

AGREEMENT

PREAMBLE

This Agreement is made by and between Glatfelter, Printing & Carbonless Papers, Chillicothe, Ohio, hereinafter referred to as the "Company" and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and its Local Union No. 731, hereinafter referred to as the "Union".

The Company and the Union pledge themselves to cooperate fully to the end that harmonious relations may be maintained at all times and to provide for the operation of the plant under methods which will further to the fullest extent possible the safety, welfare and health of the employees, economy of operation, quality and quantity of output, cleanliness of plant and protection of property. It is recognized by this Agreement to be the duty of the Company and the employees to cooperate fully, individually and collectively, for the advancement of said conditions. The Union further agrees that it will use its influence to promote the protection of the Company's property and products and will cooperate with the Company in advancing the Company's welfare and its services at all times.

In consideration of the Union's execution of this Agreement, each employer promises that its operations covered by this Agreement shall not be sold, conveyed, or otherwise transferred or assigned to any successor without first securing the agreement of the successor to assume the Employer's obligations under this Agreement.

The Company is committed to the job security of its employees. The parties will work collaboratively in an effort to redesign and re-engineer work so that attrition will be the primary and preferred approach to any reduction in the workforce in order to avoid layoffs. The Company intends to refrain from layoffs unless severe economic conditions that threaten the long term financial viability of the company compel that action, and will take such action only after discussions with the Union.

UNION RECOGNITION

ARTICLE I

The Company recognizes the Union as the exclusive representative for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, and other conditions of employment for all production, maintenance, quality assurance employees of Glatfelter, Printing & Carbonless Papers, Chillicothe Mill, Chillicothe, Ohio, but excluding administrative, executive, factory clerical, engineering department, technical or engineering assistants, customer services department, woods department, mail and multilith employees, hospital employees, passenger car chauffeurs, guards, and supervisors as defined in the Labor Agreement Act of 1947, as amended.

UNION MEMBERSHIP

ARTICLE II

Section 1. It is agreed that all employees covered by this Agreement shall, as a condition of employment, become members of the signatory Union sixty (60) calendar days after their respective dates of employment and must maintain their membership in good standing as a condition of continued employment. A member shall be considered as retaining membership in good standing in the Union by the payment of the initiation fee and periodic dues as uniformly required by the Union.

Section 2. Employees hired during summer months for vacation relief purposes or other temporary work, and who have signed an understanding to that effect, shall be subject to Section 1 of this Article, and the provisions of this Agreement under this Section for the duration of their employment. Such employment may be extended for a stated period of time not in excess of three (3) months and subject to the same conditions as outlined above. In no event will more than one initiation fees be levied or deducted from individuals employed under the terms of this provision provided such individuals elect to obtain a withdraw card from the Union Financial Secretary and presents same to the Union when rehired; however, if re-employed by the Company, such employees shall at that time begin paying dues without again having to complete the sixty (60) calendar day waiting period prescribed in Section 1 of this Article.

PAYROLL DEDUCTION OF UNION DUES

ARTICLE III

Section 1. The Company will deduct from the pay of any Union member covered by this Agreement, upon receipt of written authorization on a form agreed to by the Company and the Union, the Union initiation fee and/or monthly dues. All monies deducted by the Company in accordance with this Article will be remitted monthly to the Financial Secretary of the Local Union with an itemized statement in duplicate of the deductions covered by such remittance.

Section 2. If an employee is absent from work for a period of time that is less than six (6) months, the employee will be carried on the active payroll and Union dues will continue to accumulate. When the employee(s) return to work, the accumulated Union dues will be deducted from the employee's paycheck issued on the first week of the month following the employee's return to work. When an employee is absent from work for a period of time that is longer than six (6) months, the employee is transferred to the inactive payroll and Union dues will cease to accumulate. When said employee returns to work, the proper payroll entry will include the resumption of the Union dues deductions. As long as there is a reasonable expectation of the employee's return to work, the employees who are absent from work as a result of an industrial accident remain on the active payroll with Union dues continuing to accumulate. However, the accumulation of Union dues will cease when the employee's absence exceeds six (6) months. When the employee returns to work, the proper payroll entry will be made in order to assure the resumption of the Union dues deductions.

