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C O N T R A C T

between

QUEBECOR WORLD KINGSPORT, INC.

QUEBECOR WORLD HAWKINS

QUEBECOR WORLD LOGISTICS HAWKINS/DISTRIBUTION

and

**UNITED STEELWORKERS OF AMERICA,
AFL-CIO, CLC**

and its

LOCAL #299

Effective February 18, 2001 Feb 18 2001

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AGREEMENT

This AGREEMENT is made and entered into this 18th day of February 2001, between Quebecor World Kingsport, Inc., located at Press Street, Kingsport, Tennessee, Quebecor World Hawkins, located at Kingsport Press Road, Church Hill, Tennessee, and Quebecor World Logistics Hawkins/Distribution located at Kingsport Press Road, Church Hill, Tennessee plants only, hereinafter called the "Company" and the United Steelworkers of America, AFL-CIO, CLC, and its Kingsport Local Union No. 299, or its successors, hereinafter called the "Union."

PURPOSE, INTENT AND COOPERATION

It is the intent and purpose of the parties hereto to set forth all of the matters covering and concerning wages, hours and other conditions of employment for all employees included in the certified bargaining unit and represented by the Union in this Agreement. Each of the parties specifically agrees that it will use its fullest efforts to promote and improve orderly and peaceful industrial and economic relations between the parties; to maintain uninterrupted operations in the plant consistent with the need for employee services; to achieve the highest level of quality, employee performance, efficiency, productivity and effort consistent with good safety practices and reasonable sustained effort; to provide a procedure for settling differences and interpreting the provisions of this Agreement for only the term of this Agreement or any extension thereof and as to non-interest matters only; and generally, to govern the relationship between the Company and Union and its members for the term of this Agreement, or any extension thereof.

The parties recognize that achievement of the above stated intent will require a full understanding of and regard for the respective rights and responsibilities of all parties to this Agreement. It is also recognized that the parties have a mutual interest in cooperation which will enable and ensure safe, economical, efficient, competitive and profitable operation of the plant.

ARTICLE I

RECOGNITION

Section 1. During the life of this Agreement or any extension thereof, the Company will recognize and deal with the Union as the sole and exclusive collective bargaining agency with respect to rates of pay, hours, wages, and all conditions of employment for all full-time production and maintenance employees, including all quality assurance employees, group leaders and truck drivers employed by the Employer at the following locations:

Center Street Plant and Sullivan Street Plant in Kingsport, Tennessee, and its Distribution Center and Hawkins Plant in Church Hill, Tennessee, but excluding all other employees, all office and plant clerical employees, mailroom employees, technical employees, professional employees, confidential employees, draftsmen, artists, nurses, temporary and part-time employees, guards and supervisors as defined in the Act, as amended.

Section 2. This Agreement cannot be modified, amended or added to or subtracted from except by agreement in writing signed by the Company and the Union of equal formality with this Agreement.

Section 3. The term "employee" or "employees" as used in this Agreement shall be deemed to mean only, and be limited to, those persons on the seniority list in the bargaining unit located at its presently operating plant divisions.

ARTICLE II

MANAGEMENT RIGHTS

Section 1. Nothing contained in this Agreement shall be construed or interpreted as denying, interfering with, abridging or limiting the rights of the Company to exercise all the customary and usual rights, functions, and authority of Management, except as expressly and specifically limited or restricted by the clear and unambiguous language in this Agreement. The rights and powers the Company retains solely and exclusively to determine, change, discontinue, alter, implement or modify, in whole or in part, temporarily or permanently, and as an example, but not all inclusive of such rights, are: The

management and operation of its businesses and plants; the number, location and types of plants or facilities, and the work assigned thereto; to close, liquidate, move, merge, sell, abandon, consolidate, terminate or discontinue current operations or facilities or combinations of facilities in whole or in part; the products to be manufactured and services to be rendered at any location; to determine and change the engineering, design, automation, methods, processes and means of production, manufacture, tooling, assembly and distribution and the products, machinery, equipment, tools, services and materials to be used and their supplier; the methods and means of facility construction and maintenance and the utilization of all premises, equipment and facilities; the standards of quantity and quality and revision thereof; the manner, means and personnel to be used in taking, maintaining and auditing inventories; the establishment and revision of handling and production schedules and standards; the determination of all employment criteria, selection, hiring, control, direction, promotion, demotion, assignment, transfer and supervision of all employees and the relative ability and qualifications of employees; the number of employees needed at any time in any operation, or assigned to any particular machine, operation or shift; whether, when or where there is a job opening; the work pace, work performance levels, standards of performance and whether employees meet such work pace, levels or standards; the job classifications, contents and qualifications therefore and rates of pay for new or changed job classifications; the rules and regulations for all of the employees; when overtime shall be worked and to require employees to work overtime; the workweek, vacation schedules and shift schedules; the hiring and use of other employees not covered by this Agreement and the number needed at any time to do work which is normally done by employees covered hereby; the procedures for the security of the employees, plant, premises, facilities, and property of the Company and of its customers; the method of funding of each Company benefit including the identity and selection of each carrier, insurer or trustee of Company benefits; the subcontracting of any or all of the products or work to be manufactured, handled or performed and the services to be rendered; the termination or layoff of employees as a result of the exercise of any of the rights set forth hereinabove or as a result of the exercise of any of the other rights the Company has and retains; the extent to which products will be manufactured, produced or handled in the Company's plants or in other Company facilities or elsewhere; and the determination of all sales and distribution policies for parts, components or finished goods. The failure, refusal, neglect or willful determination to do or not to do or exercise or not exercise or

the exercise in any particular way of any right retained to and by the Company herein shall not be a waiver or abandonment of such right or power, or a limitation on the way it may be exercised, nor shall it be considered a past practice in any grievance, arbitration or other legal proceeding.

Section 2. It is expressly understood and agreed that all rights heretofore exercised by the Company are inherent in the Company as the owner of the business, or as an incident to the Management not expressly contracted away by a specific provision of this Agreement, are retained solely by the Company and that all such other rights of management not expressly set forth hereinabove are expressly reserved to the Company. The expressed specific written provisions of this Agreement granting rights to employees or the Union constitute the only limitations upon the Company's rights and only for the life of this Agreement.

Section 3. Timely grievances brought and handled in accordance with the Grievance Procedure (Article V) which concern any rights acquired by the Union or the employees by a specific provision of this Agreement shall be subject to arbitration (Article VI). It is expressly understood, however, that any grievances or disputes which involve the exercise of rights or functions exclusively reserved to Management which are not restricted or limited by a specific provision in this Agreement shall not be subject to arbitration.

ARTICLE III

DISCRIMINATION

Section 1. The Company and Union agree that the provisions of this Agreement shall apply to all bargaining unit employees equally and that neither party, its agents, employees or representatives will discriminate against any employee or applicant for employment because of such employee's race, creed, color, sex, age, national origin, religion, handicap, qualified employees with disabilities, or military status or service.

Section 2. Whether members of the Union or not, the Company and Union agree that there will be no discrimination, intimidation, threats, coercion, restraint or interference against any employee including probationary employees by the Union, its representatives, agents or employees, or the Company, its representatives, managers or supervisors because of such employee's participation or refusal to participate in Union

membership or activities. Further, it is recognized and agreed that this Article shall not be interpreted as creating any immunity for any employee from observance of plant rules and regulations, safety rules and regulations, and/or from generally applicable standards of employee conduct.

Section 3. Unless the context clearly provides to the contrary, as used herein, the male gender shall include the female gender and the female gender shall include the male gender.

ARTICLE IV

UNION REPRESENTATIVES

Section 1. The Company agrees to recognize employees designated by the Union to serve as stewards. Designated stewards shall be permanent, full-time employees and members of the bargaining unit as defined in the Recognition Article herein and shall serve only the employees in their designated areas in a division and plant during their shift of work. Areas designated for service in each department and plant by stewards on each shift are as follows:

STEWARD DESIGNATED AREAS OF REPRESENTATION

<u>FIRST SHIFT</u>	<u>NUMBER OF STEWARDS</u>
KINGSPORT PLANT	
PREPRESS	1
BINDING	3
FINISHING	1
SPECIAL PRODUCTS	2
SUPERFINISH AND BINDERY STOCKROOM	1
COVER MANUFACTURING	1
MACHINE/ELECTRIC/MAINTENANCE SHOPS	1
WEB PRESSROOM	1
SHEETFED PRESSROOM AND PLATE VAULT	1
PAPER STOCK	1
PREBIND-FOLDING	1
MATERIALS RESOURCES	1
QUALITY ASSURANCE	1
SHERWOOD DEPARTMENT	3

HAWKINS PLANT

BINDERY	3
PREPRESS	1
PRESSROOM	1
MACHINE/ELECTRIC/MAINTENANCE SHOPS	1
QUALITY ASSURANCE	1

DISTRIBUTION PLANT

DOCK	1
MACHINE AREA	1
PIC & PAC AREA	1

SECOND SHIFT

KINGSPORT PLANT

PREPRESS	1
BINDING	2
FINISHING	1
SPECIAL PRODUCTS	1
COVER MANUFACTURING	1
PREBIND - FOLDING	1
MACHINE/ELECTRIC/MAINTENANCE SHOPS	1
WEB PRESSROOM	1
SHEETFED PRESSROOM AND PLATE VAULT	1
PAPER STOCK	1
MATERIALS RESOURCES	1
QUALITY ASSURANCE	1
SHERWOOD DEPARTMENT	2

HAWKINS PLANT

BINDERY	2
PREPRESS	1
PRESSROOM	1
MACHINE/ELECTRIC/MAINTENANCE SHOPS	1
QUALITY ASSURANCE	1

DISTRIBUTION PLANT

DOCK, MACHINE PIC & PAC	1
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THIRD SHIFT
KINGSPORT PLANT

PREPRESS	1
BINDING	1
FINISHING	1
SPECIAL PRODUCTS	1
COVER MANUFACTURING	1
PREBIND - FOLDING	1
MACHINE/ELECTRIC/MAINTENANCE SHOPS	1
WEB PRESSROOM	1
SHEETFED PRESSROOM AND PLATE VAULT	1
PAPER STOCK	1
MATERIALS RESOURCES	1
QUALITY ASSURANCE	1
SHERWOOD DEPARTMENT	1

HAWKINS PLANT

BINDERY	2
PREPRESS	1
MACHINE/ELECTRIC/MAINTENANCE SHOPS	1
PRESSROOM	1
QUALITY ASSURANCE	1

DISTRIBUTION PLANT 1

FOURTH SHIFT
KINGSPORT PLANT

WEB PRESSROOM	1
SHEETFED PRESSROOM AND PLATE VAULT	1

HAWKINS PLANT
PRESSROOM 1

Each steward shall have the right to receive, discuss and assist in the adjustment of grievances of bargaining unit employees within his area of representation on his shift and on other shifts in his area if there is no Shop Steward available to represent the employees of that area and shift. This shall not include the right to solicit grievances.

Section 2. Investigation or processing of grievances shall not be conducted during working hours, except when proper

permission has been received. Stewards may investigate and process grievances during working hours by first notifying and obtaining permission from their foreman or supervisor before leaving their work station and from the appropriate supervisor or foreman in the area in which the investigation is being conducted before entering that area. The permission required of the foreman or supervisor shall not be unreasonably withheld but due consideration and deference shall be given to production requirements and customer needs and demands. Stewards shall not abuse such privilege but shall take only that amount of time which is necessary for the processing of the specific grievance.

Section 3. The Company and the Union will furnish each other with current lists of the names of their duly authorized stewards and representatives. Only those stewards and representatives certified by the Union shall be recognized by the Company as the representative of the employees in their designated area. The stewards shall be designated for each area and in the number for each area defined in Section 1, provided that additional stewards or deletion of stewards will be made on the same basis as the designation of areas and assignments in Section 1.

Section 4. Accredited representatives of the Union who are not employees of the Company and the Local Union officers in plants other than that in which he is employed, shall be entitled, at reasonable times so as not to interfere with production, to visit the production, maintenance and distribution areas of the Company's plants after first presenting themselves to and receiving permission from the Human Resources Department and complying with the customary plant security procedures.

Section 5. Officers of the Local Union who are employees of the Company will be afforded reasonable time off from their work without pay to assist in the executive affairs of the Union, as may be required, provided that arrangements for such time off shall first be made with the Plant Management at least by Wednesday the week in advance of the requested time off except in the case of an emergency and provided that such time off does not interfere with the plant operation. Straight time hours lost from their regularly scheduled shifts in participating in the executive affairs of the Union in contract administration, grievance handling and appeals, preparation for and negotiation and educational activities related to contract administration will be credited for vacation eligibility purposes. All conferences and/or meetings, but not arbitration proceedings, between active employee Union officers, employees

and the plant management will be held at the plant during regular working hours, and will not result in loss of straight-time pay to such employee and/or employee Union officer.

Section 6. Employees selected to act as delegates to Union conventions or official Union conferences will be permitted the necessary time off to attend such meetings, provided at least one week's notice is given. Not more than fifteen (15) employees will be permitted off at any one time. In allowing employees off to attend official Union conferences, a maximum of six (6) at the Kingsport Plant and five (5) at the Hawkins Plant and a maximum of two (2) at the Distribution Plant will be permitted. The parties may mutually agree to a greater or lesser maximum number.

ARTICLE V

SETTLEMENT OF GRIEVANCES

Section 1. The Company and the Union both agree to investigate thoroughly grievances involving the specific terms, application, or interpretation of this Agreement, and make every effort to come to a prompt and mutually satisfactory solution. Should any grievance arise between the Company and the Union or any employee, the employee in the first instance, with or without his steward as the employee elects, shall register his grievance with the employee's supervisor verbally within five (5) working days of the time when the employee knew or should have known of the incident giving rise to the grievance.

Grievances arising out of layoff, or recall from layoff, suspension or discharge must be filed within five (5) working days (exclusive of Saturdays, Sundays and Holidays) of the event giving rise to the grievance or will be considered dropped. Such grievance when filed shall proceed in "Step 3" of the grievance procedure. Such grievance will be submitted by the Union to the Plant Human Resources Representative or his designee. A meeting will be scheduled within forty-eight (48) hours (exclusive of Saturdays, Sundays and Holidays) after such notice with the Local Union Plant Representative, if requested, for the purpose of investigation of the facts and circumstances set forth in the written notice from the Company of such action.

If requested by the Local Union Plant Representative, a special Step 3 meeting will be held within five (5) days (exclusive of Saturdays, Sundays and Holidays) with the Plant Human Resources Representative and the Local Union Plant Representative. Such grievances not satisfactorily resolved in a special Step 3

meeting may be appealed in the same manner as a regular Step 3 answer to Step 4.

A "grievance" for all purposes of this Agreement is defined as a written claim of a dispute or complaint between the Union and/or an employee(s) and the Company arising out of or under the interpretation or application of the specific terms of this Agreement.

In reducing a grievance to writing and for submission under the grievance procedure, the following information must be stated: the exact nature of the grievance; the specific act or acts complained of and when they occurred; the identity of the individual grievant(s) affected; the specific Article, Section and provision of this Agreement that the grievant(s) claim has been violated; and the specific remedy sought. All written grievances must be dated and signed by the grievant(s) and countersigned by the following: his steward if available, the division wage committee representative if his steward is not available or a local Union officer for general grievances. General grievances will be filed and processed beginning at Step 3 of the grievance procedure.

