

LABOR CONTRACT

BETWEEN

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND
SERVICE WORKERS INTERNATIONAL UNION
ON BEHALF OF ITS
LOCAL 1149**

AND

**THE NEWARK GROUP, INC.,
A NEW JERSEY CORPORATION**

ATLANTA, TEXAS

EFFECTIVE March 2, 2017

EXPIRES March 1, 2021

INDEX

Purpose of Agreement	
Article 1 - Caption	3
Article 2 - Recognition	3
Article 3 - Dues Deduction	3
Article 4 - Management Rights Reserved	3
Article 5 - Non Discrimination	4
Article 6 - Access to Plant	4
Article 7 - Bulletin Boards	4
Article 8 - No Strike/No Lockouts	4
Article 9 - Discipline	4
Article 10 - Validity	5
Article 11 - Grievance Procedure	5
Article 12 - Arbitration	6
Article 13 - Discharge and Disciplinary Suspension	7
Article 14 - Jury Pay	8
Article 15 - Vacation and Vacation Pay	8
Article 16 - Death in Family	9
Article 17 - Holidays	9
Article 18 - Substance Abuse	9
Article 19 - Hours of Work	11
Article 20 - Establishment of New Jobs	12
Article 21 - Overtime	12
Article 22 - Seniority	12
Article 23 - Health & Safety	15
Article 24 - Wage Rates	16
Article 25 - Group Insurance	16
Article 26 - Pension	18
Article 27 - Term of Agreement	21
Article 28 - Job Classifications/Wages	22

ARTICLE 1 - CAPTION

This agreement was made on **March 2, 2017** between **The Newark Group, Inc., a New Jersey corporation** hereinafter referred to as the "Company" and the **United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW)** on behalf of its **Local 1149 (USW)**, hereinafter referred to as the "Union".

ARTICLE 2 - RECOGNITION

The Company recognizes the Union as the sole collective bargaining agent for all rates of pay, wages, hours of employment and other conditions of employment for all employees covered by the National Labor Relations board in its Case No. 16-RC-10197.

ARTICLE 3 - DUES DEDUCTION

1. Subject to any applicable Federal or State law, the Company will deduct membership and initiation dues in the amount constitutionally authorized from all wages of any employee from whom a dues deduction authorization card or form, shall have been received by the Company and **remit electronically** said monies to either the International Secretary-Treasurer or the Financial Secretary of the Local Union whichever is designated by the Local Union. Such remittance shall be accompanied by a monthly-itemized statement showing the name of each employee and the amount deducted for each purpose. The authorization for deductions shall be irrevocable for the duration of the Agreement, or for one (1) year whichever is earlier, and shall be revocable by the individual thereafter on thirty (30) day written notice to the Company and the Union respectively.
2. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with the provisions of this Article or in reliance on any list, notice or assignment furnished under any such provisions.

ARTICLE 4 - MANAGEMENT RIGHTS

The parties agree that the Company solely and exclusively reserves and retains all its inherent rights to manage the business as such rights existed prior to the execution of this Agreement. These rights include, but are not limited to, the determination of: The products to be manufactured; the quality of those products; the equipment and methods to be used. These rights also include, but are not limited to: The right to hire, layoff, and discipline employees up to and including termination for just cause; the right to establish reasonable rules and regulations; the right to direct employees; and all other rights herein not mentioned, except those that are limited by this Agreement.

ARTICLE 5 – NON DISCRIMINATION

There will be no illegal discrimination against any employee because of race, color, sex, age, religion or national origin, veteran's status or physical handicap.

ARTICLE 6 - ACCESS TO PLANT

It is agreed that duly accredited representatives of the Union, so long as they comply with plant rules and regulations shall be entitled to visit appropriate parts of the premises of the Company for Union purposes during operating hours, provided that such authorized representatives of the Union shall first obtain consent from the General Manager or his/her designee before entering the operation.

ARTICLE 7 - BULLETIN BOARDS

The Union shall have access to two (2) designated plant boards for the purpose of posting official Union notices. The Union shall pick the locations.

ARTICLE 8 – NO STRIKE/NO LOCKOUTS

Section 1. Since this agreement provides the sole method for the resolution of all disputes between the Company and the Union, the Union agrees that neither it nor any officers, agents or members of the Union will directly or indirectly authorize, finance, assist or encourage or in any way participate in any strike, stoppage of work, sitdown, sympathy strike, slowdown, concerted or mass absenteeism, picketing or other interference or interruption with the operation of the Company and its work for any reason whatsoever, and that any employee who participates in any of the foregoing interruptions of work in the Company's operations shall be subject to immediate discharge.

Section 2. If any employee or group of employees violate the provisions of sub-paragraph (1) hereof, the Union immediately upon notice, will notify such employee or employees that their action is in violation of this agreement and order them to cease and desist from engaging in such activity. Such notice shall advise such employees that the Employer may discharge them with consequent loss of seniority and other benefits and shall contain a definite direction by the Union to return to work at once.

