable service recomputed

with effect from that date to reflect the May 1, 1999, wage increase.

Employees who are in receipt of Long Term Disability at January 1, 2001, and who have completed a five (5) year qualifying period will have the pensionable service recomputed with effect from that date to reflect the May 1, 2000, wage increase.

Employees who are in receipt of Long Term Disability at January 1, 2002, and who have completed a five (5) year qualifying period will have the pensionable service recomputed with effect from that date to reflect the May 1, 2001, wage increase.

Employees who are in receipt of Long Term Disability at January 1, 2003, and who have completed a five (5) year qualifying period will have the pensionable service recomputed with effect from that date to reflect the May 1, 2002, wage increase.

Employees who are in receipt of Long Term Disability at January 1, 2004, and who have completed a five (5) year qualifying period will have the pensionable service recomputed with effect from that date to reflect the May 1, 2003, wage increase.

These adjustments exclude any change in the benefit calculation formula, for shift differential.

e) Pension Calculation

An employee who qualifies for Long Term Disability on or after January 1, 2000, and who retires will have his pension calculated based on the greater of:

- his rate at the time of disability as defined in the Collective Agreement;

or,

- the base rate in the Mill (Labourer rate) in each of the years used to calculate his pension.

6. Miscellaneous Provisions

- a) An employee absent due to disability or on an authorized Leave of Absence on the date he was to become eligible under this Plan, shall, upon the date of his return to active employment, be eligible to participate in this Plan.
- b) If an employee who has been covered under the terms of this Plan is granted an authorized Leave of Absence, such employee shall be considered as still covered under the terms of this Plan, but not beyond the end of the policy month next following the policy month in which such employee ceased work.

7. Government Disability Plans, Including Workplace Safety and Insurance Board

- a) The amount of disability benefit under this Plan will be reduced by the amount of primary benefits for which an employee is eligible under the disability benefit provisions of the Canada or Quebec Pension Plan or similar provisions in any other Government Plans for disability, including Workplace Safety and Insurance Board benefits, for the same disability which the employee is receiving an amount of disability benefit under this Plan, except for War Disability Pensions, Workplace Safety and Insurance Board Disability Pensions, and except for increases in government benefits occurring twelve (12) months or more from the date of the first benefit payment;
- b) The Company and/or insurer may require certification or verification of the amount of income from the Canada or Quebec Pension Plan or such other Government Plans;
- c) The amount of disability benefit in excess of the amount which should have been paid may be deducted from the amount of any future disability benefit, or repaid by the employee to the Company and/or insurer, as the case may be, through some other mutually satisfactory arrangement.

8. Company Pension Plan Disability Benefits

- a) The amount of disability benefit under this Plan will be reduced by the amount of pension for which the employee is eligible under the total and permanent disability provision of the Company Pension Plan.
- b) Employees receiving benefits under this Plan will continue to accrue full pensionable service as though still working, at no cost to the employee, based on earnings equal to the rate of pay for the job on which he was employed immediately prior to disability or the revised rate, if applicable.

9. Physical Examinations

The Company and/or insurer reserves the right to require periodic physical examinations throughout the duration of the employee absence due to disability. Such examinations shall be conducted by a physician or physicians designated by the Company and/or insurer.

Cost of physical examinations, transportation and reasonable out-of-pocket expenses related thereto will be paid by the insurer.

Should the employee so desire, he may seek the opinion of a doctor of his choice; should the diagnosis of his doctor not be in agreement with that of the physician designated by the insurer and/or Company, a

physician who is a practising specialist of the disability in question, satisfactory to the parties, shall render a final and binding opinion.

10. Company Group Life Insurance Plan

An employee receiving disability benefits under this Plan who is a participant in the Group Life Insurance Plan at the commencement of his disability, will continue to receive Group Life Insurance coverage until recovery or age sixty-five (65), whichever occurs first, at no premium cost to him in the same amount as prior to his disability. If the employee retires under the Company Pension Plan, the Group Life Insurance will be \$5,000 and will be provided at the expense of the Company.