Upon submission of a written grievance within the time limits prescribed, the following procedure shall apply:

Step 1. If a settlement or agreement is not reached within three (3) working days of the initial meeting between the employee and supervisor but not more than ten (10) calendar days from the date of the incident giving rise to the grievance, the grievance shall be submitted in writing by the employee and the steward to the supervisor for his written answer. The supervisor will return his written answer within three (3) working days from the time he receives the written grievance.

Step 2. If a settlement is not reached in Step 1 within three (3) working days of the supervisor's answer, the grievance shall be presented to the Superintendent by the steward and the Superintendent shall render his written answer within three (3) working days from the time he receives the written grievance.

Step 3. If no agreement is reached in Step 2 within ten (10) calendar days of the Superintendent's answer, the steward shall submit the grievance directly to the President or Vice President(s) of the Local Union, depending upon which

one has been designated by said Union to handle complaints in that particular plant. The President or Vice-Presidents of the Local Union or in their absence, their duly designated replacement, upon receiving the grievance and after investigating the same but in all events within ten (10) calendar days of the Superintendent's answer, shall give notice of appeal to Step 3 to the Plant Human Resources Representative or his designated representative. Third step grievance hearings will be scheduled monthly at a time mutually agreed by the parties.

The Union or the Company will furnish to the opposite party not later than forty-eight (48) hours before a scheduled Third Step Meeting a written agenda of the grievances to be taken up at the monthly meeting. All grievances appealed to the Third Step more than seven (7) calendar days prior to the Third Step monthly meeting shall be on the meeting agenda or shall be considered disposed of on the basis of the Company's Step 2 answer, or considered dropped by the Union.

It is understood that reports or minutes shall not be used in arbitration or any other court, administrative or legal proceeding as accurate reports or minutes of such meetings, unless both parties certify that they are accurate.

The Union may have its Plant Grievance Committee consisting of the Local Union President, Plant Vice-President and two (2) Grievance Committee members at each plant location present at such Third Step hearing.

The Company will answer the grievance in writing within ten (10) calendar days of the Step 3 meeting.

Step 4. If a satisfactory settlement is not reached at Step 3 within ten (10) calendar days of the Company's Step 3 answer, the grievance shall be referred to the President of the International Union and/or his designated representative who shall take the matter up with the Divisional Vice-President and/or his designated representatives. The parties will arrange a meeting within a reasonable time but in all events within thirty (30) calendar days from the date of the Step 3 answer by the Company. The Company will give its written answer to the Step 4 meeting within ten (10) calendar days of the date of the Step 4 meeting. If a satisfactory settlement is not reached at Step 4, the Union may, within the next succeeding

thirty (30) calendar days after said meeting submit the grievance to arbitration as provided in Article VI.

In the event either party fails to answer or appeal a Step 1 or Step 2 grievance, the same shall automatically progress to Step 2 or Step 3 at the expiration of the time for answer or appeal.

All other time limits are binding on both parties unless waived or extended by mutual agreement in writing between the parties.

Section 2. In discussing complaints or grievances with the Management, the President or representative of the employee or the Plant Grievance Committee shall have the right to call in any employee from the department affected, if by so doing it may be possibly better to explain conditions affecting the operations under discussion.

Section 3. The Company designated representative will upon request from an authorized Union Representative, make available to such representatives, all legally permissible information and Company records necessary in the investigation or processing of grievance or complaints.

ARTICLE VI

ARBITRATION

Section 1. If the grievance is not resolved in Step 4 of Article V, either party may submit the grievance to arbitration within thirty (30) calendar days of the Step 4 meeting. Any party desiring to use the arbitration procedure as herein provided shall transmit a notice to the opposite party, by Certified Mail, return receipt requested, after the last step of the grievance procedure, stating the subject of such arbitration. Upon written notice of appeal to arbitration, a joint request shall be filed with the Federal Mediation and Conciliation service requesting a panel of seven (7) arbitrators. Upon receipt of the list supplied by the Federal Mediation and Conciliation Service, within thirty (30) calendar days, an arbitrator shall be selected by the parties by alternately striking names with the determination of which party shall strike the first name being determined by lot. The last name remaining on the list shall thereupon be designated as the arbitrator to hear the individual grievance. If the panel is not struck within thirty (30) calendar days of receipt or the parties have not mutually agreed to an extension of the time, either party may select an arbitrator from the panel by notifying the other party and the arbitrator selected in writing. Upon submission of the first panel of arbitrators, either party may, within the first fifteen (15) calendar days

after receipt of the panel, request submission of a second panel of arbitrators from the FMCS. In such event, the selection will be made from the second panel.

Section 2. The arbitrator shall decide the grievance in writing, and deliver a copy or copies to each party within thirty (30) days from the date of the close of the hearing unless the parties agree to extend this time.

The arbitrator shall not have authority or jurisdiction to alter, amend, revise, add to or subtract from, change or modify the terms of this Agreement or have any authority or jurisdiction in the making of a new Agreement or to hear or decide any form of "interest" disputes. He shall have authority and jurisdiction to arbitrate only such wage rates that involve significant change in methods or new operations or new or changed jobs arising during the period of this Agreement.

In such event, the sole issue for the arbitrator shall be whether the rate for the job bears a proper relationship to the rate for other jobs in the particular plant.

It is understood that both parties will comply with arbitration decisions as promptly as possible. Arbitrator's decisions or other settlements of grievances, will only be retroactive to the date the specific grievance was filed, provided that the grievance was properly and timely processed through the grievance procedure.

Section 3. Each party shall bear its own expense pursuant to arbitration proceeding, but all fees and expenses of the arbitrator and any general expense deemed necessary by him shall be borne by and divided equally between the parties.

Section 4. Any discharge case shall receive first priority and will be processed within a reasonable period of time.

Section 5. The parties may by mutual agreement submit more than one (1) case to a single arbitrator for resolution. Multiple grievances involving the same issue shall not be filed in the same plant, but multiple grievances involving the same issue at different plants will be consolidated and presented to a single arbitrator. Disciplinary action of any kind shall not be considered as involving the same issue.

ARTICLE VII

NO STRIKE - NO LOCKOUT

Section 1. During the term of this Agreement, neither the Union nor its agents, representatives, or any members of the bargaining unit, will in any way support or participate in any kind of strike, slowdown, picketing, boycott, or any other refusal to work or other interference with the production, distribution and sales of the Company's products or the operation or conduct of the Employer's business.

Section 2. During the term of this Agreement, or during any extension or renewal thereof, the Union will not place the Employer or the Employer's products or services on any "We Do Not Patronize" or unfair lists.

Section 3. During the term of this Agreement or during any extension or renewal thereof, there shall be no lockouts by the Employer. Reductions in operations are not to be considered a lockout under this Agreement.

Section 4. Violations of any of the provisions of this article by any employee of the Employer shall be just cause for the immediate discharge of that employee. In the event that an employee is discharged, or otherwise disciplined, for taking part in any activity prohibited by or in violation of Section 1 of this Article, the sole issue subject to review under the grievance and arbitration procedure shall be the question of fact as to whether the employee took part in conduct prohibited by and in violation of the actions set forth in Section 1, and the disciplinary action taken by the Company may be altered by the Arbitrator only if it is proven through the grievance and arbitration procedure that the employee(s) did not take part in the conduct prohibited by and in violation of the actions set forth in Section 1 of this Article. Any grievance filed by the Union under this provision shall be taken up at Step 4 of the grievance procedure.

Section 5. Nothing herein shall be construed to prevent different degrees of discipline where all participants cannot be discharged and all instigators and leaders of prohibited activity cannot be identified.

Section 6. Nothing in this Agreement shall prevent the Employer or the Union from obtaining direct extraordinary relief.

Section 7. The Union agrees that every effort will be made to prevent unauthorized strikes, walk-outs, stoppages or slowdowns of work, picketing, or any other interference with any operations of the Company during the life of this Agreement, and every effort will be made by the Union to stop such activities should they occur.

Section 8. The Union shall not be liable for any strike or other activity described in this Article which it does not cause, authorize, ratify or condone, if, within twenty-four (24) hours after being notified by the Company of such strike and other such activity, it notifies the participants that the strike or other activity is unauthorized and instructs them to return to work.

ARTICLE VIII

WORK RULES, DISCHARGE AND SUSPENSION

Section 1. The right to direct and maintain discipline among employees shall be the exclusive function of the Company including the right to discipline employees, which includes suspension or discharge, provided an employee who has completed his probationary period shall be disciplined only for just cause. An employee believing his discipline of suspension or discharge to be not for just cause must file a written grievance within the time limits provided in this Article. Grievances filed under this Section involving suspension or discharge shall be processed initially at Step 3 of the Grievance Procedure.

Section 2. The Company agrees that an employee at the time of his suspension or discharge will verbally be given the reason for same. The Company will deliver to the employee in writing the reason for the suspension or discharge at the time the employee is disciplined or within twenty-four (24) hours. A copy of the written notice of suspension or discharge will be furnished the Local Union President or his representative at the time the notice is issued to the affected employee. Employees desiring to grieve disciplinary action of suspension or discharge must file a written grievance within five (5) working days excluding Saturdays and Sundays of the date the

written notice is issued or the matter will be closed. Such grievances will be processed initially at Step 3 of the Grievance Procedure.

Section 3. The Company shall have the right to adopt, change, modify, amend, implement and enforce work rules governing the conduct of employees. The Company will post copies of all changes, additions or modifications of existing work rules and provide copies thereof in advance to the Union, provided that such rules shall become effective as of the date of their posting.

Section 4. The Company agrees that whenever possible, it will notify the Local Union President or his designated representative or steward before any employee is suspended or discharged. When it becomes necessary for a supervisor to counsel an employee where disciplinary action is to be taken, a Union Representative will be present until the employee refuses such representation.

Section 5. In the event the Company elects not to enforce a work rule or fails to enforce a work rule or enforces a work rule in a manner other than its maximum effect, such enforcement or lack of enforcement shall not preclude the Company from changing or implementing enforcement of the rule in a different manner. However, in such event, the Company will put all employees on notice of such changed enforcement prior to taking disciplinary action.

Section 6. Records of disciplinary action for job performance will be removed from consideration and shall be null and void after a one (1) year period without further discipline for job performance. Disciplinary action for violation of work rules will be removed from consideration and shall be null and void after a twenty-four month period without further discipline for violation of work rules. Discipline for attendance violations will follow the guidelines set forth in Article XXVI of this Agreement.

ARTICLE IX

INTERPLANT TRANSFERS

Employees may be transferred from one plant to another for the purpose of training employees in other plants or in starting up new equipment, lines or operations. Upon completion of training of employees at other locations, such

transferred employee shall be returned to his original plant and his prior job, department and shift and without loss of seniority rights of any kind.

ARTICLE X

SENIORITY

Section 1. Probationary Employees. All employees from their date of hire or rehire shall be regarded as probationary employees for the first ninety (90) calendar days of employment and will not have any seniority rights under this Agreement during such period. During this period of probationary employment, probationary employees may be laid off or discharged as exclusively determined by the Company without recourse by the Union or the employee to the grievance and arbitration provisions of this Agreement. Notwithstanding anything to the contrary in this Agreement, no employee shall have any seniority rights hereunder unless and until the employee has worked sixty-two (62) working days (8-hour shift) or forty (40) working days (12-hour shift) and been employed at least ninety (90) calendar days. Upon successful completion of the probationary period, the employee's seniority shall date from the original date of hire or rehire, whichever is later.

Section 2. Seniority as used in this Agreement shall be applied for the specified purposes as stated in accordance with the following definitions:

(a) Company Seniority - Company seniority is the number of days, months and years of credited Company service and shall be used in computing eligibility for fringe benefits such as pension, vacation, and other long service recognition.

(b) Division seniority - The length of time an employee has been continuously employed in his present division since the most recent transfer into such division for any reason provided that employees who transfer out of their present division in their current plant and subsequently transfer back into their present division shall be credited with their seniority in their present division as of the date of transfer out on their return. All time accumulated in each division in their current plant except temporary transfers shall be credited in each division for seniority purposes. Effective with this Agreement, February 18, 2001, Employees in the former Sherwood Plant shall bring their division seniority date at Sherwood as their division seniority date in the Kingsport

Bindery or Kingsport Maintenance Division, with those Sherwood employees who formerly worked in the Kingsport Bindery being credited with the time in the Kingsport Bindery for Division seniority purposes.

(c) The crediting of Division seniority for actual permanent assignments worked in the Division prior to January 7, 1988, for all divisions in all plants, including Sherwood employees, shall be effective June 1, 2001 and shall not be used for any purpose prior to that date. For division purposes, the following divisions shall be recognized:

<u>Kingsport Plant Divisions</u>	<u>Hawkins Divisions</u>	<u>Distribution Divisions</u>
Maintenance	Maintenance	Maintenance
Bindery	Bindery	Production
Press	Press	
Prepress	Prepress	
	Quality Assurance	

Where Departments are referred to, the following departments in each location shall apply within each Division:

<u>Kingsport Departments</u>	<u>Hawkins Departments</u>	<u>Distribution Departments</u>
Maintenance	Maintenance	Maintenance
Bindery	Bindery	Production
Prebind	Press	
Finishing	Prepress	
Binding	Quality Assurance	
Cover Mfg.		
Special Prod.		
Materials		
Resources		
Sherwood		
Quality Assurance		
Press		
Web Offset		
Sheetfed		
Pre-Press		

Section 3. Division and Company Seniority shall be used in the manner set forth herein for purposes of seniority rights in

layoff, recall, promotion, demotion, transfer, shift preference and vacation scheduling.

Section 4. The Company shall post quarterly and maintain an up-to-date seniority list (Division and Company) on the bulletin board showing the length of service from the date of last hiring or entry.

A copy of the up-to-date seniority list shall be furnished to the Local Union President.

Section 5. An employee will lose his seniority and cease to be an employee of the Company for any of the following reasons:

- (a) Voluntarily quits or retires
- (b) Discharged for just cause
- (c) Failure to report for work on the first scheduled day following an approved leave of absence.
- (d) Gives a false reason for obtaining a leave of absence
- (e) If he is absent from work for any reason for twenty-four (24) months, except as provided elsewhere in this Article.
- (f) Failure to report his intention to return to work from any layoff within twenty-four (24) hours following receipt of notification of recall after layoff. Notification will first be by telephone, if possible. If contact cannot be made by telephone, notification is to be by certified mail, return receipt requested, and the date of notification shall be the date of receipt of the mailing or first refusal to accept delivery. Such notice shall be directed to the last known address of the employee on the Company's records and on request the Union shall receive a copy of the notification. Employees must notify the Company in writing, of any change of telephone number and address. Employees accepting recall from a permanent or indefinite layoff of thirty (30) days or more must return to work within five (5)

days of acceptance unless prevented from doing so by medical reasons or other unavoidable circumstances. Employees recalled from layoff of a definite term or indefinite term of less than thirty (30) days must return to work on the day stated at the time of the layoff or, if none, on the date stated in the notice of recall.