Section 3. The Company agrees not to conduct a lockout during the life of this agreement.

ARTICLE 9 - DISCIPLINE

Section 1. The Union agrees to cooperate with the Company in maintaining proper discipline and compliance with plant rules, practices and regulations. The Company shall have the right to establish, maintain, enforce, rescind, amend or change rules, practices and regulations. The Union has the right to question and grieve the reasonableness of any rules, practices or

regulations established by the Company. Discipline of employees will be for just cause. Discipline for termination, suspension without pay, verbal or written reprimands will be based on just cause.

Section 2. The Company will not unreasonably delay disciplinary action. Normally in cases of serious offenses, the Company will normally suspend the employee pending investigation of the incident.

Section 3. The Company will provide the Union with a copy of the employee termination letter. The three (3) days to file a grievance will not count until the Union has received the letter.

ARTICLE 10 - VALIDITY

The invalidation of any part of the Agreement by virtue of any valid applicable law or governmental regulation or by decree of any court of competent jurisdiction shall in no manner invalidate or affect the remainder of this Agreement.

ARTICLE 11 – GRIEVANCE PROCEDURE

A grievance is any dispute, complaint or claim involving the interpretation or application of a provision or provisions of this Agreement. For the purpose of adjusting grievances, which may arise, the following procedure shall be followed:

Should there be any dispute, complaints or claim (grievance) of any employee(s) or union, the employee(s) shall work as directed by management pending final adjustment of the grievance.

No employee including the plant union representative will leave their work station to handle union matters without the permission of his immediate supervisor.

The union under the terms of this agreement may select no more than three (3) employees to serve as union stewards (Plant Union Representatives) to represent employees in collective bargaining and grievance negotiations and conduct other normal, official union business.

The union shall furnish the company a list of the employees selected as plant union representatives and the union functions they will fulfill. The union will promptly notify the company in writing of any changes in these representatives.

Step 1. Any grievance to be processed in accordance with this grievance procedure shall first be presented in writing by the employee and/or Representative of the Union to the immediate supervisor indicating the provision or provisions of this Agreement alleged to have been violated and this shall be done within ten (10) days after knowledge of the occurrence of the incident giving rise to the grievance. This shall not preclude employees and/or Plant Union Representatives from informally discussing problems with their immediate supervisor without submitting a formal grievance. The employee may present their own grievance as long

as a Plant Union Representative has been afforded the opportunity to be present and the disposition of the grievance does not contravene any part of this Agreement. The supervisor shall render a written decision within three (3) days. If several employees have a like grievance, it shall be presented by a Plant Union Representative who may be accompanied by the aggrieved employees at times, when in the Company's judgment will not seriously interfere with Plant operations. A Plant Union Representative may initiate a grievance through and in accordance with this Grievance Procedure in a case where it is alleged that a provision or provisions of this Agreement have been violated.

Step 2. If the aggrieved employee and/or the Plant Union Representative is not satisfied with the decision of the immediate supervisor, the Plant Union Representative may within twenty (20) days after rendition of the supervisor's decision present the grievance in writing to the General Manager. Such grievance shall be discussed between the Local Union Officers, International Representative, the Committee and the General Manager or his/her designated representative at the next meeting between the parties. Such meeting will be scheduled within 10 days after the grievance has been referred to the General Manager. The time limits may be extended by mutual agreement. The General Manager will render a written decision to the Chairman of the Worker's Committee within ten (10) days after such meeting.

Step 3. If the grievance is not settled at Step 2, it may be forwarded to arbitration by written request within thirty (30) calendar days from the date of the answer in the final step.

- A. The Union shall notify the Company of the disposition of a grievance within thirty (30) calendar days from the date of the answer in the final step.
- B. If the Company fails to answer a grievance in the specified time limits in step 1 or 2 the Union may appeal the grievance to the next step of the grievance procedure.
- C. It is understood that time schedules established in the various steps of the grievance procedure may be extended by mutual agreement.
- D. The time limits referred to in this article may be extended by mutual agreement.
- E. The time limits referred to in this Article shall not include Saturdays, Sundays, or recognized holidays.

ARTICLE 12 - ARBITRATION

If settlement has not been satisfactorily reached by the methods set forth in the grievance procedure, the grievance may be submitted to arbitration as follows:

1. Within thirty (30) calendar days from the date of the final answer in the final step of the grievance procedure, the Union shall so notify the Company in writing.
2. The Union shall request the Federal Mediation and Conciliation Service to furnish a panel of seven (7) arbitrators from which the Company and Union shall select an arbitrator, utilizing, if necessary, the method of alternating strike-offs, unless one party objects to all

the names on the panel, in which event one additional panel shall be requested and the parties shall select therefrom an arbitrator, utilizing if necessary the method outlined above.