Section 3. The Union agrees to indemnify the Company from any claims arising out of such deductions.

Section 4. Political Action Fund

The Company agrees that it will check-off and transmit to the Treasurer of the United Steelworker Political Action Fund (USWPAF) voluntary contributions to the USWPAF from the earning of those employees who voluntarily authorize such contributions on forms provided for that purpose by the USWPAF. The amount and timing of such check-off deductions and the transmittal of such voluntary contribution shall be as specified in such forms and in conformance with any applicable state or federal statute.

The signing of such USWPAF check-off forms and the making of such voluntary annual contributions are not conditions of membership in the Union or of employment with the Company.

The management of the Company and the direction of the working force, including the right to plan, direct and control plant operations; to determine when work is to be performed, and to schedule and assign such work to employees; to determine, alter, revise, change or eliminate any or all means, methods, processes, materials and schedules of production; to determine the number and size of crews; to determine the location of its plant; to establish production and work standards; to control the nature and specifications of all raw materials, semi-manufactured and finished goods, whether or not they may be incorporated into the products manufactured; and the right to hire employees are rights solely of the Company and are not abridged by any other provisions of this Agreement. All other rights not specifically nullified by this Agreement are retained by the Company.

The Company also has the right to establish and require employees to observe Company rules and regulations, lay off or relieve employees from duties, to maintain order, to suspend, demote, discipline and discharge employees for just cause in line with this Agreement.

Should the Company fail to exercise any of its rights, or exercise them in a particular way, it shall not be deemed to have waived such rights or precluded from exercising them in some other way.

NO STRIKE - NO LOCKOUT

ARTICLE V

Section 1. There will be no strikes of any kind, including sympathetic strikes, during this Agreement. "Strikes" include any work stoppage, slowdown, picketing or any other concerted activity, or deliberate and active efforts to get other employees to engage in concerted activity which would interrupt or limit the performance of services. Neither the Union nor any employees will encourage, authorize, participate in or aid and abet any strike.

The Union will use its best efforts to prevent any violation of this Section and to terminate any violations should one occur. If a violation of the Section occurs, the Union will publicly denounce the strike, and will provide the Company with written notice that the strike is not authorized, is in violation of this Agreement, and is not to be honored. If the Union carries out its obligations under this Section, it shall have no financial liability for any such violation.

The Company shall have the right to discharge, demote, or suspend employees for violation of this Section. Employees so disciplined shall have recourse to the grievance

and arbitration procedure, as set forth in Article XIV.

In the event of a claim by the Company of a violation of this Section, written or telegraphic notice shall be given to the Union. The Company may thereupon request the Federal Mediation and Conciliation Service to appoint an arbitrator to hear and decide the claim on an emergency basis. The hearing shall be held within forty-eight (48) hours or as soon thereafter as possible. The parties may not file and the arbitrator shall not receive post-hearing briefs with respect to the issuance of an immediate restraining order. The arbitrator shall rule from the bench, and if he finds that this Section has been violated, he shall immediately issue an award prohibiting continuation or resumption of the strike. The Company shall be liable for the arbitrator's fees and expenses associated with hearings held in accordance with this paragraph.

Section 2. The Company shall engage in no lockout during the term of this Agreement.

In the event of a claim by the Union of a violation of this Section, written or telegraphic notice shall be given to the Company. The Union may thereupon request the Federal Mediation and Conciliation Service to appoint an arbitrator to hear and decide the claim on an emergency basis. The hearing shall be held within forty-eight (48) hours or as soon thereafter as possible. The parties may not file and the arbitrator shall not receive post-hearing briefs with respect to the issuance of an immediate restraining order. The arbitrator shall rule from the bench, and if he finds that this Section has been violated, he shall immediately issue an award prohibiting continuation or resumption of the lockout. The Union shall be liable for the arbitrator's fees and expenses associated with hearings held in accordance with this paragraph.