- (g) Failure to report on his next scheduled working day after having obtained a written release for regular work from his physician.
- (h) Is absent three (3) consecutive scheduled working days without notice to the Company or receiving prior permission from his supervisor, unless failure to notify is for reasons beyond the employee's control, such as hospitalization of the employee or reasons which make notice impossible by the employee or someone else on his behalf.
- (i) Engaging in other employment while on leave of absence, unless otherwise agreed to by the Company and the Union.

Section 6. If an employee is disabled and is not able to do the jobs he can hold according to seniority, the Company and the Union may place him on a job he can perform by mutual agreement. If the employee is not able to perform the jobs he can hold by division seniority due to an occupational illness or injury and is placed on a job which he can perform, this employee will then exercise Company Seniority in the event of a permanent reduction in force to hold this job.

Section 7. Seniority, but not benefit entitlement or accrual except that mandated by law, shall continue to accrue during an authorized non-medical or medical leave of absence, and during the entire period of continuous layoff, subject to the limitations of Section 5 of this Article. Seniority shall continue to accrue in occupational illness and injury leaves of absence until such time as the employee is declared to be permanently disabled or otherwise not available for suitable work at his plant, at which time his seniority rights will terminate.

Section 8. In the event a member of the bargaining unit accepts a supervisory or other salaried position outside

the bargaining unit, he shall continue to accumulate seniority in the bargaining unit for a period of three (3) months following such transfer after which seniority shall be frozen. Such accumulated seniority shall apply and be exercised only in layoff situations or reorganizing, restructuring or realigning of the work force or demotion of a supervisor for reasons other than their misconduct, in which event the Company may transfer such previous bargaining unit personnel back to the bargaining unit to a position to which their seniority and qualifications to perform the available work would entitle them. Employees transferred out of the bargaining unit shall have no other rights to claim jobs in the bargaining unit. Bargaining unit employees will not be assigned temporary assignments to these positions if such assignment causes other bargaining unit employees to be forced to work overtime to fill a vacancy created by such temporary assignment except in the case of an emergency or if there is no reasonable way to cover the vacancy using salaried or supervisory personnel, such as only one supervisor in a department/area.

Section 9. Any employee who volunteers or is drafted into the Armed Forces of the United States and is discharged under honorable conditions, shall have all re-employment and seniority rights and accrual available under Federal Law.

Section 10. (a) An employee involuntarily laid off from the bargaining unit in any plant through a permanent reduction in force or plant closing or temporarily laid off for more than two (2) full workweeks, who desires extra board employment at another plant may make application for such extra board employment at another plant at the time of such layoff, or after being on layoff for two (2) consecutive weeks.

(b) Laid-off employees who apply for such extra board positions must accept the first job offered at another plant or forfeit all extra board employment rights at all other bargaining unit plants for the duration of such layoff.

(c) Employees who are laid off in one plant and hired in extra board positions in another plant shall have no seniority rights in the plant in which they are hired as an extra board employee and shall be paid their current rate but not more than the top rate for Pay Grade 1 employees, and be subject to the same work rules as other extra board employees, but shall continue to be covered under the group insurance plan for the first ninety (90) days of such extra board employment immediately after their layoff, but shall not be entitled to

participate in any other benefit programs, except those mandated by law. Employees who are laid off and make application will be considered before other extra boards for additional extra board positions that come open after application.

(d) Employees who are laid off in a permanent reduction in force who apply for jobs in other plants will be offered employment in Pay Grade one (1) and other entry level open jobs in other plants for which they are qualified in order of Company Seniority before new employees are hired.

(e) Extra board employees shall be given consideration for all full-time positions in the plant in which they are working. If full-time employment is offered and accepted, such employee, except as provided in (c) and (d) above, shall be hired as a probationary employee in that plant, with credit given for completion of probationary period as provided in Article XXXI.

Section 11. Seniority rights of employees in the bargaining unit shall apply only in the plant in which the employee is working at the time such rights are exercised or are exercisable. In no event shall an employee have the right to exercise Company seniority for bidding, bumping, shift preference, or transfer from one plant to another or between plants except those granted under Section 10 of this Article.

Section 12. It is agreed that employees shall be selected for all transfers, promotions, demotions and recall based upon the individual employee's ability and qualifications to perform the available work with the most senior qualified employee being selected. Where it is determined that ability and qualifications are reasonably equal, seniority will determine who is transferred, promoted, demoted or recalled. In those temporary jobs where a line of progression (department) exist, the most senior available qualified employee next in line of progression shall be retained in or selected for said job, with the least senior available qualified employee being assigned the job if all those more senior decline it. It is understood that senior qualified employees cannot decline an upgrade on his/her shift. If a senior qualified employee does not want to change shifts to claim a temporary upgrade position, he/she must notify the Company by noon on Wednesday of the week preceding the week in which the temporary job is available. If no notice is given, the senior available shall be assigned. If all those more senior decline the temporary job on another shift, the least senior available qualified employee shall be assigned. In those jobs where "Relief" positions exist, the job

openings shall be offered to those qualified employees in the "Relief" position in seniority order prior to transfers or temporary promotion within a line of progression, temporary transfers or prior to permanent jobs being posted for bids in the department.

Section 13. Temporary Transfers, Assignments and Layoffs.

(a) If the need arises on a shift to provide additional manning to cover for absenteeism or tardiness, or to provide additional manpower for short-term production demands or for the need of a particular skill for short term, or in order to avoid laying off employees, any employee on that shift may be temporarily assigned or transferred for the convenience of the Company to a Pay Grade, department or division other than his own, if the normal seniority and promotional provisions are not adequate.

Under such conditions, a qualified available employee will be transferred without regard to seniority and will be paid in accordance with Article XI.

Such temporary transfer assignment shall be for a limited period of fourteen (14) calendar days (sixty (60) days for Section 20 bid purposes) unless an extension of time is mutually agreed to.

Employees working in the same Pay Grade in the department, and employees in a line of progression and employees who hold Relief positions shall not be considered as being temporarily transferred when they are assigned other jobs within their Pay Grade in their department or move up or down in their line of progression or relieve on the job on which they hold a "Relief" position.

(b) Temporary layoffs may be made without regard to seniority or the bumping provisions of Section 14 of this Article for up to seven (7) calendar days provided that such layoffs will be made of an entire crew, operation, line, department, or of junior employees performing specific work where some, but not all, are needed. In the event some, but not all employees are needed, the Company will attempt to transfer employees in lieu of laying them off to other jobs including Extra Board, and ask for volunteers from the employees affected.

If a request is made at the time of the temporary layoff, the laid off employee will be assigned available extra board work on the shift and in the department on the first full shift after

the request is made. In instances where the Company has prior knowledge of a scheduled shutdown of equipment by Wednesday prior to the week in which the shutdown will occur, the normal demotion procedures will be used commencing with the start of a workweek.

(c) In no event will employees be temporarily transferred from one plant to another, except as provided in Article IX.

Section 14. Layoffs.

(a) In the event of a layoff in any department and division of a plant, extra board employees shall be reduced and then regular employees shall be laid off in the following order:

(1) Probationary employees shall be laid off first without regard to date of hire except where there is not a qualified seniority employee available to fill the job vacated.

(2) The least senior employee based on division seniority in the Pay Grade in the department where the reduction occurs shall be displaced, except in the case of displacement of Pay Grade 1 employees where the least senior employee in that Pay Grade in the plant based on Company seniority will be displaced. The displaced employee shall exercise division seniority to displace the least senior employee in the department in a lower Pay Grade that such employee is presently qualified to perform without a training or learning period. Normal orientation shall not be considered a training or learning period.

(3) Employees displaced as a result of the action taken in (2) above and subsequent moves shall then exercise division seniority to displace the least senior employee in Pay Grade 3 and if none, then Pay Grade 2 in the department and due to technological changes Pay Grade 5 in Pre-Press and if none, Pay Grade 3 in Pre-Press, and if none, shall exercise division seniority to displace the least senior employee in Pay Grade 2 in any other department in the division.

(4) Employees who cannot exercise division seniority rights to retain employment under (2) or (3) above shall then exercise Company seniority to displace the least senior employee in Pay Grade 1 in the plant where they are working.

(5) Employees who cannot exercise seniority rights to retain employment under the above subsections shall be laid off from their plant.

(6) At any of the foregoing steps an employee who has signed the voluntary layoff sheet in his department by 10:00 a.m. on Wednesday of the week preceding the week in which the layoff may occur, may elect to take a voluntary layoff in lieu of exercising bumping rights, subject to approval of the supervisor. All scheduled voluntary layoffs will be for one (1) full week and employees must check with the Company each week to determine when they are to return to work.

(7) In the event of a restoration of force, employees shall be entitled to and must accept recall only to their former plant and only to the entry level Pay Grades in other divisions, and in their prior division only to a Pay Grade equal or lower to that from which they were laid off and to their previous Pay Grade if available. Employees will be returned to job openings in their prior Pay Grade, department and division before such jobs are posted, bid and awarded.

(8) If a permanent reduction in force of regular full-time employees is necessary, the employees affected and the Local Union will be given as much notice as possible, but in no event less than three (3) days in advance of the layoff, unless the layoff is due to conditions beyond the control of the Company. If the Company fails to give such notice it shall pay the employees affected for each day short of the notice period.

(9) In the event one or more, but not all, of the three plants are permanently closed and all employees permanently laid off, the employees having sufficient Company seniority may bump the least senior Pay Grade 1 employee(s) in the remaining plant(s).

Section 15. Job Posting and Bidding.

(a) When, as covered by this Agreement, a new permanent job classification (Pay Grade) is created or a permanent vacancy occurs in any existing Pay Grade in any department which the Company decides to fill, it shall be posted on the employee bulletin boards in the plant where the permanent vacancy occurs, so that seniority employees in that plant may have an opportunity to bid. Prior to posting a permanent vacant job, employees in that Pay Grade shall have the right to exercise shift preference in accordance with the shift preference procedures in Section 25 herein.

(b) Consideration shall be given to bidders on such permanent vacancies based on the individual bidder's ability and qualifications to perform the available work. The most senior qualified bidder based on division seniority will be selected where the bidders' ability and qualifications are reasonably equal.

(c) The Company, in all instances where the unsuccessful bidders request, will provide the unsuccessful bidder with the basis for their failure to receive the job bid.

(d) Successful bidders will be awarded the job and must qualify for said job within thirty (30) calendar days after they are placed on the bid job. If during that time the employee disqualifies himself or is disqualified by the Company, the employee will be given the reason for disqualification in writing on request. Such disqualified employee will be returned to his former Pay Grade and department and will replace the employee who was awarded the job vacated by the disqualified employee, provided such employee has not completed his thirty day qualifying period and if so may replace the junior employee in that Pay Grade in the Department, and if none, will be returned to the highest equal or lower Pay Grade job in his former Department which he is qualified to perform and to which his seniority entitles him.

(e) The Company shall provide the Union with a copy of the job posting. Copies of the bid sheets will be provided on request.

Section 16. (a) Permanent job vacancies which the Company decides to fill shall be posted for seven (7) consecutive working days excluding Saturdays, Sundays and Holidays on the employee bulletin boards in the plant where the vacancy exists.

(b) Employees in that plant desiring to bid shall sign the job posting notice.

(c) The job posting notice shall contain an adequate description of the job duties, the wage rate and the time of progression to the top of the rate.

(d) Employees who bid on more than one (1) posted job at any one time shall designate his order of preference for such bid jobs in order to be considered an eligible bidder.

(e) Employees shall be eligible to bid only on higher rated jobs, except where equal, lateral or lower rated jobs are in a line of progression with pay opportunities greater than that of bidder's current line of progression, and except in cases of health or medical restrictions where employees may bid on lower rated jobs. Employees may bid to equal or lower rated jobs only one time during their entire employment with the Company, except for health or medical restrictions.

(f) Employees who have been awarded a bid job in a different line of progression shall not be eligible to bid on higher rated jobs until six (6) months have elapsed since the award of the bid job, unless there are no successful bidders from within the line of progression.

(g) Employees awarded bid jobs must accept the job when awarded or forfeit all bidding rights for a period of six (6) months from the date of the refusal of the job. An employee who disqualifies himself after being awarded and accepting training on a job may not bid on that job for a period of twelve (12) months after the disqualification.

(h) All job postings must be awarded within thirty (30) calendar days of the take-down date stated on the posting or considered void. In such event the job shall be re-posted in the manner set forth above.

Section 17. (a) Posted jobs shall be awarded to successful bidders in the following order:

1. Posted jobs above entry level in a recognized line of progression will first be awarded to those bidders within the line of progression, and if none, then in accordance with Paragraphs 2, and 3 below.

2. If there are no bids or there are no successful bidders from the line of progression (the department) where the vacancy occurs, the job shall be filled from qualified bidders within the division and if none, the job may be filled in accordance with Paragraph 3 below.

3. If there are no bids or no successful bidders from the division where the vacancy occurs, the job shall be filled from qualified bidders within the plant based on Company seniority and, if none, the job will be filled in accordance with paragraph 4 below.

4. Employees working in any of the plants covered by this Agreement who desire employment in another plant may make application for employment at such other plant for any job in any Pay Grade for which such applicant is qualified. Such employee applicants will be considered for open full-time positions in the other plant based on Company seniority of all such applicants before considering new employment applications. All employee applications for employment in another plant will remain on file and be considered for all open full-time positions until withdrawn by the employee applicant. Employees who are hired in another plant must complete the probationary period in that plant after which time the employee's Company seniority will be bridged. Refusal to hire such employee applicant shall not be subject to the grievance and arbitration procedures of this Agreement. Employees hired in another plant shall have benefits continued under their Company seniority date during the probationary period. If disqualified during the probationary period by the Company for inability to learn the job, such employee may return to his former plant department and division with no loss of seniority.

5. Vacancies not filled by the above procedure and Article X, Section 10(d), and plant entry level job vacancies may be filled by the Company in any manner it chooses, including the use of extra board employees or the temporary transfer of current employees.

6. Notice of the job award will be posted on the employee bulletin boards on the day the award is made.

Section 18. The Company has the right to temporarily transfer qualified employees to the vacant job during the posting, bidding and award period.

Section 19. In situations where a successful bidder refuses the job when awarded or is disqualified from the job during the qualification period, such job shall be awarded on the basis set forth herein from eligible bidders remaining on the original job posting.

Section 20. Employees who are on short-term (less than sixty (60) calendar days) absence from the plant may file a pre-bid for any job in his department or plant for which he wants to be considered in the event a permanent job vacancy is posted during such absence. Such pre-bids will be considered with all other bids for the vacancy. Successful bidders on short-term absence will be awarded the job only if they return within sixty (60) calendar days. If not, the original posting will be used to determine the successful bidder on such job. Openings

resulting from this procedure may be filled by temporary transfer or other means by the Company.

Section 21. No employee shall have any right to bid on jobs in other plants than that in which he is working.

Section 22. The Company shall not post jobs in Pay Grade 1.

Section 23. Employees bidding on jobs requiring formal training or its equivalent as a prerequisite to holding such jobs must have successfully completed the required training or hold its equivalent from other training courses in order to be considered as eligible bidders for such jobs. Formal training or its equivalent shall mean training outside the normal pre-employment training interval. On request, the Company shall inform the Local Union of the formal training or equivalent of those jobs requiring same.