3. The arbitrator's fee and expenses shall be shared equally (50%/50%) between the parties including any clerical or stenographic expenses that both agree to. If either party has a stenographic record or recording of an arbitration proceeding made which has not been agreed to by the other party, the cost of such shall be borne by the party having has such made and a copy shall be supplied to the other party.
4. The jurisdiction of the arbitrator shall be limited to the issue before him/her and confined to deciding the correct interpretation and application of the provision or provisions of the agreement in issue and to awarding or denying, in whole or part, the remedy sought. The arbitrator's award, however, shall not vary, ignore or amend the terms of this agreement. The arbitrator's award cannot require the Company to make payment for time not worked except in suspension and discharge cases. In suspension and discharge cases, the arbitrator if warranted may award back pay up to one hundred and twenty (120) lost working days. The arbitrator's award so made shall be final and binding.
5. It is understood that the time schedules established in the Article may be extended by mutual agreement.

The time limits referred to in the Article shall not include Saturdays, Sundays, or recognized holidays.

ARTICLE 13 – DISCHARGE AND DISCIPLINARY SUSPENSION

1. In the event of discharge or disciplinary suspension, which is believed by the Union or the employee not be for just cause, the employee or the Union may file a written grievance with the General Manager or his/her designated representative within three (3) calendar days of discharge or notice of suspension. A hearing between the Company and the Union shall be held within two (2) calendar days after receipt of the written grievance by the Company. The Company shall render its decision within three (3) calendar days of such hearing. In the event the disposition of the grievance is not satisfactory to the Union, the Union may appeal the grievance to arbitration as provided in Article XII.
2. It is understood that the time schedules established in the various steps of this Article may be extended by mutual agreement.
3. The time limits referred to in this Article shall not include Saturdays, Sundays or recognized holidays.

ARTICLE 14 - JURY PAY

When an employee is called for jury duty, the Company will pay the employee's regular hourly rate for **their scheduled workday up to a ten (10) hour day.**

To be eligible for jury duty pay, an employee must present the notice of jury duty to the Company well in advance of the dates called.

The employee must present proof of service and documentation of pay received from the government upon request.

Jury pay is limited to a maximum of eighty (80) hours in a calendar year.

This jury pay provision will not apply to probationary employees.

ARTICLE 15 - VACATION AND VACATION PAY

Section 1. Employees will receive vacation and vacation pay on the following basis:

1. One week of vacation with forty (40) hours straight time pay after completing one (1) year of service and has worked at least 1500 hours during his preceding employment year.
2. Two (2) weeks vacation with eighty (80) hours straight time pay after completing three (3) years of service and has worked at least 1500 hours during his preceding employment year.
3. Three (3) weeks vacation with one hundred twenty (120) hours straight time pay after completing eight (8) years of service and has worked at least 1500 hours during his preceding employment year.

Section 2. To qualify for each vacation year, an employee must have completed at least 1500 hours of work each preceding employment year.

Section 3. Employees may take vacation time off with pay or may take pay in lieu of time off.

Section 5. The vacation year will be the employees' anniversary dates.

Effective January 1, 2018, an employee hired prior to July 1 of their employment year and who has completed their probationary period shall be entitled to one (1) week of vacation to be taken after July 1 but before January 1 of the following year. An employee

ARTICLE 28 – JOB CLASSIFICATIONS / WAGES

2020

	3/6/2017	3/5/2018	3/4/2019	3/3/20120
Progression Ladder				
Slitter Utility Under 90 days	\$10.92	\$11.14	\$11.37	\$11.59
Leadperson - Slitter Operator	\$16.65	\$16.98	\$17.32	\$17.67
Operator 8 (Large Rewinder)	\$16.11	\$16.43	\$16.76	\$17.09
Operator 9 (Small Rewinder)	\$15.06	\$15.36	\$15.66	\$15.98
Ass't Operator 3 (Slitter 2nd Man)	\$12.69	\$12.94	\$13.20	\$13.47
Ass't Operator 3rd Hand	\$12.30	\$12.55	\$12.80	\$13.05
Progression Ladder				
Operator 1 (Large Winder 1)	\$18.02	\$18.38	\$18.75	\$19.13
Operator 2 (Medium Winder No. 2)	\$17.35	\$17.70	\$18.05	\$18.41
Operator 3 (Small Winder 3)	\$16.99	\$17.33	\$17.68	\$18.03
Roll Hanger 1 (Large Winder 1)	\$14.68	\$14.97	\$15.27	\$15.58
Roll Hanger 2 (Med. Winder 2)	\$14.28	\$14.57	\$14.86	\$15.15
Roll Hanger 3 (Small Winder 3)	\$14.05	\$14.33	\$14.61	\$14.91
Progression Ladder				
Operator 5 (Large Recutter Activa)	\$15.50	\$15.81	\$16.13	\$16.45
Operator 6 (Triple Span Recut)	\$15.06	\$15.36	\$15.66	\$15.98
Ass't Operator 1 (Activa)	\$12.30	\$12.55	\$12.80	\$13.05
Ass't Operator 2 (Triple Span Paco)	\$11.95	\$12.19	\$12.44	\$12.69
Non Line of Progression Jobs				
Utility Over 90 days	\$11.22	\$11.44	\$11.67	\$11.91
Production Support 1 (under 90 days)	\$10.92	\$11.14	\$11.37	\$11.59
Material Handling 4 (Prong Forklift Op)	\$14.08	\$14.36	\$14.64	\$14.94
Material Handling 1 (S&R Forklift)	\$14.09	\$14.37	\$14.66	\$14.95
Material Handling 2	\$12.69	\$12.94	\$13.20	\$13.47
Maintenance	\$17.91	\$18.27	\$18.63	\$19.01
Second Shift Premium	\$0.25			
Third Shift Premium	\$0.40			