11. Rehabilitation

An employee receiving an amount of disability benefits under this Plan may be asked to undergo reasonable rehabilitation measures which have been the subject of prior consultation with the employee's doctor, at no cost to the employee. If such employee refuses to undertake such rehabilitation, he may be declared not eligible for an amount of disability benefits.

12. Administration

- a) It shall be the obligation of the employee to notify immediately the Company of his absence due to disability, following which the Company will issue the necessary initial claim forms to him.
- b) Completed claim forms will be checked by the Company to determine whether or not an employee is a participant in the Plan, and the Company will forward the claim forms to the insurer for adjudication and processing.
- c) To assist the insurer in the proper adjudication and processing of claims, the Company and/or insurer may establish claims control procedures.

DENTAL CARE PLAN

Plan Effective Date:

The Dental Care Plan described below became effective October 1, 1978.

1. a) Eligibility

Participation in this Plan is limited to employees who have completed one (1) year of active service with the Company.

On the day your coverage comes into effect, your eligible spouse and eligible dependent children under twenty-one (21) years of age are also covered. Coverage is extended until age twenty-five (25) for dependent children attending school full-time.

Effective August 1, 1993, future retirees will be allowed to continue the dental Plan at their own expense.

b) Cost Share

The premiums for Dental Care Plan will be shared by the Employer at 90% and the Employee 10%.

2. Plan Design

The Plan provides reimbursement as follows:

- a) 100% of the cost of Class I covered expenses, and;
- b) 50% of the cost of Class II and Class III covered expenses.

The maximum benefit per calendar year is \$1,500 per insured family member for Class I and II covered expenses. The lifetime maximum benefit is \$1,500 per insured family member for Class III covered expenses. Effective January 1, 2015, the maximum annual amount payable for dental care will be increased to \$1750 per insured and the maximum lifetime benefit payable for orthodontics will be increased to \$1750 per insured.

The Dental Fee Schedule from the Association of *Dental Surgeons* applicable throughout the term of the 2014-2018 Collective Agreement shall be as follows:

- For the 2018 calendar year, the 2017 schedule of fees shall apply;
- For the **2019** calendar year, the **2018** schedule of fees shall apply;
- For the **2020** calendar year, the **2019** schedule of fees shall apply;
- For the **2021** calendar year, the **2020** schedule of fees shall apply;
- For the **2022** calendar year, the **2021** schedule of fees shall apply;

Covered Expenses

Class I Procedures:

- Oral examinations, including scaling and cleaning of teeth;
- Topical application of sodium or stannous fluoride;
- Oral hygiene instruction;
- Dental x-rays;
- Extractions;
- Oral surgery, including excision of impacted teeth;
- Amalgam, silicate and plastic composite fillings;
- Anaesthetics administered in connection with oral surgery or other covered dental services;
- Injections of antibiotic drugs by the attending dentist;
- Treatment of periodontal and other diseases of the gums and tissues of the mouth;
- Pits and fissures;
- Endodontic treatment, including root canal therapy.

Class II Procedures:

- Initial installation (including adjustments after three (3) months following original insertion) of partial or full removable dentures to replace one (1) or more natural teeth;
- Replacement of an existing partial or full removable denture or the addition of teeth to an existing partial or full removable denture to replace extracted natural teeth, but only if evidence satisfactory to the Insurance Company is presented that the existing denture cannot be made serviceable;
- Repair or relining of dentures.

Class III Procedures:

- Orthodontic treatment, including correction of malocclusion.

Services and supplies, in the case of each dental expense, must have been rendered and dispensed by a legally qualified dentist except that:

- i) cleaning or scaling of teeth may be performed by a licensed Dental Hygienist if such treatment is rendered under the supervision and direction of such dentist, and;
- ii) installation, adjustments, repairs and relining of complete dentures may be made by a Dental Mechanic or Denturist legally practising within the scope of his licence, but any charges in excess of the amount specified for such services and supplies in the Dental Mechanics' or Denturists' tariff of the Province where such services and supplies are received will be disregarded.