Section 24. Maintenance Division craft jobs, and the Kingsport Boiler Room jobs, shall not be subject to the job posting and bidding procedures of this Agreement, but may be filled by the Company by any means available, including the hiring of new employees. However, the Company will post notice of such job openings on the employee bulletin boards, in all plants so that qualified employees may make applications for the open position(s) in the Maintenance Division and these applicants will be considered for the openings based on the level of training, etc., as set forth in Section 23 above.

Section 25. Shift Preference.

(a) Employees shall be entitled to shift preference based on division seniority. An employee may bump a less senior employee in the same Pay Grade and in the same department or area in the Hawkins Bindery (see Section 27 for Hawkins Bindery) on another shift provided that such right may be exercised only one time in each six (6) month period. When a vacancy occurs on a shift, qualified employees in the Pay Grade and department or area in the Hawkins Bindery on other shifts will be assigned, according to division seniority and shift preference, to the shift opening. If no employee expresses a preference to transfer to a vacant position, the employee possessing the necessary qualifications with the least division seniority may be assigned by the Company to fill the vacancy.

(b) The Company shall have the right to assign and require the least senior qualified employees in the

department or area in the Hawkins Bindery and Pay Grade to work on the second shift and the third shift in order to maintain efficient operations and to train new or transferred employees. The Company will transfer those employees with sufficient division seniority to the shift of their choice as soon as fully trained and qualified employees are available to replace them.

(c) Employees working on rotating shifts shall not be entitled to bump from one shift to another.

Section 26. (a) The parties recognize that the seniority provisions of this Article are a change from the previous classification seniority system and are designed to increase the opportunity for more senior employees to retain jobs in decreasing employment situations and be offered jobs in promotion situations without impairing the efficient operation in any department, division and plant. By treating each Pay Grade in a department or Hawkins Bindery area (see Section 27 for Hawkins Bindery) as one classification, the Company has assumed the obligation to train, if necessary, the most senior employees in that classification, as well as such training as may be required for a more senior employee claiming jobs in Pay Grades 1, 2 and 3 (Pay Grade 5 or lower in Pre-Press due to technological changes) in the event of a decrease in work force. The Union agrees that employees bumping into Pay Grade 4 or higher jobs (Pay Grade 6 in Pre-Press) shall not be trained but must be fully qualified and competent to perform the job by virtue of having previously performed the job or having been trained in advance in such job.

(b) For purposes of assignment of employees a "job" or a "job classification" is a "Pay Grade" within each department or area in Hawkins Bindery and employees will be expected to perform whatever operations may be assigned within that Pay Grade.

(c) For purposes of job retention in the event of a layoff, employees will be retained in their Pay Grade based on their seniority standing unless the employee is not qualified to perform the remaining work in the Pay Grade due to physical or mental limitations.

Section 27. Hawkins Bindery.

The Hawkins Bindery will remain one (1) division one (1) department for all purposes except as defined below:

Two (2) "areas" will be created (Gather/Bind/Trim and Casing-In) which will include Pay Grades 9, 10, and 12 as outlined below:

G/B/T Area	C/N Area
<u>PG10</u> - Gathering Machine Binder In-Line Trimmer	<u>PG12</u> - Kolbus C/N
<u>PG9</u> - Off-Line Trimmer Material Expeditor Saw/Smash/Glue	<u>PG10</u> - C/N - RB Saddlewire T.B.L. C/N
	<u>PG9</u> - Stamping Casemaking T.B.L. Trimmer Sample Order Expeditor Dummy Book Maker Flatcutter

PG7
PG6
PG5
PG4
PG3
PG2
PG1

Area assignments. Employees currently in pay grade 9 through 12 jobs shall choose which area they want by seniority and qualifications.

The above "areas" will be recognized for the following purposes:

1. Shift Preference. Employees will be entitled to shift preference based on division seniority in the pay grade in the area in which they are assigned.

An employee may bump a less senior employee in the pay grade in his assigned area for shift preference, provided that such right can only be exercised one (1) time in a six-month period.

Upgrade employees that become regulars in any pay grade cannot be bumped for shift preference, unless it is by a

more senior employee working on the same job function, for a period of six months.

2. Weekend Overtime. Weekend overtime will be assigned:

- First from the senior qualified volunteer(s) from the shift, area and pay grade.
- Next from the senior qualified volunteers from the shift, in the pay grade from the other area.
- If there is an insufficient number of volunteers, the junior qualified employee(s) in the pay grade in the area on the shift shall be assigned the overtime. It is further agreed that the junior employee(s) in the pay grade and on the shift cannot be forced consecutive overtime assignments, unless the number of employee(s) needed to perform the overtime in the pay grade on the shift requires consecutive assignments.

3. Vacation Scheduling. Employees shall schedule vacation by division seniority in the pay grade in the area in which they are assigned.

4. Posting, Bidding and Award of Upgrade Positions. When the company decides a new temporary opening is available for an upgrade position in pay grades 9, 10 and 12 in either area which the company decides to fill, it will be posted for bid by employees in the Bindery.

Openings shall be awarded on the basis of qualifications and ability and where reasonably equal seniority will determine who is awarded the job.

Employees may hold upgrade positions to higher pay grades in either or both areas, however, employees cannot hold an upgrade in the same pay grade in both areas.

An employee who successfully bids to more than one upgrade position will only be trained in one upgrade position at one time and cannot exercise seniority over junior qualified employees upgraded until they become qualified. Employees awarded more than one upgrade position will be trained in the higher pay grade first.

Senior employees electing not to bid on an upgrade position shall not be eligible for upgrade to that pay grade in that area until there is a posting for an additional upgrade to be trained in that area and pay grade and then cannot exercise seniority over a junior qualified upgrade until they become qualified.

Assignment to Upgrade Positions. When the need for additional employees in pay grades 9, 10 and 12 occurs in either area which the company decides to fill by use of an upgrade position employee, the assignment will be made on the following basis:

Upgrades of less than a week (daily basis) will be filled by the senior qualified employee holding an upgrade to that pay grade on the shift.

Upgrades to temporary openings of a week or more, that the company has knowledge of by Wednesday of the week preceding the week in which the opening will occur, shall be filled by the senior qualified employee(s) holding an upgrade to that pay grade and area regardless of assigned area or pay grade. If those more senior decline the opening the junior qualified employee holding an upgrade to that pay grade and area shall be assigned the opening. It is understood that the senior qualified employees cannot decline an upgrade on his/her shift.

Permanent openings in pay grades 9 through 12 shall not be posted and will be filled by the following procedure:

Permanent openings that occur through the addition of equipment, attrition, etc...shall be filled by the senior employee(s) holding an upgrade to the pay grade in the area where the opening occurs.

5. Layoffs. Reductions in force in any pay grade that the Company has knowledge of by the Wednesday of the week preceding the week in which the reduction will occur--current employees in pay grades 9 through 12 can bump

laterally across the areas to jobs in their current pay grade (as of January 15, 1996) by division seniority with the Company assuming the obligation to train the more senior if necessary.

Employees displaced as a result of the action taken above shall then exercise division seniority to displace the least senior employee in a lower pay grade that such employee is presently qualified to perform without a training or learning period. Normal orientation shall not be considered a training or learning period. Employees that are awarded a pay grade 9 through 12 job after January 15, 1996 shall not be entitled to cross training across the areas in their pay grade in the event of a reduction in force and the Company agrees to reduce the least senior employee in the pay grade in the area, without exception, in the event of a reduction in force.

The above layoff, shift preference, vacation scheduling, overtime and upgrade provisions apply to the G/B/T and C/N areas of the Hawkins Bindery only. Employees currently assigned to pay grades 1 through 7 will not be assigned to an area until they become permanent in a job in pay grades 9 through 12 in either area.

Jobs in pay grades 1 through 7 will be posted under the provisions of Article X, Sections 15, 16 and 17, shift preference will be under the provisions of Article X, Section 25, vacation scheduling will be under the provisions of Article XIII, Section 14, and overtime will be under the provisions of Article XVII.

ARTICLE XI

TEMPORARY TRANSFER, RELIEF, TEMPORARY LINE OF
PROGRESSION/REGRESSION, BUMPING AND BIDDING

PAY PROVISIONS

Section 1. Employees temporarily transferred or moved in line of progression to higher level jobs to train shall be paid their current base rate during such training period.

Section 2. Successful bidders who are awarded posted jobs in higher pay grades, or relief employees, or qualified employees temporarily moved to higher or lower level jobs for more than one (1) hour in a work day for the convenience of the company to meet needs for additional manpower or particular skills shall be paid:

- a) their current base rate if in that rate for less than six (6) months or;
- b) if more than six (6) months, the next highest step in the pay grade range of the job to which moved or;
- c) if higher, the rate previously attained in said range through temporary transfer or upgrades in the division.

Thereafter, employees shall progress through normal wage progression.

Section 3. Successful bidders awarded posted jobs in lower pay grades pursuant to Article X, Section 16(e) or employees moved to lower level jobs to avoid laying off employees shall be paid their current base rate or the rate of the job assigned, whichever is lower.

Section 4. (a) Relief Positions.

(1) Employees currently holding relief positions will be red-circled in one (1) or two (2) relief positions as applicable. In divisions where relief positions existed prior to this Agreement, current employees will be permitted to hold only one (1) relief position except in the Kingsport and Hawkins Binderies where current employees will be permitted to hold two (2) relief positions.

(2) The senior employee holding a relief position must accept the first full-time opening in the position in which he is relieving or forfeit the relief position.

(3) An employee presently holding a relief job who subsequently bids to a different line of progression than the one in which he is relieving will forfeit his relief status.

(4) Employees presently holding a relief job must accept assignment as a relief or forfeit his relief status.

(5) An employee who holds a relief position will be paid at the higher of the rate of the relief job closest to the rate of his regular job or the rate he has attained in the relief job under the normal progression, and will progress in the relief pay range under the normal rules for that Pay Grade.

(6) No new relief positions will be posted or bid after the date of this Agreement. Future relief will be provided by promotion within the line of progression or by temporary transfer of employees.

Section 5. Employees bumping shall be paid at the rate of the job which is comparable to the progression step level the bumping employee held in his old job rate range.

ARTICLE XII

HOLIDAYS

Section 1. The following are recognized as paid holidays:

1. New Year's Day
2. Good Friday
3. Memorial Day
4. Independence Day
5. Labor Day
6. Thanksgiving Day
7. Christmas Day

Floating Holidays:

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
1.	11/23/01	11/29/02	11/28/03	07/02/04	11/25/05
2.	12/24/01	12/23/02	12/24/03	11/26/04	12/23/05
3.	12/31/01	12/24/02	12/26/03	12/23/04	12/30/05

July 4, 2004 to be observed Monday, July 5, 2004.

December 25, 2004 to be observed Friday, December 24, 2004.
(Twelve-hour shift employees will observe 12/25/04, and 12/24/04 as the floater.)

January 1, 2005 to be observed Friday, December 31, 2004
(Twelve-hour shift employees to be observed Saturday, January 1, 2005.)

December 25, 2005 to be observed Monday, December 26, 2005.

All paid holidays that fall on Saturday will be observed on the Friday immediately ahead of the holiday, except for those employees working twelve (12) hour shifts regularly on Saturday shall observe the holiday on Saturday.

All paid holidays that fall on a Sunday will be observed on the Monday immediately after the holiday.

Employees on twelve (12) hour shift schedules who are scheduled and who work their holiday will be paid at time and one-half their straight-time rate for all hours worked plus eight (8) hours' pay at straight-time rates for each holiday worked. Employees who are not scheduled on their holiday will be paid eight (8) hours pay at straight time rates for each holiday. Employees scheduled to work the holiday and do not work it because the Company decides to shut down will be paid twelve (12) hours' pay at straight time rates for the holiday.

Section 2.

Holidays Not Worked

For holidays not worked, an employee will be paid an amount equal to eight (8) times his straight time hourly rate, except for twelve (12) hour shift employees who shall be paid in accordance with Section 1 above.

Section 3.

Holidays Worked

For holiday shifts worked, an employee will receive time and one-half his regular straight-time pay for all hours worked on the holiday plus the holiday pay allowance, if otherwise qualified. The holiday allowance will be computed exclusive of overtime. Holidays shall be of 24 hours' duration, beginning with the regular starting time for the employee's shift.

Section 4. Eligibility

Employees must have been employed at least ninety (90) calendar days and have worked at least sixty-two (62) shifts (8-hour shifts) or forty (40) shifts (12-hour shifts) prior to the holiday.

Section 5. To qualify for holiday pay, an employee must have worked his full scheduled shift before or his full scheduled shift after the holiday unless the absence is:

(a) Due to approved vacation. If a holiday falls during the week of a vacation period, qualified employees will receive pay for the holiday in addition to the number of days' vacation they have earned. An additional day off or days off in lieu of the holiday or holidays may be scheduled off by mutual agreement.

(b) Due to jury duty.

(c) Due to short tours of active military duty, not to exceed two weeks per year.

(d) During the first week of absence due to off or on-the-job illness or injury (waiting period for Accident and Sickness or Worker's Compensation benefits).

Employees who are receiving such benefits during the week in which the holiday falls will not receive holiday pay.

(e) Due to temporary lay-off and the employee is in his qualifying week for unemployment benefits. Employees laid off as a permanent reduction in force prior to the holiday will not receive holiday pay.

(f) Due to death in immediate family as defined in Article XXI, Bereavement Pay.

Section 6. Employees scheduled to work on a holiday and who fail to report unless excused by supervision prior to the holiday or for verified illness or accident shall forfeit all rights to holiday pay.

ARTICLE XIII

VACATIONS

Section 1. For purposes of determining the length of vacation and amount of vacation pay eligibility, the vacation year shall be from March 1 of one year to February 28 or 29 of the following year. Vacations earned in one vacation year must be taken in the following vacation year.

Section 2. Each regular full-time employee who has been continuously employed as of March 1 of any year and who is employed on that date and qualifies as set forth below shall be eligible for vacation time off and pay as set forth herein:

	<u>Length of Continuous Service</u>	<u>8-Hour Shift</u>		<u>12-Hour Shift</u>
		<u>Time Off</u>		
* (A)	1 Year to 2 Years	8 Days		64 Hours
* (B)	3 Years to 8 Years	13 Days		104 Hours
* (C)	9 Years to 19 Years	18 Days		144 Hours
* (D)	20 Years to 22 Years	20 Days		160 Hours
* (E)	23 Years or More	23 Days		184 Hours
* (A)	64 Hours x Straight-Time Rate			
* (B)	104 Hours x Straight-Time Rate			
* (C)	144 Hours x Straight-Time Rate			
* (D)	160 Hours x Straight-Time Rate			
* (E)	184 Hours x Straight-Time Rate			

(a) Employees with at least one (1) full year of continuous service as of March 1 must have worked 1400 straight-time hours in the preceding vacation year in order to qualify for vacation time off and vacation pay. Employees working more than 700 (but less than 1400) straight-time hours qualify for one-half vacation time off and one-half vacation pay.

(b) Employees with less than one (1) full year of continuous service as of March 1 and employees who work less than 700 straight-time hours in the preceding vacation year, and employees who are not on the payroll on March 1 of any year, unless laid off for lack of work by the Company, shall not be eligible for vacation time off or vacation pay, in the following vacation year.