Nothing in this agreement restricts the company's right to establish new lines of progression or new jobs, nor does this agreement prohibit the company from changing or eliminating existing lines of progression, departments or jobs.

hired on or after July 1 of their employment year shall not be eligible for vacation until January 1 of the upcoming year.

Effective January 1, 2018, employees shall earn vacation in each calendar year at a rate of one-twelfth per month of the employee's total vacation ("the earn as you go" method). As a transition to the "earn as you go" method, employees hired before January 1, 2018 shall upon termination of such employee, be paid their unused amount of vacation based upon their previous accrual method. An employee will be permitted to take the full yearly amount of vacation prior to earning the full year subject to vacation guidelines.

Vacation Schedule

Employment Threshold – Years of Service Within the Vacation year	Vacation Weeks During Vacation Year
1	2
8	3
15	4

Vacation pay will be paid with the payroll period administratively practical nearest the designated vacation period. At the completion of an employee's employment with the company, the employee will be paid electronically any unused earned vacation pay with the payroll period administratively practical following the termination date. In the event an employee has been paid more vacation than the employee has earned, the employee will be required to reimburse the Company the overpaid amount. The amount will be deducted from the employee's remaining pay from the Company or, if the appropriate funds are not available, through other arrangements

ARTICLE 16 – DEATH IN FAMILY

The Company will grant an employee who has completed their probationary period pay for loss of time up to but not to exceed three (3) consecutive scheduled days, one of which must be the day of the funeral, at eight (8) hours per day at the employee's straight time hourly rate for the purpose of attending the funeral when death occurs in the employee's immediate family (defined as spouse, children, mother, father, brother, sister, mother in law, father in law, step parent, step children, grandparents, grandchildren). Funeral leave will count as hours worked for the purpose of computing overtime.

ARTICLE 17 - HOLIDAYS

Section 1. The Company will observe the following nine (9) holidays:

New Year's Day	Thanksgiving Day
One Floating Holiday	Day after Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	

Section 2. Employees who have completed their probationary period (90 days) will be eligible for Holiday Pay at eight (8) straight time hours at employee's regular job rate for the above stated holidays provided the employee works his last scheduled day before the holiday, the day of the holiday, if scheduled to work, and the first scheduled day after the holiday. If the holiday falls during an employee's vacation, the employee will receive holiday pay.

Section 3. The Company may schedule employees to work on any of the above listed holidays.

Section 4. Employees required to work on a holiday will, in addition to receiving pay for time worked, receive holiday pay provided he qualifies under Section 2.

Section 5. If one of the holidays observed falls on a Sunday, then the Monday following will be observed as the holiday. If the holiday falls on Saturday, it shall be observed on the preceding Friday.

ARTICLE 18 - SUBSTANCE ABUSE

The Company and Union recognize that the use, possession, and abuse of alcohol and drugs is a serious and dangerous problem. To prevent such problems from occurring at the Company and to ensure the safety of all employees, employees will be subject to drug and alcohol testing as determined by the Company, including random testing as permitted by Texas law, for cause testing, post-incident testing, and reasonable suspicion testing in an effort to safeguard the workplace. The Company will discipline any employee who sells, possesses, uses, or reports to work under the influence, impairment, or detectable level of drugs or alcohol. Such discipline may include discharge of employment on the first offense.

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The Company has an Employee Assistance Program (EAP) which is available to employees on a confidential basis at any time. This program is not to be used as an alternative to any disciplinary action.

ARTICLE 19 – HOURS OF WORK

Section 1. The Company has the right to schedule the employees' work days, days off, hours in a day, week or month. Nothing in this agreement shall imply any guarantee of a minimum or maximum number of hours.

Section 2. The normal work week shall begin at 11:00 p.m. Sunday and run until 11:00 p.m. the following Sunday.

Section 3. The work schedule may require employees to work more or less than eight (8) hours in a day, more or less than forty (40) hours in a week.

Section 4. Employees who require a relief must remain on the job until their replacement reports to the job and takes over the responsibility of the position. When an employee is not relieved, he will be required to work an extra shift unless a substitute is secured or he is excused by the supervisor.

Section 5. Employees who are required to make an extra trip to the plant either before or after their regular shift will be scheduled to work for a minimum of two (2) hours. Employees will receive two (2) hours of pay at the applicable rate or pay for actual hours worked, whichever is greater.