PROBATIONARY EMPLOYEES

ARTICLE VI

All new employees shall be placed on probation and shall be classified as temporary help during the first sixty (60) calendar days of employment, after which time if retained in the service of the Company, they shall be considered regular employees with seniority status dating back to date of employment. Where more than one employee completes their probationary periods on the same day their relative seniority status will be determined by the flip of a coin. If more than two (2) employees are involved at one time, numbers will be drawn to determine their relative seniority. A Union representative will be present. Discharge of a probationary employee shall not be made the subject of a grievance by the Union, however, the Union shall be notified of any employee released under this Article, and the reason for the release. The sixty (60) calendar day period may

be extended by mutual agreement between the Company and the Union.

HOURS OF WORK AND OVERTIME

ARTICLE VII

Section 1. Purpose

This Article is intended only to provide a basis for the calculation of overtime and none of its provisions shall be construed as a guarantee of minimum or maximum hours of work or weeks of work to any employee or to any group of employees.

Section 2. General

- A. The normal work day shall be from 7 A.M. to 7 A.M. The normal work week shall extend from Monday, 7 A.M. to the following Monday, 7 A.M.
- B. An employee's normal work week shall be that number of hours which are not subject, as specified by law, to premium compensation. Schedules may be changed to provide for the use of floaters in order that employees will obtain the normal work week as specified above. If business conditions require a reduction of the work week below forty (40) hours per week for a period of three (3) consecutive weeks, the Company will remove floaters. Swing crews will also be removed after three (3) consecutive weeks of less than forty (40) hours unless the seven (7) day schedule can be immediately resumed.
- C. Employees shall not swipe "IN" on the time system earlier than fifteen (15) minutes prior to starting time nor shall they swipe "OUT" later than fifteen (15) minutes after the regular quitting time, unless they have been required to work overtime. Employees may be required to swipe "IN" and "OUT" at meal times.
- D. The right to establish the weekly work schedule of an employee is the sole and exclusive prerogative of Management. However, once the Company establishes an employee's weekly work schedule, including meetings, such schedule cannot be changed unless a three (3) days' notice is given to the affected employee, except when the employee's work schedule must be changed to meet operating, maintenance or customer requirements as determined by Management or because of the absence of another employee.

- E. Scheduled hours of work applicable to each department or to groups of employees within a department will be posted in the respective departments.

The Company will make an earnest effort to equalize the scheduled hours of work of all employees within a department. However, it is recognized that this may not be possible or practical in any given week or weeks due to variations in customer requirements or other circumstances.

Section 3. Overtime

Overtime shall be paid at rate and one-half for the following:

- A. For all time worked in excess of eight (8) hours in any one day or for all hours worked consecutively in excess of eight (8) or for all time worked in excess of forty (40) hours in any one week. Overtime under this provision shall be computed on a daily or weekly basis, whichever is the greater, but will not be applicable where employees swap shifts by mutual consent. It is understood, however, that shift swapping shall not be done without the consent of Management.

Section 4. Minimum Guarantees

Employees shall receive the specified minimum guarantee or time and one-half for the hours worked, whichever is the greater, for the following:

- A. **Call-in Work**
Employees called in at times other than their regularly scheduled or shift period for emergency work and/or deferred maintenance work (or work performed by the railroad section) shall receive a minimum of six (6) hours' pay at straight time. Employees to receive this minimum must report within sixty (60) minutes after having been called in. Employees who respond to call-in whose names are recorded on the "Will Respond" maintenance, locomotive, and material control trucker call-in lists shall receive a minimum of eight (8) hours pay at straight time.

Where workers are called back the second time for the same job because of faulty workmanship, this minimum guarantee shall not apply. To receive this minimum guarantee, the employee must have left the plant premises or

be recalled to work at least five (5) minutes after the end of his shift.

Maintenance employees reporting for work after having been called in shall be informed as to the job or jobs which they are assigned to perform. Any additional job or jobs which they are assigned shall be considered as another call-in(s), and in this event the employee will be paid the greater of time and one-half for all the hours worked or the sum of the applicable minimum guarantees of this provision.

A roster will be kept and used as a basis for calling in maintenance employees under this provision and payments made under this provision shall be excluded from consideration under Section 7 below.

This provision shall not apply where employees are scheduled in for such work at times other than their regularly scheduled shifts, provided that to be considered "scheduled" under this provision, employees must receive at least eight (8) hours notice.