(c) Employees working a twelve-hour shift schedule with one full year or more of continuous service as of March 1 must have worked 1260 straight-time hours in the

preceding vacation year in order to qualify for vacation time off and vacation pay, or must have worked more than 630 hours (but less than 1260) straight-time hours in order to qualify for one-half vacation time off or vacation pay.

(d) Employees working twelve-hour shift schedules who do not work the minimum straight-time hours in (c) above and employees who are not on the payroll as of March 1 of any year, unless laid off for lack of work by the Company, shall not be eligible for any vacation time off or vacation pay in the following vacation year.

(e) Failure to qualify for vacation time off and vacation pay in any vacation year shall not affect an employee's continuous service eligibility in a succeeding year unless there is a break in service or loss of seniority or loss of accrual of seniority under Article X herein. Employees with any break in service or who have had continuous service adjusted by the period of non-accrual of seniority shall use adjusted continuous service for vacation eligibility purposes.

(f) Hours paid for but not worked and all overtime hours will be counted as straight-time hours worked for purposes of qualifying for vacation time off and pay as set forth hereinabove.

Section 3. Vacation pay for each day of paid vacation shall be eight (8) hours times the employee's base rate, except for twelve (12) hour shift employees who shall be paid twelve (12) hours times the adjusted base rate.

Section 4. To ensure uniformity in application of this policy, employees will be required to schedule vacation as follows:

(a) Employees with 8 or 13 days of vacation must schedule and take one (1) full week of vacation. Remaining days of vacation may be scheduled in increments of less than a full week including single days or receive pay in lieu of time off provided the employee has obtained proper approval.

(b) Employees with 18, 20 or 23 days of vacation must schedule and take at least two (2) full weeks of vacation. Remaining days of vacation may be scheduled in increments of less than a full week including single days or receive pay in lieu of time off, provided the employee has obtained proper approval.

(c) Vacation paid in lieu of time off will not be counted as hours worked for computation of overtime.

Section 5. For purpose of meeting the "full-week" requirements of the scheduling policy, holidays or vacation days pre-scheduled by the Company for a shutdown may be included. A "full-week" of vacation begins at 12:01 a.m. on Monday and lasts until 12:00 midnight the following Sunday.

Section 6. All vacation periods are to be taken as full days. Half-days, or periods of vacation less than a day, are allowed only when approved by supervision, and may not be taken on Saturday (except for employees working twelve (12) hour shifts) or Sunday.

Section 7. In emergency situations, an employee may request permission from his supervisor to use days of vacation in lieu of unpaid time off. The supervisor may grant such permission if, by doing so, production is not hampered. However, in periods when the work load is heavy, the supervisor may not be able to approve such requests.

Section 8. The Company may, in exceptional circumstances, change or cancel vacations to maintain economical and uninterrupted plant operations.

Section 9. Saturdays and Sundays, unless a part of the employee's regular workweek in continuous or 12-hour shift operations, and Holidays are not counted as days of vacation. In any week an employee takes some vacation, the vacation time is treated as if it were worked; and if overtime results, overtime will be granted.

Section 10. When a plant shutdown for vacation purposes is announced, employees will be required to schedule vacation for the shutdown period. Notice of a scheduled plant shutdown for vacation purposes will be given as early as possible, but in no event less than sixty (60) days prior to the shutdown.

Section 11. Employees on layoff at time of vacation shutdown will be required to take vacation pay during the week of scheduled vacation shutdown. In the event the employee does not return to work before the end of the vacation year the vacation pay will be paid on the last pay period in February.

Section 12. Vacation time will not be cumulative from year to year.

Section 13. Employees who retire from the Company will receive pay for unused vacation for the current year.

Section 14. The Company will schedule vacations according to division seniority standing and requests in each Pay Grade and the necessity of maintaining the orderly and efficient operation of the plant. Employees will schedule vacations between February 1 and March 15 of each year. Vacation scheduling will not be delayed in order to wait for a request from a senior employee. Employees must make known their preference for full weeks of vacation when notified during the scheduling period or lose their seniority preference right to select and schedule vacation. Employees must make known their preference for vacation in increments of less than one (1) full week when notified during the interval of March 1 through March 15 of each year or lose their seniority preference right to select and schedule such partial week vacation. Vacation requests and scheduling for available vacation weeks and days will be made according to the following order:

(1) Employees may select available vacation weeks in seniority order provided that no employee may exercise seniority preference for more than two (2) full weeks in the months of May, June, July and August.

(2) After all employees in the Pay Grade have had the opportunity to select full weeks of vacation then employees may select less than full weeks in seniority order.

The Company shall post a vacation schedule chart showing available vacation weeks and days for each Pay Grade in each department and Hawkins Bindery area so seniority employees can schedule vacation in available periods in order of seniority.

The one (1) and two (2) full weeks of vacation referred to in Section 4(a) and (b) of this Article must be scheduled by March 1 or such vacation may be placed on the schedule at the discretion of the Company.

When there are more requests than efficient operations will allow, vacation will be scheduled and refused based on employee division seniority.

Employees are expected to take vacation at the times scheduled. In circumstances where an employee desires to change a full or partial week of vacation the employee should notify his supervisor as soon as possible, but at least by noon

of Wednesday of the week preceding the scheduled full week of vacation and on the day the weekend work schedule is posted or notice given for scheduled vacation of less than one full week.

The supervisor will make every effort to accommodate scheduled vacation changes, including reassignment of employees assigned/scheduled to cover for the scheduled vacation where possible. Employees canceling vacation weeks or days must reschedule the cancelled weeks or days at an open time on the vacation chart at the time of cancellation. Cancelled vacation shall be posted on the bulletin board in the department or Hawkins Bindery area and will be given to the senior employee that signs the posting, if there is adequate time to award the posted time.

The Hawkins Pressroom will schedule vacation by the above procedures on the shift.

Section 15. Vacation pay will be paid on the employee's regular payday covering the pay period in which the vacation occurred.

ARTICLE XIV

WAGES

Section 1. All job classifications covered by this Agreement and base wage rates shall become effective in accordance with Schedule A of this Agreement.

Section 2. All job classifications and wage rates as agreed upon by the provisions of this Agreement, shall remain in effect and unchanged during the term of this Agreement unless (1) a job is eliminated, (2) a job is changed or jobs combined (as per Article XV), or (3) the rate is changed by mutual agreement.

Section 3. Wages shall be paid the Thursday of every other week for the two-week period ending on the preceding Sunday. Employees working the Monday, Tuesday, Wednesday twelve (12) hour shift schedule shall be paid on Wednesday.

Section 4. The Company will furnish the Union total earnings and total hours worked quarterly of all employees.

Section 5. (a) Effective with the first pay period after the effective date of the Agreement (February 18, 2001) the Company will make a gross lump sum payment of \$500 to all active regular full-time bargaining unit employees on that payroll, except those employees who will receive an increase of four percent or more due to the new pay rate schedule effective February 19, 2001. In addition, the rates set forth on the pay schedules effective 2/19/01, will apply to all active regular full-time bargaining unit employees. (a 2% general increase wage adjustment has been made to the 2000 schedule).

(b) Effective May 20, 2002 the Company will make a gross lump sum payment of \$250 to all active regular full-time bargaining unit employees on that payroll. In addition the rates for all regular full-time bargaining unit employees shall be increased in the amount equal to 2 1/4% of their base straight-time rate of pay, rounded to the nearest 1 cent.

(c) Effective August 25, 2003 all regular full-time bargaining unit employees shall receive an increase equal to 3% of their base straight-time rate of pay, rounded to the nearest 1 cent.

(d) Effective November 15, 2004 all regular full-time bargaining unit employees shall receive an increase equal to 3% of their base straight-time rate of pay, rounded to the nearest 1 cent.

ARTICLE XV

NEW OR CHANGED JOB CLASSIFICATIONS AND RATES,

AND JOB PERFORMANCE

Section 1. The parties recognize that during the term of this Agreement the Company reserves the management right to establish standards concerning employee work pace, work performance levels, and standards of performance and to determine whether and when employees meet such work-pace, levels or standards as the same may be established or modified.

Section 2. The parties recognize that such quantity standards, levels and work pace are necessary in maintaining efficient utilization of manpower and equipment capacities, reducing unit costs and increasing profit opportunities. The parties also recognize that unrealistic and unattainable

quantity standards, levels and work pace should not be required of employees for an extended period of time, nor should employees be required to handle workloads which are above the reasonable limits of a normal employee.

Section 3. On request, the Company will review any changed or modified quantity production levels, production standards or increased work pace requirements with the Local Union President. When applicable, the Company will establish standards, levels and work pace based on established Industrial Engineering practices.

Section 4. After establishment of a new or modification of an existing work pace, work performance level or standard of performance, a grievance may be filed by the Union if it believes such quantity standard, level or pace to be unrealistic or unattainable or beyond the reasonable limits of a normal employee. Such a grievance may be processed through binding arbitration.

Section 5. The Union may, on request and at reasonable times so as not to interrupt required operations, bring a consultant into the plant to study and evaluate the quantity standard, level or pace in question, including the use of a time study if necessary.

Section 6. In the event any job is changed or jobs are combined, or new jobs established, the new, combined or changed job shall be established in accordance with the following procedure. Requirements of the job as to training, skill, responsibility, physical demand, and working conditions shall be used in determining the proper wage application to the new or changed job.

(a) The general job duties and classification and placement in a pay rate must be submitted to the Local Union President and the Union's International Representative before the Company can change or combine jobs or fill new jobs. The Company and Union will meet and discuss the job classification and pay rate.

(b) New jobs shall be filled by the Company through the bid procedure or otherwise if there are no successful bidders. Changed or combined jobs will be filled by the senior qualified employee who held the changed or combined job before the change or combination occurred. The Company shall assign a preliminary rate for the job for the first 120 working days of the assignment. The employee assigned shall be

paid the preliminary rate for the job for the first 120 working days of the assignment.

(c) During the first 120 working days of operation in the job, both parties shall have opportunity to study the job and recommend change in the preliminary rate assigned by the Company.

(d) If the parties cannot agree on a final rate for the new job after 120 working days of operation or sixty (60) working days of operation for a changed or combined job, the Union may file a grievance contesting the rate assigned. If the grievance is not settled within 30 days of filing, the matter shall be appealed to arbitration by the Union or the rate assigned by the Company will become the final rate.

(e) If the rate is submitted to arbitration, the issue for the arbitrator shall be only the issue of whether the rate of pay for the new, changed or combined job bears a proper relationship to the rate of pay for other jobs in the particular plant.

(f) Regardless of the final rate established, the job will not be re-bid.

ARTICLE XVI

SHIFT DIFFERENTIAL

Section 1. The Company shall pay a night shift differential premium of twenty (20) cents per hour for all work performed on the afternoon shift and shall pay a premium of twenty-five (25) cents per hour for all work performed on the midnight shift. All twelve (12) hour shift employees on rotating shifts shall be paid a shift differential, equal to ten (10) cents per hour for all hours worked. Employees working twelve (12) hour shifts that do not rotate days to nights will be deemed to be either day shift or midnight shift employees for purposes of payment of shift premium.

Section 2. Application of Shift differentials - For purposes of applying the aforesaid shift differentials, all hours worked by an employee during the workday shall be ~~considered as worked on the shift on which he is regularly~~ scheduled to start work, except:

Shift Differential Carry-Over

(a) Any employee who continues working after his day shift into the prevailing afternoon shift, all hours worked over two (2), shall be paid the afternoon shift differential for such hours worked on the afternoon shift.

(b) Any employee who continues working after his afternoon shift into the prevailing night shift, all hours worked over two (2), shall be paid the night shift differential for such hours worked on the night shift.

(c) Any employee who continues working after his night shift into the prevailing day shift, all hours worked shall be paid the night shift differential for such hours on the day shift.

Section 3. Any hours worked by an employee on a regularly scheduled shift which commences at a time not specified in Article XVII shall be paid as follows:

(a) For hours which would fall in the prevailing day shift of the department, no shift differential shall be paid.

(b) For hours worked which would fall in the prevailing afternoon shift of the department, the afternoon shift differential shall be paid.

(c) For hours worked which would fall in the prevailing night shift of the department, the night-shift differential shall be paid.

Shift differential shall be included in the calculation of overtime compensation.

ARTICLE XVII

HOURS AND OVERTIME

Section 1. Shift schedules shall be posted and may be changed by the Company by written notice to the employees affected posted on the bulletin boards in the department by noon on Thursday for 8 hour shifts, 6 p.m. on Wednesday for 12 hour shifts, and by 2:00 p.m. on Wednesday in weeks with a Thursday, or Thursday and Friday holiday(s), preceding the workweek in which the change is effective. Notice of pre or post shift

starting or ending times continuous with an employee's regular shift of work shall not be considered a change in shift schedules.

(a) Employees reporting for work between the hours of 6:00 a.m. and 9:00 a.m. shall be considered first-shift employees.

(b) Employees reporting for work between the hours of 2:00 p.m. and 5:00 p.m. shall be considered second-shift employees.

(c) Employees reporting for work between the hours of 10:00 p.m. and 1:00 a.m. shall be considered third-shift employees.

(d) Employees working twelve-hour shifts beginning between the hours of 6:00 a.m. and 9:00 a.m. shall be considered first-shift employees and those beginning between the hours of 6:00 p.m. and 9:00 p.m. shall be considered second-shift employees.

Section 2. For payroll purposes, the workweek will commence at 12:01 a.m. on Monday and continue through the following Sunday at 12:00 midnight. A workday is the twenty-four (24) hour period commencing with the beginning of an employee's shift.

Section 3. The normal workweeks shall be forty (40) hours consisting of eight (8) hours each day five (5) days per week and thirty-six (36) hours consisting of twelve (12) hours each day, three (3) days per week. A work week shall consist of any three (3) twelve (12) hour days or any five (5) eight (8) hour days in a payroll week for employees at any location who have hours or job function restrictions.

Section 4. Employees shall not be required to work more than forty (40) hours in any one workweek without the payment of overtime. Overtime shall be computed at time and one-half the regular base rate. Regular base pay is defined to be an employee's regular rate.

Section 5. Overtime and/or premium payments of any kind shall not be duplicated or pyramided for the same hours worked. Only the highest one shall be paid.

Section 6. Employees working in excess of their normal schedule shall not be required to take time off to keep within their normal work week.

Section 7. Only days worked, or days paid by the Company for holidays, vacation, jury duty, bereavement leaves, or military encampment, will be counted as days (hours) worked for determining overtime payment.

Section 8. Notwithstanding anything to the contrary in this Agreement, employees will not be entitled to exchange shifts for any reason if such exchange would result in overtime payments unless such exchange is specifically approved in advance by the Company.

Section 9. (a) Weekend Overtime. All Saturday overtime work will be on a voluntary basis unless employees are given notice at least twenty-four (24) hours prior to the Saturday reporting time, except in emergency situations where notice is impossible.

(b) All Sunday and holiday overtime work will be on a voluntary basis unless employees are given a forty-eight (48) hour prior notice, except in emergency situations where notice is impossible.

(c) In emergency situations, when Saturday, Sunday or holiday work is required and the Company does not give the notice when required in (a) and (b) above and there are insufficient volunteers to perform the available work, the Company can schedule the junior qualified employee(s) on the shift to work.