Section 6. Employees must keep the company informed of their current telephone number and mailing address. Any change must be promptly reported.

ARTICLE 20 – ESTABLISHMENT OF NEW JOBS

Nothing in this agreement restricts the Company's right to establish new lines of progression or new jobs, nor does this agreement prohibit the company from changing or eliminating existing lines of progression, departments or jobs, however when a new job is established, a rate of pay will be established by the Company on the basis of comparison with established jobs. The determination of the proper rate of pay shall be made initially by the Company but the Union may question the Company's decision with respect to the rate of pay only, within thirty (30) calendar days from the effective date. If in the thirty (30) day period, mutual agreement has not been reached, this issue of what the proper wage rate should be will be resolved at the next negotiations.

ARTICLE 21 - OVERTIME

Section 1. Employees will receive time and one half (1-1/2) their regular rate of pay for all hours worked over forty (40) straight time hours in a week. (Sunday 11:00 p.m. to the following Sunday 11:00 p.m.)

Section 2. Effective 3/1/02, Employees will receive time and one half (1-1/2) their regular rate of pay for all hours worked over eight (8) hours in any one day (11:00 p.m. to 11:00 p.m. represents a day).

Effective 3/6/17, employees will receive time and one half (1-1/2) their regular rate of pay for all hours worked over ten (10) hours in any one day (11:00 p.m. to 11:00 p.m. represents a day).

Effective 3/2/20. Section 2. Will no longer be applicable as daily overtime will be eliminated.

Section 3. Holidays that fall on Monday through Friday, employees eligible for holiday pay, those hours will count toward the 40 straight hours.

Section 4. There shall be no duplication of overtime pay for the same hours and payment of overtime for any hour or part of an hour on one basis shall exclude that time from consideration for payment of overtime on any other basis.

ARTICLE 22 SENIORITY

In consideration of promotions, demotions, layoffs, recall and job bidding, the following seniority principles will govern. When job classification seniority is equal, plant seniority shall govern. If employees have the same seniority, the employee whose birthday is earliest in the year (January 1) will be senior.

Plant Seniority – All employees shall have plant seniority based on their most recent date of hire.

Job Seniority – Job seniority will be determined by the date an employee actually takes the job.

Probationary Period – A new employee shall be considered on probation for the first ninety (90) calendar days of employment. During this time period, the employee will not be entitled to seniority rights and the layoff or discharge of such an employee shall not be subject to the grievance and arbitration provision of this agreement. Following the completion of the probationary period, seniority shall date from last date of hire. Probationary employees who bid into line of progression jobs, will receive the rate of the job once they are fully qualified to perform the job.

Line of Progression – Line of Progression means a series of reasonably related jobs in the plant. The plant means the manufacturing facility as outlined in the recognition section of this agreement.

All promotions and demotions in lines of progression jobs will be on the basis of job classification seniority. If job classification seniority is equal, plant seniority shall govern.

Job seniority will continue to accrue on each job an employee holds in a line of progression and will only cease in the event the employee bids out of the line of progression or leaves the company's employment. Job seniority on non-progression jobs will only cease should the employee bid off or leave the company's employment.

Employees promoted within a line of progression, or are awarded a job after bidding, shall be given a trial period not to exceed thirty (30) working days. If it becomes evident that the employee lacks the ability to perform the function in an acceptable manner at any time during the trial period, the employee shall return to his/her former job without loss of seniority. Employees who are returned to their former job will be eligible for the promotion after a six (6) month waiting period. Should the employee feel after ten (10) working days that the awarded job is not suited for him/her, he or she may return to his/her former job with no loss of seniority. Employees who decide the job is not suited for them will not be considered again until one (1) year has passed and have indicated in writing that they want the next promotion. Extensions for trial periods will be by mutual consent but in no event shall more than one (1) additional trial period be granted.

Effective the second year of the agreement, employees with at least one (1) year of service will be able to exercise a once in a lifetime right to refuse a permanent promotion. Temporary move ups may be required. This does not apply to utility employees.

The following employees will not be eligible to decline promotions:

- a. Employees with less than one year of service.
- b. Employees who work on a two-rung progression ladder

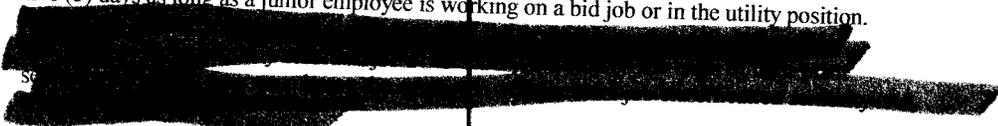
No ladder will have more than one(1) employee on a rung who cannot move up.

Job Opening – Job opening means an opening management decides must be filled.