B. Wire Time

Eleven (11) hours at the employee's straight time rate will be paid tour workers who change wires on all paper machines when such workers are:

1. Called or scheduled in at times other than their normally scheduled hours.
2. Held over after the completion of their regular shift.

This eleven (11) hour payment will include miscellaneous repairs which may be required at the time the wire is changed. Employees called in to change a wire who report for work more than one (1) hour after the call is placed will be paid only for the actual time worked.

Two (2) hours at the employees' straight time rate will be paid to on-shift operating employees when they assist on a wire change on **No. 10 paper machine.**

C. Dryer Felt Time

Three (3) hours at the employees' straight time rate will be paid tour workers who change felts on all paper machines when such workers are held over after their regular tour of duty. This three (3) hour payment will

not apply where the felt is changed during machine wash-up time or during wire changes.

D. Wet Felt Time

Four (4) hours at the employees' straight time rate will be paid tour workers who change wet felts on all paper machines. Six (6) hours at the employees' straight time rate will be paid tour workers who change wet felts on **#10 paper machine**. These payments will apply when such workers are called or scheduled in at times other than their normally scheduled hours or held over after the completion of their regular tour of duty.

E. Wire String Time

One and one-half (1 1/2) hours' pay at the employees' straight time rate will be paid tour workers who are held over after their regular tour of duty on **#10 paper machine** to string new fourdrinier wires.

F. Press and Bracket Knife Change

One (1) hour straight time minimum if changed after the second shift, or one and one-half (1 1/2) hours straight time minimum if changed before the first shift.

G. Sheeter Knife Change

Employees on No.'s 1, 2, 3 and 4 "Will" Sheeters who are engaged in changing knives shall receive a minimum of eight (8) hours' pay at their regular straight time rate.

"B" through "G" above shall apply when such workers are called or scheduled in at times other than their normally scheduled eight (8) hour shift.

Section 5. Reporting Time

An employee scheduled to report to work (other than as specified in Section 4A above), and who so reports, shall be guaranteed at least four (4) hours' work at his regular rate of pay, or four (4) hours' pay in lieu of work unless failure to provide work is caused by:

1. Storm, accident, breakdown or other causes beyond the control of the Company.
2. The Company's having been unable to notify the employee not to report to work after having made a reasonable effort to do so.
3. The interpretation of this language is that an employee is to receive the rate of pay for the job he/she is scheduled on for that day. If, for example, an employee was scheduled to work as a Machine Tender on #10 Paper Machine on Sunday or a holiday and that employee reported to work and was required to work, that employee would receive a minimum of four (4) hours' pay at the appropriate overtime rate (Machine Tender rate).

Section 6. Time and One-half Pay

All work performed on Sunday and all holidays as described in Article IX, Paid Holidays, shall be paid at the rate of one and one-half. Should any of these holidays fall on Sunday, they shall be observed on Monday, except that where the Monday is also a holiday (as specified in Article IX), the holiday which fell on Sunday shall be observed on the next following straight time day.

Section 7. Overtime Preference

Preference for overtime work will be given to the qualified employees within the job classifications which are involved on the machine or operation. It is understood and agreed that at no time is it expected that overtime hours worked will be exactly equal as between employees within the same job classification. A weekly record of overtime will be maintained in each department. Attached as Exhibit "C" are overtime agreements governing the assignment of overtime within the respective departments.

These agreements may be changed by departmental petition and mutual agreement of the parties to this Labor Agreement.

Alternative schedule changes may be introduced by departmental petition and mutual agreement of the parties to this Labor Agreement.

These steps will be followed to introduce an alternative schedule.

- **A department/area must obtain 51% approval through a petition to draft an alternative schedule proposal.**

- **The Negotiating Committee will be responsible for drafting the proposal and the draft must include guidelines for vacancy coverage (i.e. vacation, call-ins, etc.) and payment of overtime.**
- **The final proposal must be presented to and approved by the Steering Committee before the final vote is conducted. The Steering Committee includes the Union Negotiating Committee, Human Resources, and Department Superintendent.**
- **In order for the final proposal to be implemented, the vote approval must be 2/3 (two-thirds) of the permanent employees within the department/ area.**

Any scheduling changes implemented that do not follow the process outlined above will revert to the provision of the Labor Agreement.