Section 10. Weekend Overtime is overtime outside an employee's regular five (5) day or three (3) day schedule which the Company elects to have performed by regular full-time employees.

If work cannot be performed within a classification at straight-time and overtime is thus required, the Company will assign and distribute overtime opportunities in the paygrade and on the shift in each department of the plants and in each area in Distribution and Hawkins Bindery, (see Article X, Section 27) as follows:

- (a) All maintenance, all Pre-Press. Overtime will be assigned from the voluntary overtime list in seniority

order until all qualified employees in the Paygrade (within the craft in Maintenance) have had an opportunity to work. If insufficient volunteers are available, overtime will be assigned to the least senior available qualified employees in the paygrade, except as otherwise provided in Section 10(e).

- (b) All Other Departments (and daily in the Pressrooms). Overtime will be assigned first in seniority order from those qualified employees on the voluntary overtime list in the Paygrade where overtime is required. If insufficient volunteers are available, overtime will be assigned to the least senior available qualified employees in the paygrade, except as otherwise provided in Section 10(e). Provided that in the Hawkins Pressroom and Hawkins Maintenance Departments when there is an insufficient number of volunteers, overtime assignments will rotate in seniority order, with the junior employee receiving the first assignment until all employees in the pay grade, in the department and on the shift have been assigned. Volunteering for overtime does not count as an assignment under this provision.
- (c) Press Crews. Weekend Overtime in the pressrooms in all plants will be assigned to the crew on the press that is scheduled to run, that ran the press during the week, and Sundays in Pressrooms on twelve (12) hour shifts will be alternated weekly or monthly among the crews in Paperstock and on the press. Overtime in the divisions or departments in those situations where employees are performing a special project or one with major specifications or unusual instructions during the regular workweek which job carries over into a weekend, will be performed by and assigned to those employees or the crew that performed such work during the regular workweek.
- (d) Roll up/Roll back from regular Pay Grade. Overtime will be assigned to employees in the Pay Grade, whether rolled up or rolled back from their regular Pay Grade at the time overtime is assigned, in all departments and areas except the Kingsport Web Pressroom.
- (e) Consecutive Overtime Assignments. The least senior employees in the following departments and areas will not be forced to work consecutive overtime assignments, except when the number of employees in the entire Pay Grade on the shift scheduled to work requires consecutive assignments:

All Pre-Press
Hawkins Bindery
Kingsport Web Pressroom
Sherwood Department

Section 11. Daily overtime is hours worked either pre-shift or post-shift on the days of an employee's normal workweek. Such overtime will be assigned to the employees who performed the job during regular shift hours, including those temporarily transferred, promoted or demoted, and relief employees.

Section 12. (a) To be eligible for overtime in any particular job, employees must be qualified and competent to perform the job immediately.

(b) Nothing contained herein shall be deemed to be a guarantee of overtime work to any employee nor a limitation on the Company in assigning work so to avoid the overtime cost.

ARTICLE XVIII

CALL IN PAY

Section 1. Any employee who is required to report for work at a time other than his regular starting time and who is sent home after completing such work will be paid for the time required to perform such work, but in no event will he be paid less than four (4) hours at straight-time. Any maintenance men who are called out at any time other than their regular working schedule shall be guaranteed four (4) hours pay. If any of the maintenance crew should be called after he leaves the plant to come out earlier than his regular working time, the time will not be construed as part of his eight hour schedule. If, however, he is told before he leaves the plant to come out at any time other than his regular starting time, this will not be construed as a call-in.

Section 2. Employees who shall report for work not having been notified two (2) hours prior to the start of their shift shall receive at least four (4) hours work or pay at their hourly rate, provided that employees who are working twelve (12) hour shifts shall receive at least six (6) hours work or pay at their hourly rate.

Section 3. The provision of this Article XVIII will not apply where the failure of the Company to provide work is caused by a strike, or work stoppage, or for acts of God such as fire, flood, storms, power failure, civil disorders, bomb threats, or as the result of an emergency beyond the Company's control.

ARTICLE XIX

REST AND LUNCH PERIODS

Section 1. It is intended that all employees receive breaks and lunch breaks each day. Each employee will operate on a self-releasing basis, endeavoring to take breaks at such time as to cause the least interference with uninterrupted machine or process operations. Wherever possible, where two or more employees are assigned to a particular piece of equipment, the employees working at that equipment will schedule self-releasing for such breaks so as to provide continuous operation of the equipment for the full shift of work.

Section 2. Where it is not possible to provide relief on a self-releasing basis, the equipment or operation will be shut down or relief will be provided by a relief person.

Where an emergency exists and self-releasing is not possible or relief is not available or reasonably obtainable during a particular period of time, the Company agrees to provide necessary relief within a reasonable period of time.

Section 3. The Company will take the necessary steps to assure that employees receive a ten (10) minute break from work in the first half of the shift and a ten (10) minute break from work in the second half of the shift, and a twenty (20) minute lunch interval during the middle part of the shift. Employees recognize that such breaks and lunch periods may be scheduled at different times each day and will whenever possible be taken during equipment breakdowns, interruptions in material or work flows, make-ready for those employees not involved, etc. Employees are expected to limit their time from the work station to the designated time intervals for breaks and lunch and to refrain from abusing the relief system.

Section 4. In areas or operations in each plant where two (2) or fewer shifts are working, or in continuous operations where overlapping shifts are scheduled by the Company, the Company may provide a thirty (30) minute unpaid lunch period.

Section 5. This Article is not intended to establish fixed intervals for breaks/lunch at specific times in any operation in any plant.

Section 6. Pressrooms.

(a) Lunch periods of twenty (20) minutes will be taken if no relief is provided by supervision when a press is on make-ready or will be on make-ready within one and one-half hours (1 1/2) of the middle of the shift at the time the press is shut down for a make-ready.

(b) When the press is in a running mode (at all times the press should be running) all crew members on all the presses will relieve each other whenever possible for a twenty (20) minute lunch period as close as possible to the middle of the shift.

(c) If it is not possible for the press crews to relieve each other due to unusual production demands, the supervisor will shut down the press or relief will be provided for a twenty (20) minute lunch break within one and one-half (1 1/2) hours of the middle of the shift, and will be taken at the time designated by the supervisor.

(d) The twenty (20) minute lunch breaks will be without loss of pay to the crew members.

ARTICLE XX

LEAVE OF ABSENCE

Section 1. (a) Where the requirements of the plant will permit, a leave of absence may be granted to seniority employees for valid and substantial reasons, without pay, for not over thirty (30) calendar days. Leave of absence may be renewed upon written request of the employee and approved by the Company. Failure on the part of the employee to renew said leave of absence or actually return to work at the expiration thereof will result in termination of said employee from the Company's payroll and loss of all seniority.

(b) Family and Medical Leave. All employees with more than twelve months service who worked at least 1250 hours in the preceding twelve months are eligible employees for leave under the Family and Medical Leave Act of up to twelve weeks per year, provided such employee otherwise complies with all other requirements of the Act and regulations issued thereunder. A year is a twelve month calendar year. Eligible employees that request and qualify for family and medical leave will be required to use earned but unused vacation

as part of all family and medical leaves granted under the Act, and where permitted by law, if both husband and wife work for the company, leaves for them will be limited to the aggregate between the two of them as permitted by the Act and Regulations.

Employees returning from family and medical leave will be returned to their former or equivalent position at the end of such leave. Group and health plan benefits shall continue during family and medical leave for the twelve weeks per year. All such leaves under the Act shall be counted as the first days and/or months of a leave granted under other Sections of this Article, and not as an addition to such leaves or to benefit entitlement or accrual provided for therein. All leaves granted under the Family Medical Leave Act will be leaves without pay unless accrued and unused vacation is applied to said leave or the employee otherwise qualifies for Accident and Sickness benefits or Workers Compensation benefits.

(c) Leave of absence for illness or injury shall be granted seniority employees, so long as the employee's physician and the Company agree on the employee's inability to work. In such cases, it will be the employee's responsibility to notify the Company as speedily as possible that he will be unable to work because of such illness or injury and to apply for a leave of absence for a fixed duration. If the expected duration of said leave, as certified by the employee's physician, is seven (7) calendar days or more, the employee shall report to the Plant Human Resources Department the duration of such leave supported by the medical estimation. Any extension of such leave shall likewise be applied for in writing and supported by a physician's statement and approved by the Company. Prior to returning from a medical leave, the attending physician, and the Company doctor when required, must release the employee to return to his regular duties. In the event there is a dispute between the employee's doctor and the Company doctor concerning the ability of an employee on a medical leave of absence to return to work, the two doctors will select a third doctor who will make a final determination concerning the employee's ability to return to work.

Section 2. It is agreed that longer leaves of absence shall be granted for the following reasons when approved by the Company:

— control. — — — — (a) Personal reasons beyond the employee's — —

(b) Absence of more than thirty (30) days because of personal sickness or personal injury, when supported by a physician's statement of illness/injury recovery period.

(c) Absence because of compensable sickness or injury shall be granted for the duration of the disability, but not to exceed the period set forth in Article X, Section 5(e).

Section 3. (a) Union Leave of Absence. An employee elected or appointed to full time employment as a representative for the International or Local Union, (but not more than three (3) at any one time), shall be placed on a leave of absence without loss of seniority (but without accrual or eligibility for benefits of any kind except as provided herein) for up to one (1) year, which leave may be extended through written request as long as such employee remains in such Union employment. Length of service for seniority purposes shall be accumulated, provided that such employee resumes regular duties after vacating such Union office. By paying the full premium cost in advance, monthly, employees on such leave may continue to be covered under the Company sponsored group medical and dental insurance plans then in effect for bargaining unit employees. The Company will continue coverage for one (1) full-time employee who is an elected or appointed full-time employee of Local Union No. 299 under the bargaining unit pension plan then in effect until such time as the Local or International Union offers a retirement plan for Local Union employees.

(b) Military Leaves. Military leaves will be granted to regular employees in accordance with applicable laws then in effect, for the purpose of the employee being inducted into, entering, determining physical fitness to enter, or performing duty in the Armed Forces of the United States. Employees returning from military service will be accorded reinstatement rights as provided by laws then in force.

(c) Leave To Serve In Public Office. Leave of absence without pay or benefits may be granted to an employee elected or appointed to public office upon proper application to the Company. Such leave may be granted for a period of one year and may be extended from year to year for the same purpose upon the request of the employee, subject to the limitations of seniority accrual of Article X, Section 5(e).

Section 4. (a) Time off without loss of earnings will be granted for any regular employee who is required to be absent from work to serve as an Election Official, a member of the

county court, and for jury services, and voting time as provided by state law. Employees will be paid the difference between the amount of pay he would have received if he had worked his regular shift, exclusive of overtime, and the per diem fee for such services, provided that:

1. The employee advises his supervisor one (1) week in advance of his absence, except in cases of jury service where notice will be given as soon as possible or in cases of emergency for members of the county court.

2. The employee furnishes the Personnel Department with a statement from the appropriate official on a prescribed form indicating the dates and times served, and the amount paid.

3. The employee reports for work on the following day which would be his next regular scheduled shift. Employees called to jury service will be assigned to work the first or second shift regardless of shift preference rights.

Day shift employees released prior to 12:00 p.m. noon, will report their availability for work immediately and may be required to work the remainder of the shift. Second shift employees released prior to 12:00 p.m. noon will report to work at the beginning of their next scheduled shift (that same night) immediately following their release. In this event, second shift employees will receive their regular pay for the shift worked plus any compensation from the court, but would receive no supplement from the plant for that day.

Second shift employees who serve past 12:00 p.m. noon may be given the option as to whether to work their shift immediately following their release (that same night). This does not preclude the department head from allowing or requesting the employee to work the shift; however, no employee should be compelled to work that shift. In no event will a supplement be paid for more days than the actual number served.

(b) Holiday credit will not be affected.

(c) Election Officials. Loss of time is occasioned by serving in an official capacity as an officer, judge, or clerk during a general, special, or primary election (election watchers or commission members are not to be included) and appointment is made by a duly constituted general or primary election commission or by the city board of elections.

Not more than one (1) day's pay per year will be allowed for this service.

(d) County Court Members. Attendance is at a regular or called meeting of the court. No pay allowance will be made for other duties connected with the office.

Section 5. National Guard and Reserve Components Short Tours of Duty. It is the policy of the Company to permit employees to participate in certain National Guard and other military reserve component programs without loss of pay, subject to the following conditions:

1. The National Guard, Army Reserve, Naval Reserve, Marine Corps Reserve, and Air Force Reserve are recognized as the official service components whose members (officer and enlisted) may be given leave of absence for the purpose of training or emergency duty.

2. Leave of absence may be granted to members of these official service components for the duration of the training or emergency duty if those members have been regular (not temporary) employees of the Company for at least ninety days. This policy does not apply to duties such as regular or special unit periodic drills or parades.

3. This leave of absence may be given to all categories of the foregoing official service components, provided that the employee has been a member of such organization not less than ninety days.

4. Holiday credit shall not be affected by such leave of absence for training or emergency duty.

5. A special pay allowance will be granted for time lost during approved leaves of absence for short tours of active duty up to a total of two weeks in any one calendar year. Pay allowance will be reduced by the amount of compensation received from the Government (exclusive of travel allowance) during the two-week period.

6. The initial special pay allowance will include pay for all straight-time work at the base day-shift rate for his regular shift of work hours and holiday pay that would have accrued to the employee had he worked his normal shift during the two-week period.

Item 5 above applies equally to all employees.

Procedure:

1. Employee will notify his department head or supervisor as soon as he receives notice of his required active duty.

2. Employee will furnish his department head or supervisor with one copy of his active duty orders. If individual orders are not issued, the employee will obtain a statement from the commanding officer to the effect that the employee is required to participate in the active duty.

3. In the event of emergency duty call, the employee will, if possible, notify his supervisor, and leave-of-absence papers will be accomplished upon his return.

4. Upon return from active duty, the employee shall present to the Personnel Department a statement from his commanding officer giving the following data:

- (a) Date of enlistment.
- (b) Dates served.
- (c) Amount of travel allowance.
- (d) Amount of total compensation received.

Section 6. Organized Color Guards, Chaplains, and Volunteer Service. An employee who serves as a member of the Organized Color Guard, including the color bearers and the armed color guards, of either the American Legion or the Veterans of Foreign Wars, or who serves as Chaplain of either organization, may be given time off by his department head, but no special pay allowance will be granted for participation in such activities.

An employee who is a member of the Civil Air Patrol, Life Saving Crew, or similar volunteer service organization, may be given time off by his department head for volunteer emergency service with such organization, but no special pay allowance will be granted for such time lost.

Such approved time off will not affect holiday pay eligibility.

ARTICLE XXI

BEREAVEMENT PAY

The purpose of this Article is to protect seniority employees from loss of regular straight-time pay when a death occurs in their immediate family.

Bereavement Leave applies in the event of the death of the employee's wife, husband, child, parent, brother, sister, mother-in-law or father-in-law, and grandparents. ("Parent" includes step parents or foster parents who took the role of "mother" or "father" in rearing the employee. "Brother" or "sister" include half brothers or sisters or step brothers or sisters who were reared in the same household with the employee. Child includes step-children who are reared in the same household by the employee.)