- a. Permanent job openings that occur above the bottom job in a line of progression shall be filled by the senior qualified employee from the job next below the vacancy.
- b. Plant wide permanent bid job openings shall be posted for bid for three (3) days excluding Saturday, Sunday and holidays. An employee may not bid to a lower paying job unless mutually agreed upon between the parties. If an employee is absent due to vacation or any other excused absence during the bid period, the company will make available a "job bid acceptance form" for the employee to sign. If the absence is due to an excused absence, the ability to claim a job will be limited to seven (7) working days.
- c. Temporary job openings will not be filled in accordance with these seniority provisions.

An employee who is promoted or its transferred in accordance with this section shall have their seniority commence in the job and line of progression as of the date of the transfer.

Layoff – In case of a layoff, employees in the line of progression jobs will move down the line of progression in the reverse order that they moved up the ladder. If job classification seniority is equal, plant seniority will govern. Senior employees, whose seniority does not allow them to continue in their non-progression jobs or their line of progression, will not be laid off more than five (5) days as long as a junior employee is working on a bid job or in the utility position.



Employees on layoff will have recall rights as follows:

- a. Probationary Employee – None
 - b. Employees with less than one (1) year seniority – Recall Rights: Six (6) months
 - c. Employees with more than one (1) year but less than five (5) years seniority – Recall Rights: One (1) year
 - d. Employees with more than five (5) years seniority – Recall Rights: Two (2) years
 - e. **For layoff purposes, the medical SPD provides that eligibility may continue for up to the end of the second month following the month of layoff. Employees continue to be responsible for their active employee contribution rate. To be eligible for continuation while on layoff, the employee must have been a regular, full-time employee for at least sixty (60) days prior to layoff. If the employee was not a regular, full-time employee for at least sixty (60) days prior to layoff and was enrolled in the medical plan, then the employee may elect COBRA.**
- An employee shall lose all seniority rights if he/she resigns, is discharged for cause, fails to return to work as scheduled following a leave of absence, is laid off and subsequently offered reinstatement by the Company and fails to report for work in accordance with the terms of this agreement, is not recalled from layoff, retires or accepts a position outside the bargaining unit. Probationary employees will have no recall rights under this provision.
- f. If an employee is laid off due to a reduction in force, or for any other reason beyond the employee's control and recalled, the employee shall retain and accrue both plant and job seniority for the period specified. Probationary employees will have no recall rights under this provision.
 - g. No person(s) will be hired or rehired until all qualified laid off employees having plant seniority have been afforded the opportunity for reinstatement. When additional employees are needed, the last employee laid off shall be the first employee offered reinstatement if qualified for the available work. For layoffs expected to be of short duration, less than thirty (30) days, employees eligible for recall will be responsible for calling the plant on Wednesday of each week to get an update on their recall schedule. For layoffs that last for thirty (30) days or more, each employee shall be recalled by notice from the Company. Certified mail, return receipt, to the last known address will act as proof of notice. Such

employee shall notify the Company within five (5) calendar days after receipt of such notice that he/she intends to return to work and must report to work no later than 7 calendar days after the receipt of the notice or lose all seniority rights. It is the employee's responsibility to maintain a current correct address and telephone number on file with the Company.

Seniority will end if an employee performs no work for the Company for a period of twelve (12) consecutive months except as provided below:

Medical Leave

Non-Occupational/Occupational

- a. Employees with less than one (1) year of seniority will be terminated after six (6) months.
- b. Employees with one (1) year of seniority but less than five (5) years will be terminated after twelve (12) months.
- c. Employees with more than five (5) years of seniority will be terminated **after twelve (12) months.**

Qualifying employees on Medical Leave may be eligible for continuation of benefits by paying the appropriate premiums.

Nothing in this agreement restricts the company's right to establish new lines of progression or new jobs, nor does this agreement prohibit the company from changing or eliminating existing lines of progression, departments or jobs.

ARTICLE 23 – HEALTH AND SAFETY

1. The Company will make every reasonable provision for the protection of the safety and health of the employees.
2. The Union agrees to cooperate with the Company in encouraging employees to observe safety and housekeeping rules and regulations prescribed by the Company and to work in a safe manner.
3. There shall be established a labor-management committee consisting of five (5) persons, two of whom shall be appointed by the Company and three by the Union. This committee shall meet quarterly to identify, review and discuss safety and health related matters and practices and provide specific recommendations to the Company for its consideration. The quarterly safety meeting will be held in the months of January, April, July and October after the plant receives their safety statistics. Minutes of the meeting shall be prepared and members of the committee will receive copies of the minutes within ten days. The Company shall respond to the committee on the status of their recommendations.

4. Protective devices, including safety glasses and other appropriate equipment necessary to protect employees from injury shall be provided to the employees at no cost. The employees shall use such items with reasonable care to prevent loss and to avoid damage and abuse.

ARTICLE 24 – WAGE RATES

The wage rates are included in the Job Classification/Wages Section.

Payments to employees shall be by electronic pay methods. Employees will provide the appropriate documents to the Company to effect the electronic pay method. New employees shall provide to the Company within three (3) days of their hire date the appropriate documents to effect the electronic pay method.