Pre-determination of Benefits

If the cost of a course of treatment planned by the Dentist for a covered family member is expected to exceed \$300, the proposed

course of treatment must be filed with, and approved by, the Insurance Company prior to the commencement of treatment.

In cases where the patient selects a more expensive procedure than a suitable alternative procedure, reimbursement will be based on the least expensive procedure which, as determined by the Insurance Company, will produce a professionally adequate result.

Termination of Benefits

Termination of Employment:

In the event of termination of employment for any reason, benefits will cease on the date of termination of employment.

Workplace Safety and Insurance Board:

Disabled employees on Workplace Safety and Insurance Board benefits will be eligible for benefits for up to twelve (12) months after the date of disability.

Weekly Indemnity:

Disabled employees on Weekly Indemnity will be eligible for benefits up to twelve (12) months after the date of disability.

Leave of Absence:

Employees on authorized Leave of Absence will be eligible for benefits for one (1) month.

Employees may continue their coverage after one (1) month by paying the monthly premium.

Lay-Off:

Benefits will cease upon lay-off. In the event that an employee has a course of treatment approved by the insurance company prior to the lay-off, that course of treatment will be covered under the Plan.

3. Administration

The Plan will be administered in accordance with an appropriate contract or set of procedures reflecting the Plan design outlined in Item 2 above. The decision as to the choice of administrative vehicle from among service carriers, insurance companies or self-administration will be made by the Company on the basis of appropriate study of these alternatives.

4. Premiums

The Company will continue to pay 90% of Dental Plan premiums for the term of the 2018-2022 Collective Agreement.

5. Integration

The Plan will not provide like benefits where such are currently being provided by Federal or Provincial legislation.

If during the life of this Agreement Federal or Provincial governments shall introduce legislation to provide benefits already covered by this Plan, the Plan shall be amended so as to eliminate said benefits.

EXTENDED HEALTH CARE PLAN

Plan Effective Date:

The Extended Health Care Plan described below became effective October 1, 1978.

1. a) Eligibility

Participation in this Plan is limited to employees who have completed ninety (90) days of active service with the Company.

On the day your coverage comes into effect, your eligible spouse and eligible dependent children under twenty-one (21) years of age are also covered. Coverage is extended until age twenty-five (25) for dependent children attending school full-time.

b) Cost Share

The Premiums for Extended Health Care Plan will be shared by the Employer 90% and the Employee 10%.

2. Plan Design

The Plan provides 100% reimbursement for eligible expenses in excess of the calendar year deductible of \$10 per person (maximum of \$20 per family). The Company agrees to eliminate the lifetime maximum for the Extended Healthcare Plan.

Eligible Expenses:

Eligible expenses are reasonable and customary charges incurred for the following:

- Prescription drugs, serums, medicines and vaccines;
- Registered nursing care;
- Out-patient hospital services;
- Licensed ambulance service to, between, and from hospitals;
- Purchase of braces, crutches, artificial limbs or eyes required as the result of an injury;
- Purchase of prosthetic devices;
- Rental of wheelchair, hospital-type bed, or other equipment (required as a result of an injury);
- Oxygen and blood serum;
- Services of a Dentist when required as a result of an accidental injury to natural teeth, provided treatment is rendered within six (6) months;
- Out-of-province emergency treatment, including room and board, up to the level of ward accommodation, hospital services and supplies, and diagnosis and treatment by a Physician;
- Diagnostic tests, laboratory test, radium treatment;
- Services of a qualified Physiotherapist;

- Services of a qualified Speech Therapist, up to a maximum of \$200 in any one (1) calendar year;
- Services of a licensed Clinical Psychologist, up to a maximum of \$300 in any one (1) calendar year;
- Hearing aids prescribed by an Otolaryngologist, up to a maximum of \$400 every five (5) years.

Brand name prescription drugs will be reimbursed at 80%. For generic prescription drugs and drugs with no generic, the reimbursement will be 100%. A brand name drug will only be reimbursed at 100% provided there is a medical justification from the treating Physician for its generic equivalent not being recommended, not tolerated, or not being able to be administered given the medical condition of the insured participant.