The Company will grant a seniority employee up to three (3) regular straight-time shifts off, one (1) straight-time shift for brother-in-law/sister-in-law and grandchildren without loss of pay. A brother-in-law is the brother of the employee's spouse or the husband of the employee's sister. A sister-in-law is the sister of the employee's spouse or the wife of the employee's brother. The shifts off are to be selected by the employee and are to be consecutive straight-time days, one of which must be the day of the funeral. The day of the funeral is defined as either the day of the Memorial Service or the day of the burial.

If employees must miss more than three regularly scheduled shifts during a period of bereavement, additional time-off, ending one (1) week after the day of the funeral, without pay, shall be granted by the employee's Department Head. The employee may charge time-off without pay to unused vacation time.

Bereavement pay request for the regular straight-time shifts missed under this Article must be authorized by the Department Head.

ARTICLE XXII

SUPERVISORY, MANAGERIAL, TECHNICAL,
ENGINEER AND PROFESSIONAL WORKING

The Company and the Union recognize and agree that because of the time, quantity and quality demands of customers, the number of titles printed, bound and distributed, and the technical nature of the Company's business, it is sometimes necessary for Supervisors, Managers, Technical Employees and Engineers to perform certain work that is regularly performed by bargaining unit personnel. Employees in supervisory or managerial positions should not routinely or regularly do work that heretofore has been exclusively performed by bargaining unit personnel, but should routinely and normally do work of a supervisory or managerial nature in general. The parties agree that when necessary work will normally be performed by non-bargaining unit personnel for purposes of (1) instruction, training or retraining; (2) work in emergencies; (3) checking workmanship and quality; (4) start-up and running of new or modified equipment or running of equipment or operations to check on operating problems or methods problems; (5) performing experimental or developmental work; (6) assisting employees in problem areas or for emergency relief; or (7) to meet customer demands for quantity, quality and timeliness of delivery. Nothing contained in this Section shall prohibit such non-bargaining unit personnel from performing work not heretofore regularly and exclusively performed by bargaining unit personnel.

ARTICLE XXIII

BULLETIN BOARDS

The Company agrees to furnish the Union exclusive access to one (1) bulletin board in each department for use by the Union for the posting of official announcements and notices concerning meetings of the Union, scheduling and results of elections, appointments to office, social, educational and recreational affairs. Prior to the posting of any information on the bulletin board provided under this Article, such information shall be submitted to the Human Resources Manager for his review and approval, which approval shall not be arbitrarily withheld.

ARTICLE XXIV

INSURANCE AND PENSION PROGRAMS

Section 1. (a) The Company will continue to make available to employees group life insurance in an amount equal to one and one-half times the employee's base annual salary with the cost fully paid by the Company.

(b) The Company will continue to make available to its employees supplemental life insurance coverage up to an amount equal to three times the employee's base annual salary with the cost fully paid by the employee.

(c) The Company will continue to make available to employees accidental death and dismemberment coverage in conjunction with the supplemental life insurance coverage and in an amount not in excess of the supplemental life insurance coverage elected by the employee, with the cost fully paid by the employee.

(d) The Company will provide a non-occupational accident and sickness coverage for all bargaining unit employees providing coverage equal to 60% of the employee's base pay up to a maximum of \$300 per week for a maximum term of 26 weeks.

(e) Under the long-term disability program in effect prior to January 7, 1988, the Company will continue those coverages for all persons who prior to January 7, 1988 applied for such coverage or were receiving benefits under the long-term disability plan.

(f) The company will make available to employees medical insurance coverages at a level of covered services, benefits, coinsurance payments, deductibles and out-of-pocket maximums equal to the current plan levels in effect immediately prior to the date of this Agreement. The medical insurance plan will be offered through Blue Cross/Blue Shield of Tennessee utilizing its Tennessee Provider Network Plan for incurred hospital, physician and pharmacy costs. The plan provides a coinsurance payment for preferred provider services of 80% and for non-preferred provider services of 60%. The company will include as covered procedures an annual mammogram, annual pap smear and well baby care coverage.

Pharmacy coinsurance payments will be at 80% for preferred provider pharmacies and 50% for non-preferred providers after applicable deductibles are met.

Coverages being made available during the term of this Agreement, include a maintenance of benefits provisions, a determination of primary/secondary coverage for dependents based on the "birthday rule" and for continuation of medical coverage for disabled eligible employees for the first six (6) months of such disability and thereafter under the provisions of COBRA. The cost of the medical coverage to be paid by each employee biweekly through June 30, 2001:

Employee Only	\$10.32
Employee and Dependents	\$26.83

Effective February 25, 2002 employees will pay 17% of the rate after that date until February 23, 2004 at which time employees will pay 20% of the rate each biweekly pay period thereafter. The Company will establish, using prior year experience and industry projections, the rate for each year for each kind of coverage made available. In July of each year the rates will be adjusted up or down to establish a contribution equal to the percent stated above of the preceding calendar year's cost plus the projected increase in costs.

(g) The Company will offer and make available to employees the current Blue Cross/Blue Shield Dental Plan. Reimbursement will be made at the plan levels for preferred providers level payments only. Any excess charges by non-preferred providers will not be covered expenses under the plan. The cost of dental coverage to each employee biweekly through June 30, 2001:

Employee Only	\$ 1.55
Employee and Dependents	\$ 4.03

Effective February 19, 2001, and February each year thereafter employees will pay twenty percent (20%) of the rate for dental coverage for the next twelve (12) months. The Company will establish the rates for the coverages provided based on prior year experience and industry projections. In July of each year the rates will be adjusted up or down to establish a contribution rate equal to 20% of the preceding year's cost plus the projected increase in costs.

(h) For each of the medical and dental coverages set out above, the Company will maintain a separate Quebecor Printing Kingsport, Inc. Bargaining Unit Employees Plan and may change the method of funding, carrier, insurer, plan, administrator or trustee of any such coverage at its sole discretion, provided that the benefits in any such policy will be at least equal to the current benefit levels.

Section 2. Pension Plan. The Company shall establish and maintain a non-contributory defined benefits pension plan for all employees, under which employees shall receive 1-1/4% on the first \$4,200 of base earnings and 1-3/4% on all base earnings over \$4,200 consistent with the benefits and method of determining benefits in effect for hourly employees under the pension plan in existence immediately prior to the execution of this Agreement. The Company may change the method of funding, identify of trustee or insurer and investment procedures, actuarial determinations, plan administrator, members of the administrative committee and take all such other actions other than changing the employee benefit levels under the plans at its sole discretion.

ARTICLE XXV

TOOLS AND EQUIPMENT

The Company agrees that if any employee is engaged in work where tools, equipment or special clothing is required by the Company, such tools, equipment and clothing will be furnished and maintained by the Company. If Employees are required to turn in tools and equipment at the end of their shift they will be allowed sufficient time on Company time to return such tools and equipment to their proper storage.

ARTICLE XXVI

ATTENDANCE PROGRAM

ABSENTEEISM/TARDINESS/LEAVE EARLY

Section 1. Punctual, regular and full shift attendance is acknowledged by the parties to be an absolute essential in achieving efficient and quality production operations, in avoiding unnecessary overtime and in avoiding unnecessary burdens and hardship on those employees who report and work. This attendance policy is established to encourage employees to correct unsatisfactory attendance and to provide consistency in the handling of problems relating to absences.

Employees who must be absent from work are required to notify their supervisor prior to the start of their scheduled shift. An employee may notify a supervisor on the previous shift, who is not his immediate supervisor, provided the employee leaves a telephone number where he can be reached.

In the few instances where this is not possible, employees should notify their supervisor as soon as possible after the beginning of the employee's scheduled shift. A message sent by another employee is not acceptable.

Section 2. Unexcused Absences

An unexcused absence is any absence that has not been approved by the employee's immediate supervisor. Calling in prior to absence does not assure that the absence is excused. Examples of unexcused absences, though not an all-inclusive list, are:

1. Failure to call in or report an absence prior to or during the scheduled shift.
2. Failure to give a true and accurate reason for absence.
3. Unscheduled absence for personal reasons which are not approved in advance by the immediate supervisor.

Unexcused absence will result in the following disciplinary action:

- Step 1. Oral reprimand
- Step 2. Written reprimand
- Step 3. Written reprimand in lieu of one-week layoff
- Step 4. Termination

Each shift unexcused will count as one unexcused absence. One unexcused absence will result in oral reprimand. Two unexcused absences will result in written reprimand. Three unexcused absences will result in written reprimand in lieu of one (1) week's layoff. Four unexcused absences will result in termination.

Only unexcused absences occurring within a one (1) year period will be counted in the above progressive disciplinary action.

Section 3. Absenteeism/Tardiness and Leaving Early

Attendance records of all employees are reviewed on a continuing basis. In addition to unexcused absences, excessive attendance violations for any reason will result in disciplinary action.

Excessive attendance violations are determined by the combined number of occasions of absences, tardiness and leave earlies. An absence of one day, or two or more consecutive days for the same reason, will be considered to be one occasion except where the absence is due to lack of transportation. Each shift absent for transportation will be counted as an occasion, regardless of whether or not the absences are consecutive.

Absences for the following reasons will not count as an occasion in administering this policy:

1. Plant accident
2. Discipline
3. Jury duty, election duty, short tours of military duty.
4. Vacation and holidays
5. Lack of work
6. Bereavement
7. Scheduled day off
8. Approved leave of absence
9. Approved time off for employee Credit Union officers to perform duties of office.
10. Subpoenaed to court for reasons beyond employee's control.
11. Responding to emergency situations as members of a lifesaving crew or fire department for time missed prior to the shift. Employees shall not be excused during a workday to respond to calls.

Absences for the following reasons will be counted as occasions:

1. Personal business with or without prior approval.
2. Sickness not covered by FMLA
3. Unexcused absence
4. Transportation - (Each transportation shift missed is counted as one occasion.)

Tardiness and/or leave earlies not verified by a doctor and dental appointment shall be counted as one-third (1/3) occasion unless due to lack of work or excused by Supervision. An employee who fails to complete at least half of their scheduled shift will be charged with a full occasion.

In order to return to work an employee absent due to Family Medical Leave or who receives any Accident and Sickness Coverage payment or is away from the plant for seven (7) calendar days, whichever is earlier, must present a Doctor's statement verifying that the employee is fit for and can work.

Cumulative absence, tardiness and leave early occasions will result in the following disciplinary action:

Step 1. Three (3) occasions during past twelve (12) months - Oral reprimand.

Step 2. Five (5) occasions during past twelve (12) months - Written reprimand.

Step 3. Seven (7) occasions during past twelve (12) months - Written reprimand in lieu of one (1) week layoff.

Step 4. Eight (8) occasions during past twelve (12) months - Termination.

An employee who reaches Step 3 of the disciplinary procedure for either unexcused or excessive absences three years in succession after the effective date of this Agreement will be terminated.

Management reserves the right to bypass Steps 1 and 2 above in cases of chronic absenteeism. Chronic absenteeism is defined as repeated absences of more than a week's duration that is not supported by a physician's statement. The Company will give consideration to employees who have had excellent attendance over the life of their employment who have problems under the attendance program due to unavoidable circumstances.

Section 2. The employer also agrees that employees elected to serve as an officer of the Credit Union will be afforded time off, without pay, to perform the duties associated with his office, such time off will not count as an occasion.

ARTICLE XXVII

CREDIT UNION

Section 1. The Employer agrees to make payroll deductions for credit Union purposes if the employee has provided the Employer with a signed card so authorizing. Such deductions will only be remitted to the Credit Union once a pay period.

Section 2. The employer also agrees that employees elected to serve as an officer of the Credit Union will be afforded time off, without pay, to perform the duties associated with his office, such time will not count as an occasion.

ARTICLE XXVIII

EXPRESSED UNDERSTANDING AND WAIVER

The parties expressly declare and acknowledge and each hereby voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter whether or not specifically referred to, exempted or covered by this Agreement, including, but by no means whatever limited to, any subject or matter which under this Agreement is within the right of Management to decide, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement. This waiver is intended to be, and shall be construed by any tribunal to which it may be presented, a specific waiver of each specific mandatory subject of bargaining not covered by the express written terms of this Agreement, including, without limitation, any past practices which the Company may have engaged in prior to the signing of this Agreement not specifically incorporated herein.

ARTICLE XXIX

CHECK-OFF

Section 1. The Company agrees that upon presentation by the Local Union No. 299 to it of an authorization card in the form set forth below executed by the employee on or after the effective date of this Agreement, it will cause to be deducted from the pay of such employee in the first pay period in the first month after receipt of said authorization card such initiation fees and monthly dues as certified by the Local and/or International Union Secretary-Treasurer to be due from said employee.

Section 2. All such monies deducted shall be remitted to the International Union along with Form R-115 provided by the International Union within ten (10) days of the end of the pay period along with a copy of the certified list of dues and fees

provided by the Local Union indicating the monies to be deducted by the Company from the pay of each employee on the list.

Section 3. In the event an employee has insufficient earnings in the first pay period in the month, the Company will so note on the list returned to the Union.

Section 4. Deductions on the basis of authorization cards submitted to the Company not less than seven (7) calendar days prior to the first pay period in the month shall be made in that month or in the month in which such card becomes effective, whichever is later.

Section 5. The Union agrees to indemnify and save the Company harmless from any and all liability, including costs and attorney fees, that may arise out of action taken or not taken by the Company in complying with the check-off provisions of this Agreement.

CHECK-OFF AUTHORIZATION

Pursuant to this authorization and assignment, please deduct from my pay each month, while I am in employment with the collective bargaining unit in the Company, and irrespective of my membership status in the union, monthly dues, assessments and (if owing by me) an initiation fee each as designated by the International Secretary/Treasurer of the Union.

The aforesaid payment shall be remitted promptly by you to Leo W. Gerard, or his successor, International Secretary/treasurer of the United Steelworkers of America, or its successor, Five Gateway Center, Pittsburgh, Pa. 15222.

This assignment and authorization shall be effective and cannot be cancelled for a period of one (1) year from the date appearing above or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner.

I hereby voluntarily authorize you to continue the above authorization and assignment in effect after the expiration of the shorter of the periods above specified, for further successive periods of one (1) year from such date. I agree that this authorization and assignment shall become effective and cannot be cancelled by me during any of such years, but that I may cancel and revoke by giving to the appropriate management representative of the plant in which I am then employed, an individual written notice signed by me and which shall be postmarked or received by the Company within fifteen days following the expiration of any such year or within the fifteen days following the termination date of any collective bargaining agreement between the Company and the Union covering my employment if such date shall occur within one of such annual periods. Such notice of revocation shall become effective respecting the dues for the month following the month in which

such written notice is given; a copy of any such notice will be given by me to the Financial Secretary of the Local Union.

While contributions or gifts to the USWA are not tax deductible as charitable contributions for Federal income tax purposes, they may be tax deductible under other provisions of the Internal Revenue Code.

Date Signed

Signature of Employee

ARTICLE XXX

MISCELLANEOUS PROVISIONS

Section 1. Employee Educational Assistance Policy. The Company will maintain the Educational Assistance Policy as revised December 1987 for all Bargaining Unit employees for the term of this Agreement.

Section 2. The selection, pay and job duties assigned Group Leaders will be made in accordance with the Group Leader Policy as revised January, 1991 for the term of this Agreement.