Human Resources and the Union will maintain a list of departments/area specific to the alternate schedule language. This listing can be changed upon mutual agreement of both parties.

Section 8. Overtime Rates

This rate as specified shall be the job rate and the one-half rate referred to shall be:

- A. One-half the regular rate as defined by law in the case of hours worked in excess of eight (8) in a day or in excess of eight (8) consecutive or in excess of forty (40) in a week. It is understood and agreed to by the parties that the one-half rate will be calculated on the rate of the job being worked at the time the overtime occurs.
- B. One-half the rate of the job worked on in the case of hours worked under Section 3A, Section 4A, B, C, D and E.
- C. One and one-half the rate for the job worked on in the case of hours worked under Section 6.

Section 9. Pyramiding of Overtime

- A. Overtime payments shall not be duplicated or pyramided for the same hours worked under any of the terms of this Agreement, and to the extent that hours are compensated for at overtime rates under one provision, they shall not be counted as hours worked in determining overtime under the same or any other provisions, except as specifically provided for in Section 9 B

below.

- B. If a holiday occurs prior to an employee's accumulation of forty (40) hours in that week the hours worked on such holiday will be counted as hours worked in determining overtime under the provision for overtime for hours in excess of forty (40) per week.

VACATIONS

ARTICLE VIII

Vacations are intended to provide employees with a period of rest and relaxation. The Company will grant a vacation in accordance with the following policy.

Section 1. Eligibility

All employees who have been continuously employed for one (1) or more years shall be entitled to a vacation with pay allowance subject to the rules and regulations set forth.

Section 2. Length of Vacations

- A. Length of vacations shall be paid on the basis of an employee's continuous company service as determined by his anniversary date of employment. Continuous service shall be computed as of January 1 of each year.
 - 1. For employees with one (1) year but less than three (3) years' continuous service -- 1 week.
 - 2. For employees with three (3) years but less than eight (8) years' continuous service -- 2 weeks.
 - 3. For employees with eight (8) years but less than twelve (12) years' continuous service -- 3 weeks.
 - 4. For employees with twelve (12) years but less than eighteen (18) years' continuous service -- 4 weeks.
 - 5. For employees with eighteen (18) years but less than twenty-five (25) years' continuous service -- 5 weeks.

6. For employees with twenty-five (25) or more years' continuous service -- 6 weeks.
- B. An employee whose 1st, 3rd, 8th, 12th, 18th or 25th date of employment falls after January 1 of the current year will be entitled to the additional vacation provided by this plan after the actual anniversary date is reached.

Section 3. Vacation Pay Allowance

- A. Vacation pay allowance shall be determined on the following basis:
1. For employees with one (1) year but less than two (2) years' continuous service two percent (2%) of the employee's gross earnings during the first fifty-two (52) weeks of his employment.
 2. For employees with two (2) years but less than three (3) years' continuous service, two percent (2%) of the employee's gross earnings during the calendar year immediately preceding his vacation.
 3. For employees with three (3) years but less than eight (8) years' continuous service, four percent (4%) of the employee's gross earnings during the calendar year immediately preceding his vacation.
 4. For employees with eight (8) years but less than twelve (12) years' continuous service, six percent (6%) of the employee's gross earnings during the calendar year immediately preceding his vacation.
 5. For employees with twelve (12) years but less than eighteen (18) years' continuous service, eight percent (8%) of the employee's gross earnings during the calendar year immediately preceding his vacation.
 6. For employees with eighteen (18) years but less than twenty-five (25) years' continuous service, ten percent (10%) of the employee's gross earnings during the calendar year immediately preceding his vacation.

7. For employees with twenty-five (25) years or more continuous service, twelve percent (12%) of the employee's gross earnings during the calendar year immediately preceding his vacation.
- B. An employee whose gross earnings during a calendar year immediately preceding his vacation are reduced as a result of an approved medical leave of absence due to an illness or occupational or non-occupational accident shall be entitled to a minimum vacation benefit of forty-four (44) hours pay at his regular straight time rate (at the time of his vacation) for each week of vacation eligibility.

Section 4. Scheduling of Vacations

- A. Vacation period: The vacation period shall begin on the Monday nearest January 1 of each year; **1/04/2010; 1/03/2011; 1/02/2012**. Vacations will, insofar as practical, be granted to those times most desired by individual employees.