The parties recognize that the use of generic drugs is an important element for containing costs in a health care plan. Consequently, the parties agree to meet and develop a mutually agreed upon plan to increase the use of generic drugs. This initiative will take place in all mills within 12 months of the ratification of the collective agreement. The plan could include promotional campaigns to improve doctors and pharmacists' awareness regarding generic drug use.

Effective at ratification (September 2, 2014) there will no longer be any annual maximum payable for reimbursement of prescription drugs. The Company will put in place a differed reimbursement card for prescription drugs as soon as possible after ratification.

Paramedical Benefit:

The following Paramedical services and treatments shall be considered as eligible expenses:

- a) laboratory tests and x-ray examinations, when recommended or approved by a legally licensed Chiropodist, or Podiatrist;
- b) the services of any of the following legally licensed practitioners, after O.H.I.P. has made its yearly maximum payment:
 - (i) Osteopaths;
 - (ii) Chiropodists;
 - (iii) Podiatrists;
 - (iv) Naturopaths;
 - (v) Masseurs;
 - (vi) Christian Science Practitioners (if listed in the Christian Science Journal);
 - (vii) Chiropractors.

The maximum amount payable for each treatment by a practitioner is the amount shown in the applicable Schedule of Fees. If there is no applicable Schedule of Fees, the amount is determined by the Company.

The maximum amount payable in any one (1) calendar year for the above expenses is \$400 for each insured person, per type of practitioner. The number of visits will be adjusted accordingly and the minimum reimbursement per visit will be fifteen dollars (\$15).

Expenses for the services of a Masseur will only be eligible if they are recommended or approved by a physician or surgeon.

Vision Care:

The Company agrees to pay the premium cost for Vision Care during the term of this Agreement. The terms and conditions governing this Plan are outlined in the master insurance policy issued to the Company by the insurance carrier(s).

The following Vision Care expenses shall be considered eligible expenses:

Frames, lenses and the fitting of prescription glasses, including contact lenses, up to a total payment of \$150 per family member, once in any two (2) consecutive calendar years provided there has been a change in prescription. Effective January 1, 2015, the total payment will increase to \$200 per 24 month period per insured for all charges incurred relative to the purchase of lenses and frames, contact lenses, or laser eye surgery

Dependent children less than twenty-one (21) years of age may receive benefits once every twelve (12) months.

The following items and charges are not covered under this Vision Care Plan:

- industrial safety glasses;
- tints, other than #1 and #2 tint;
- charges for expenses covered by the Workplace Safety and Insurance Board, or any government agency or any third party.

Termination of Benefits

Termination of Employment:

In the event of termination of employment for any reason, benefits will cease on the date of termination of employment.

Workplace Safety and Insurance Board:

Disabled employees on Workplace Safety and Insurance Board benefits will be eligible for benefits for up to twelve (12) months after the date of disability.

Weekly Indemnity:

Disabled employees on Weekly Indemnity will be eligible for benefits up to twelve (12) months after the date of disability.

Leave of Absence:

Employees on authorized Leave of Absence will be eligible for benefits for one (1) month.

Employees may continue their coverage after one (1) month by paying the monthly premium.

Lay-Off:

Benefits will cease upon lay-off. In the event that an employee has a course of treatment approved by the insurance company prior to the lay-off, that course of treatment will be covered under the Plan.

3. Administration

The Plan will be administered in accordance with an appropriate contract or set of procedures reflecting the Plan design outlined in Item 2 above. The decision as to the choice of administrative vehicle from among service carriers, insurance companies or self-administration will be made by the Company on the basis of appropriate study of these alternatives.

4. Premiums

For the duration of the 2014-2018 Collective Agreement, the Company agrees to continue to pay 100% of the premium cost for the Extended Health Care Plan.

5. Integration

The Plan will not provide like benefits where such are currently being provided by Federal or Provincial legislation.

If during the life of this Agreement Federal or Provincial governments shall introduce legislation to provide benefits already covered by this Plan, the Plan shall be amended so as to eliminate said benefits.