Group leaders will not have status or pay as a group leader if they would otherwise be reduced out of their regular pay grade in a layoff.

Section 3. Safety/Drug Policy

The Company will comply with laws as to safety requirements of State or Federal Department of Labor or other administrative agency having jurisdiction over its Sullivan and Hawkins County, Tennessee plants, and will continue to maintain its safety committee and education programs.

The Safety Committee will have three (3) representatives appointed by the Union at the Kingsport and Hawkins Plants and one (1) representative appointed by the Union at the Sherwood and Distribution Plants. The Committee will meet regularly and not less frequently than quarterly and will make recommendations to the Plant Safety Coordinator for corrections of unsafe or hazardous conditions and other recommendations for the prevention of accidents and protection of the health and safety of employees. Minutes of the meetings shall be kept and reviewed at the next committee meeting.

The Company will post safety rules and regulations and may amend them from time to time. Each employee recognizes and accepts the primary responsibility for his own safety and the obligation to know and observe all safety rules, regulations and practices for the protection of himself and other employees. A disregard of safety rules, regulations and practices by an employee may result in disciplinary action.

The Company has adopted the Drug Free Workplace Act, and has implemented a substance possession, abuse and use policy and program for all employees that includes (i) pre-employment testing of applicants; (ii) testing at the Company's option in the event of any industrial injury or accident; (iii) testing of employees where any reasonable cause to suspect use or reporting to work after use exists and (or) (iv) required state or federal testing (e.g. D.O.T.).

A positive test result will result in the following disciplinary action:

The use of controlled substances as part of a prescribed medication program for the employee is not grounds for disciplinary action. However, it is important for the employee to advise the supervisors of such use when it may adversely affect job performance or safety.

Upon confirmation of a positive test result for illicit drugs and/or alcohol or for controlled substance(s) that cannot be substantiated by a valid prescription for the subject employee, the following action will be taken:

1st Offense -- (Positive Test)

Immediate suspension without pay. Reinstatement will occur immediately upon producing a negative test result.

2nd Offense -- (Positive Test)

Immediate suspension without pay. (A&S benefits will not be denied if otherwise qualified.)

The employee will be referred to rehabilitation through the company's Employee Assistance Program. Enrollment must be immediate and reinstatement will occur upon:

- a. The recommendation for reinstatement by the approved rehabilitation counselor; and

b. A negative test result from a designated approved test facility obtained no later than twenty-four (24) months from the date of the initial positive test in this step of the procedure.

The Company will provide one test during rehabilitation at no charge to the employee; all other testing (related to obtaining a negative test for reinstatement) will be at the employee's expense.

In addition to normal testing as outlined above, the employee will be subject to testing at six-month intervals for the first twelve (12) months after the date of reinstatement.

3rd Offense -- (Positive Test)

Within twelve (12) months after date of reinstatement from reinstatement in Step 2 above -- termination.

Employees who voluntarily seek treatment in advance of any action by the Company for violation of the substance abuse policy and who complete both the in-patient and recommended out-patient treatments will not be disciplined for having been undetected prior to such voluntary treatment or assistance being sought.

ARTICLE XXXI

EXTRA BOARD - COTTAGE INDUSTRY

An extra board will be established at each plant location to provide extra people to cover for peak or unusual production requirements, absenteeism, vacation replacements, etc. Persons on the extra board will be called out to work with minimal notice on an as-needed basis or assigned work outside the plant as required.

Extra board, cottage industry and shelter employees are not covered by the terms of the Collective Bargaining Agreement and will be specifically hired by the Company for the purposes stated above as a supplement to the regular full-time employees in each Plant, Division and Department.

Extra board employees may be laid off or discharged as exclusively determined by the Company without recourse by the Union or the employee to the grievance and arbitration procedures of the labor agreement.

Extra board employees may be scheduled depending on the need, and work will be assigned on an as-needed basis to those employees, cottage industry and shelter independent contractors primarily on jobs which will provide some work for the regular employee work force in other areas, but due to time and/or cost constraints cannot be performed by regular employees.

The total number of employees working off the extra board at any time will not exceed the total number of full-time general helpers and the number of full-time general helpers upgraded for or on vacation coverage at all plants, unless a greater number is mutually agreed to by the Company and the Union.

Any extra board employee subsequently employed on a full-time basis will be given credit for up to 90 calendar days and 62 shifts actually worked toward completion of the probationary period. If an extra board employee is hired in a full-time position in a department other than that which he has worked, the probationary period will be extended for 30 calendar days and 20 shifts actually worked for all purposes other than benefit qualification eligibility.

Extra board employees will be hired to work principally in Helper or other unskilled jobs in the departments of the plant in which they are hired and will not be offered overtime prior to full-time employees in the Pay Grade and department where they are working.

Extra board employees shall be paid the rate determined by the Company and shall not be eligible to participate in any employee benefit plan except those mandated by law.

Those employees on the extra board who are regular employees of the Company on temporary or permanent layoff status from their regular full-time jobs shall be paid and entitled to benefits and other specific rights as set forth in Section 10 of Article X.

ARTICLE XXXII

DURATION, AMENDMENT AND TERMINATION

Section 1. This Agreement shall become effective as of the 18th day of February, 2001, and shall remain in full force and effect until noon, February 19, 2006, and such year thereafter unless written notice of termination or desired modification is given at least sixty (60) days prior to any yearly expiration date by either party hereto. Should notice of termination or desired modification be given in the manner provided for above, the party desiring the same shall:

(a) Offer to meet and confer with the party (other) for the purpose of negotiating a new contract or a contract containing the proposed modifications not less than ten (10) days prior to the expiration date of said Agreement for the purpose of negotiating new or modified agreements.

In witness whereof the parties have caused this Agreement to be signed by their duly authorized representatives in Kingsport, Tennessee this 18th day of February, 2001 to be effective from and after the day and date stated herein.

FOR THE UNION

UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC AND ITS LOCAL UNION # 299 KINGSFORT, TENNESSEE

By: Leo Gerard
Leo Gerard, President

By: James English
James English, Secretary/Treasurer

By: Richard Davis
Richard Davis, Vice President (Adm.)

By: Leon Lynch
Leon Lynch, Vice President (Human Affairs)

By: Homer Wilson
Homer Wilson, Director, District # 9

By: Boomer Lanham
Boomer Lanham, Representative

LOCAL UNION NEGOTIATING COMMITTEE

By: Richard T. Duncan

By: Ronnie Z. Hicks

By: Malcolm Hill

By: Henry A. Taylor

By: Dennis K. Blodine

By: Rex A. Woodall

By: Jeff E. Patterson Jr.

By: Lisa Cottle

FOR THE COMPANY

QUEBECOR WORLD KINGSFORT, INC. QUEBECOR WORLD HAWKINS QUEBECOR WORLD LOGISTICS HAWKINS/DISTRIBUTION

By: Robert E. Green

By: Norman S. Christian

By: Douglas E. Matis

By: Mike Sawner

Effective 2/19/01

Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16
16	(9.32)	10.02	10.54	11.04	11.59	12.30	12.96	13.48	14.09	14.73	15.21	15.88	16.60	17.55	18.00	18.87
15	(9.32)	10.02	10.54	11.04	11.59	12.30	12.96	13.48	14.09	14.73	15.21	15.88	16.60	17.55	18.00	
14	(9.32)	10.02	10.54	11.04	11.59	12.30	12.96	13.48	14.09	14.73	15.21	15.88	16.60	17.55		
13	(9.32)	10.02	10.54	11.04	11.59	12.30	12.96	13.48	14.09	14.73	15.21	15.88	16.60	17.02		
12	(9.32)	10.02	10.54	11.04	11.59	12.30	12.96	13.48	14.09	14.73	15.21	15.88	16.60			
11	(9.32)	10.02	10.54	11.04	11.59	12.30	12.96	13.48	14.09	14.73	15.21	15.88				
10	(9.32)	10.02	10.54	11.04	11.59	12.30	12.96	13.48	14.09	14.73	15.21					
9	(9.32)	10.02	10.54	11.04	11.59	12.30	12.96	13.48	14.09	14.73						
8	(8.96)	9.47	10.02	10.54	11.04	11.59	12.30	12.96	13.48	14.09						
7	(8.96)	9.47	10.02	10.54	11.04	11.59	12.30	12.96	13.48							
6	(8.96)	9.47	10.02	10.54	11.04	11.59	12.30	12.96								
5	(8.96)	9.47	10.02	10.54	11.04	11.59	12.30									
4	(8.96)	9.47	10.02	10.54	11.04	11.59										
3	(8.96)	9.47	10.02	10.54	11.04											
2	8.00	8.75	9.34	9.55	10.02	10.54										
1	8.00	8.62	9.08	9.55	10.02											

Note: Step 1 bracketed rate is 3 month increase for successful completion of probationary period. With the exception of Paygrade 1 & 2, all other increases are at 6 month intervals. Paygrade 1 & 2 pay increases are at 3 month intervals. Note: The base hour rates for 12-hour shift employees are 11.1% higher than the rates shown above.

Effective 5/20/02

Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16
16	(9.55)	10.27	10.80	11.32	11.88	12.61	13.28	13.82	14.44	15.10	15.59	16.28	17.02	17.99	18.45	19.34
15	(9.55)	10.27	10.80	11.32	11.88	12.61	13.28	13.82	14.44	15.10	15.59	16.28	17.02	17.99	18.45	
14	(9.55)	10.27	10.80	11.32	11.88	12.61	13.28	13.82	14.44	15.10	15.59	16.28	17.02	17.99		
13	(9.55)	10.27	10.80	11.32	11.88	12.61	13.28	13.82	14.44	15.10	15.59	16.28	17.02	17.45		
12	(9.55)	10.27	10.80	11.32	11.88	12.61	13.28	13.82	14.44	15.10	15.59	16.28	17.02			
11	(9.55)	10.27	10.80	11.32	11.88	12.61	13.28	13.82	14.44	15.10	15.59	16.28				
10	(9.55)	10.27	10.80	11.32	11.88	12.61	13.28	13.82	14.44	15.10	15.59					
9	(9.55)	10.27	10.80	11.32	11.88	12.61	13.28	13.82	14.44	15.10						
8	(9.18)	9.71	10.27	10.80	11.32	11.88	12.61	13.28	13.82	14.44						
7	(9.18)	9.71	10.27	10.80	11.32	11.88	12.61	13.28	13.82							
6	(9.18)	9.71	10.27	10.80	11.32	11.88	12.61	13.28								
5	(9.18)	9.71	10.27	10.80	11.32	11.88	12.61									
4	(9.18)	9.71	10.27	10.80	11.32	11.88										
3	(9.18)	9.71	10.27	10.80	11.32											
2	8.20	8.97	9.57	9.79	10.27	10.80										
1	8.20	8.84	9.31	9.79	10.27											

Note: Step 1 bracketed rate is 3 month increase for successful completion of probationary period. With the exception of Paygrade 1 & 2, all other increases are at 6 month intervals. Paygrade 1 & 2 pay increases are at 3 month intervals. Note: The base hour rates for 12-hour shift employees are 11.1% higher than the rates shown above.

Effective 8/25/03

Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16
16	(9.84)	10.58	11.12	11.66	12.24	12.99	13.68	14.23	14.87	15.55	16.06	16.77	17.53	18.53	19.00	19.92
15	(9.84)	10.58	11.12	11.66	12.24	12.99	13.68	14.23	14.87	15.55	16.06	16.77	17.53	18.53	19.00	
14	(9.84)	10.58	11.12	11.66	12.24	12.99	13.68	14.23	14.87	15.55	16.06	16.77	17.53	18.53		
13	(9.84)	10.58	11.12	11.66	12.24	12.99	13.68	14.23	14.87	15.55	16.06	16.77	17.53	17.97		
12	(9.84)	10.58	11.12	11.66	12.24	12.99	13.68	14.23	14.87	15.55	16.06	16.77	17.53			
11	(9.84)	10.58	11.12	11.66	12.24	12.99	13.68	14.23	14.87	15.55	16.06	16.77				
10	(9.84)	10.58	11.12	11.66	12.24	12.99	13.68	14.23	14.87	15.55	16.06					
9	(9.84)	10.58	11.12	11.66	12.24	12.99	13.68	14.23	14.87	15.55						
8	(9.46)	10.00	10.58	11.12	11.66	12.24	12.99	13.68	14.23	14.87						
7	(9.46)	10.00	10.58	11.12	11.66	12.24	12.99	13.68	14.23							
6	(9.46)	10.00	10.58	11.12	11.66	12.24	12.99	13.68								
5	(9.46)	10.00	10.58	11.12	11.66	12.24	12.99									
4	(9.46)	10.00	10.58	11.12	11.66	12.24										
3	(9.46)	10.00	10.58	11.12	11.66											
2	8.45	9.24	9.86	10.08	10.58	11.12										
1	8.45	9.11	9.59	10.08	10.58											

Note: Step 1 bracketed rate is 3 month increase for successful completion of probationary period. With the exception of Paygrade 1 & 2, all other increases are at 6 month intervals. Paygrade 1 & 2 pay increases are at 3 month intervals. Note: The base hour rates for 12-hour shift employees are 11.1% higher than the rates shown above.

Effective 11/15/04

Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16
16	(10.14)	10.90	11.45	12.01	12.61	13.38	14.09	14.66	15.32	16.02	16.54	17.27	18.06	19.09	19.57	20.52
15	(10.14)	10.90	11.45	12.01	12.61	13.38	14.09	14.66	15.32	16.02	16.54	17.27	18.06	19.09	19.57	
14	(10.14)	10.90	11.45	12.01	12.61	13.38	14.09	14.66	15.32	16.02	16.54	17.27	18.06	19.09		
13	(10.14)	10.90	11.45	12.01	12.61	13.38	14.09	14.66	15.32	16.02	16.54	17.27	18.06	18.51		
12	(10.14)	10.90	11.45	12.01	12.61	13.38	14.09	14.66	15.32	16.02	16.54	17.27	18.06			
11	(10.14)	10.90	11.45	12.01	12.61	13.38	14.09	14.66	15.32	16.02	16.54	17.27				
10	(10.14)	10.90	11.45	12.01	12.61	13.38	14.09	14.66	15.32	16.02	16.54					
9	(10.14)	10.90	11.45	12.01	12.61	13.38	14.09	14.66	15.32	16.02						
8	(9.74)	10.30	10.89	11.45	12.01	12.61	13.38	14.09	14.66	15.32						
7	(9.74)	10.30	10.89	11.45	12.01	12.61	13.38	14.09	14.66							
6	(9.74)	10.30	10.89	11.45	12.01	12.61	13.38	14.09								
5	(9.74)	10.30	10.89	11.45	12.01	12.61	13.38									
4	(9.74)	10.30	10.89	11.45	12.01	12.61										
3	(9.74)	10.30	10.89	11.45	12.01											
2	8.70	9.52	10.16	10.38	10.90	11.45										
1	8.70	9.38	9.88	10.38	10.90											

Note: Step 1 bracketed rate is 3 month increase for successful completion of probationary period. With the exception of Paygrade 1 & 2, all other increases are at 6 month intervals. Paygrade 1 & 2 pay increases are at 3 month intervals. Note: The base hour rates for 12-hour shift employees are 11.1% higher than the rates shown above.