Employees will receive their normal rate of pay for all hours worked unless the employee is moved up to a higher paid job. Then, he will receive the higher rate of pay. When employees are moved to a job paying a lower rate, they will receive their regular rate of pay unless the move was to comply with the seniority provision. Then they will receive the rate of the job.

ARTICLE 25 – GROUP INSURANCE

HEALTHCARE:

Effective January 1, 2018 the Company will offer to all eligible employees in the bargaining unit upon completion of the employee's probationary period of employment the Carastar medical plan, including dental and prescription drug coverage, in effect for the non-bargained employees of the plant.

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The Company will be solely responsible for determining the basic healthcare (e.g. medical, dental and prescription drug) coverage provided. It is understood that such coverage may be subject to change annually.

Employees will contribute the same, including any surcharge, as the salaried employees enrolled in the same coverage.

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The respective Plan document shall govern over all aspects of the Plan and may be changed and modified by the Company to the extent that changes or modifications do not change or modify the provisions outlined below. Employees who have not completed their probationary period are not eligible for benefits under this Article.

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Employees inactive due to layoff or approved leave of absence other than vacation and Family & Medical (FMLA) leave, may continue healthcare coverage by continuing to pay the applicable premium until the end of the month following the month that the layoff or leave of absence begins.

Employees on vacation will continue healthcare coverage while on vacation. Employees on approved FMLA leave of absence may continue healthcare coverage by continuing to pay the applicable premium while on approved FMLA leave as provided under the Family and Medical Leave Act.

Employees may continue healthcare coverage after loss of coverage under provisions of the Federal law known as COBRA. Employees electing COBRA continuation coverage are responsible for their COBRA premiums.”

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Non Contributory **Basic** Life and Accidental Death and Dismemberment Benefits for you:

Life Benefits: 4/1/14 - \$23,500
3/1/15 - \$24,000
3/1/16 - \$24,500

Accidental Death and Dismemberment Benefits: 4/1/14 - \$23,500
3/1/15 - \$24,000
3/1/16 - \$24,500

Note:

1. Your Life and Accidental Death and Dismemberment Benefits will each be reduced to 65% of the amount in effect immediately prior to your attainment of age 65.
2. Your life and Accidental Death and Dismemberment Benefits will end when you retire.

Non Contributory Weekly Indemnity Benefits for you:

Weekly Rate: 4/1/14 - \$245
3/1/15 - \$250
3/1/16 - \$255

Waiting Period:

- 7 days

Maximum Period of Payment – 13 weeks

Effective 1/1/2018, Maximum Period of Payment – 26 weeks on a rolling 12 month period.

ARTICLE 25 - PENSION

Effective **May 1, 2010**, there will be no further pension benefit accruals under the Pension Plan. The pension benefit, if any, that you have accrued as of **May 1, 2010**, is what will be provided to you under the Plan when you are eligible to receive a pension benefit (provided that your benefit is or becomes vested). Service on and after **May 1, 2010** will not count in determining the amount of your pension benefit. This means that your monthly pension benefit, payable in the form of a single life annuity commencing at your Normal Retirement Date (i.e., age 65), will be equal to the current benefit level of \$13.50 multiplied by your years of Benefit Service up to **May 1, 2010**.

- As indicated above, service on and after **May 1, 2010**, will not be taken into account in determining the amount of your pension under the Plan. However, your service with the Company will continue to be counted for purposes of determining your vested interest in your accrued benefit, as well as for purposes of determining your eligibility for an early retirement pension benefit or disability pension benefit under the Plan. You are entitled to a fully vested benefit if you have five or more Vesting Years.
- Your pension benefit under the Plan will continue to be paid in accordance with the terms of the Plan.

401(k) Benefit

The Company will match \$.50 for every \$1.00 of the first 2% of pay deferred by an eligible employee. Eligibility means that you have attained age 21 and completed one year of service with the Company to be eligible to participate.

Effective January 1, 2020 and for the duration of this labor agreement the Company match will become \$.50 per \$1.00 of employee contribution up to 6% of the employee's pre-tax contribution amount with the maximum Company contribution being 3%.

Your contributions cannot exceed the calendar year IRS limit applicable to 401(k) contributions.

Company Voluntary Contribution

Effective the 1st of the month following sixty days from the date of ratification, the Company will also make an additional contribution under the 401(k) Plan on behalf of each eligible employee (attained age 21 and completed one year of service with the Company) in an amount equal to 2% of the employee's covered compensation (generally, base pay and overtime). Unlike matching contributions, you need not make contributions to the 401(k) Plan to be eligible for the additional 2% Company contribution. However, to be eligible for this additional contribution, you must be employed by the Company on the last day of the Plan Year (April 30th) for which the contribution is made. The Company contribution for a Plan Year will be made during the following Plan Year.

The contribution will be credited to a Company contribution account under the Plan on your behalf. Your account is subject to a three-year vesting schedule; meaning that you must complete three Vesting Years of service to have a vested interest in your Company contribution account. Your Vesting Years prior to the 1st of the month following sixty days from the date of ratification will be counted for this purpose. If your employment with the Company ends before you have two Vesting Years, other than due to your death or total and permanent disability, your Company contribution account will be forfeited. If your employment with the Company ends due to your death or total and permanent disability, your Company contribution account will be fully vested.

You will be able to direct the investment of your Company contribution account in the same manner that you can direct the investment of your 401(k) and matching contributions. Your Company contribution account, if vested, will be distributable following termination of employment or retirement in the same manner as your 401(k) and matching contribution accounts.

Effective December 31, 2019 the Company voluntary contribution plan under the former Newark group will end and be replaced with the Caraustar Industries, Inc. retirement contribution plan effective with the plan year starting January 1, 2020. The Company contribution for the Plan Year 2020 will be as follows:

Years of Credited Service

1-4

5-9

10-14

15-19

20-24

25+

Plan Contribution

1% of Pensionable Earnings

2% of Pensionable Earnings

2.5% of Pensionable Earnings

3% of Pensionable Earnings

3.5% of Pensionable Earnings

4% of Pensionable Earnings

ARTICLE 27 - TERM OF AGREEMENT

This agreement sets forth the full and complete understanding of the Parties.

This agreement will become effective on the date the parties sign the agreement and shall remain in effect until midnight March 1, 2021 and thereafter from year to year unless either party gives sixty (60) days written notice to the other prior to March 1, 2021 or any subsequent anniversary date that it wishes to amend, modify or change this agreement.

Any time after the anniversary date, if no agreement on the questions at issue has been reached, either party may give written notice to the other party of intent to terminate the Agreement in not less than ten (10) days. All provisions of the Agreement shall remain in effect until the specified time has elapsed. During this period, attempts to reach an agreement shall continue.

If the parties have failed to resolve their differences before the specified time has elapsed, all obligations under this Agreement are automatically cancelled.

FOR THE COMPANY

FOR THE UNION

ARTICLE 28 – JOB CLASSIFICATIONS / WAGES

	3/6/2017	3/5/2018	3/4/2019	3/3/20120
Progression Ladder				
Slitter Utility Under 90 days	\$10.92	\$11.14	\$11.37	\$11.59
Leadperson - Slitter Operator	\$16.65	\$16.98	\$17.32	\$17.67
Operator 8 (Large Rewinder)	\$16.11	\$16.43	\$16.76	\$17.09
Operator 9 (Small Rewinder)	\$15.06	\$15.36	\$15.66	\$15.98
Ass't Operator 3 (Slitter 2nd Man)	\$12.69	\$12.94	\$13.20	\$13.47
Ass't Operator 3rd Hand	\$12.30	\$12.55	\$12.80	\$13.05
Progression Ladder				
Operator 1 (Large Winder 1)	\$18.02	\$18.38	\$18.75	\$19.13
Operator 2 (Medium Winder No. 2)	\$17.35	\$17.70	\$18.05	\$18.41
Operator 3 (Small Winder 3)	\$16.99	\$17.33	\$17.68	\$18.03
Roll Hanger 1 (Large Winder 1)	\$14.68	\$14.97	\$15.27	\$15.58
Roll Hanger 2 (Med. Winder 2)	\$14.28	\$14.57	\$14.86	\$15.15
Roll Hanger 3 (Small Winder 3)	\$14.05	\$14.33	\$14.61	\$14.91
Progression Ladder				
Operator 5 (Large Recutter Activa)	\$15.50	\$15.81	\$16.13	\$16.45
Operator 6 (Triple Span Recut)	\$15.06	\$15.36	\$15.66	\$15.98
Ass't Operator 1 (Activa)	\$12.30	\$12.55	\$12.80	\$13.05
Ass't Operator 2 (Triple Span Paco)	\$11.95	\$12.19	\$12.44	\$12.69
Non Line of Progression Jobs				
Utility Over 90 days	\$11.22	\$11.44	\$11.67	\$11.91
Production Support 1 (under 90 days)	\$10.92	\$11.14	\$11.37	\$11.59
Material Handling 4 (Prong Forklift Op)	\$14.08	\$14.36	\$14.64	\$14.94
Material Handling 1 (S&R Forklift)	\$14.09	\$14.37	\$14.66	\$14.95
Material Handling 2	\$12.69	\$12.94	\$13.20	\$13.47
Maintenance	\$17.91	\$18.17	\$18.63	\$19.01
Second Shift Premium	\$0.25			
Third Shift Premium	\$0.40			

Nothing in this agreement restricts the company's right to establish new lines of progression or new jobs, nor does this agreement prohibit the company from changing or eliminating existing lines of progression, departments or jobs.

*Bid jobs when permanent job openings occur, the opening will be posted for bid in the seniority section. If no bids for the opening, the Company will assign an employee to the opening.

**Lead operator senior operator will become the lead operator when no supervisor is on the property. This will be limited to one lead operator in the tube and core department building and only one lead operator for the remainder of the property. While performing this function, the employee will receive .50 cents an hour above the regular rate.