Preference for vacation weeks shall be governed by plant seniority within a department up to April 1 of each year, after which time preference shall be on a first-come, first-served basis, except that:

- (a) Where an employee decides not to take vacation during the week(s) he has designated, the next most senior employee who had requested that particular time for vacation will be offered the week(s) provided he still has unused vacation time.
- (b) Employees forced to a different department or shop after April 1st shall maintain their original vacation schedule provided they notify their new supervisor within seven (7) calendar days.

Management, however, reserves the right to:

1. Rearrange vacation schedules at any time when necessary, due to operating schedules or other conditions.
2. Designate any periods of time during the year for the shutting down of plant operations for the taking of vacations. The Company will endeavor to give employees reasonable notice as to the shutting down of plant operations, both in regard to the original scheduling and in regard to any change therein.

3. Have an eligible employee take a vacation with vacation pay allowance.
 4. Grant an employee a vacation pay allowance as a bonus and have the employee continue working when not practical to grant vacation time off.
 5. Offer an eligible employee the option of three (3) or four (4) above, except that all employees eligible for one (1) to **six (6)** weeks of vacation must take at least one (1) week off in order to receive **all of their vacation pay**.
- B. Holidays, legal or otherwise, which may occur during the time an employee is off on vacation shall not extend the vacation period.

Section 5. Limitations

- A. Employees who are permanently terminated will receive pro-rata vacation pay for that period of time between their last anniversary date of employment and their termination date, subject to the following provisions:
1. Employees who have already received vacation pay covering the above period shall not be eligible for any pro-rata vacation pay allowance.
 2. Employees must have been continuously in the employ of the Company for one or more years.
 3. Eligible employees, under this provision, shall be entitled to a pro-rata vacation pay allowance as follows: 1/12 of the vacation allowance as specified in Section 3 of this Article, for each full month of service completed between their last anniversary date of employment and their termination date, except that employees retiring January 1 or February 1 of any year will be entitled to their full vacation pay allowance for the year in which they retire.
- B. Employees with more than one (1) years' continuous service, who are in a layoff status when their next anniversary date of employment occurs, shall be paid the vacation pay allowance to which they are entitled.

C. Vacations are not accumulative from one year to another.

Section 6. Vacation Checks

Vacation checks can be picked up at least two (2) weeks prior to employees' scheduled vacation.

Section 7. Vacation One Day At A Time

Groundrules will include (but not limited to):

- . A week of vacation will be considered seven (7) days.
- . Requests must be submitted in writing one (1) week prior to the requested day. Notice of approval will be subject to the "Scheduling of Vacation" rules of the respective Labor Agreement. After the respective vacation deadline has been passed, vacation one day at a time will be on a first come basis. Notice of approval will be within 48 hours of the time the request is received by the immediate supervisor.
- . Employees must have a minimum of two (2) weeks vacation eligibility in order to be eligible.
- . Vacation taken one day at a time will not take priority over a weekly vacation. A single day vacation request that are approved prior to April 1 cannot be trumped/cancelled by a full week after April 1. Employees will only be permitted to block up to two single days of vacation prior to April 1st.
- . There will be no carry-over.
- . The Company and Union will work together to resolve vacation and related issues.
- . Current "Scheduling of Vacations" rules will continue to be in effect in relation to determining eligibility for vacation one day at a time. **Single vacation days can be paid individually effective January 4, 2010.**
- . Vacation will continue to be paid in the normal weekly fashion. It is up to the employee to provide notice when they would like to receive vacation pay.

PAID HOLIDAYS

ARTICLE IX

Hourly rated employees shall be paid eight (8) hours' pay at their regular straight time rate for New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Tuesday following Labor Day, Thanksgiving Day **and the day after Thanksgiving**,

December 24th, Christmas, December 26th and December 31st providing the following conditions have been fulfilled:

1. Employees shall have worked all hours for which they have been regularly scheduled or required to work during the twenty-four (24) hour periods immediately preceding, during and immediately following the day the holiday is observed. Tardiness in excess of sixty (60) minutes on the first scheduled shift following the holiday shall preclude the payment of holiday pay, unless the employee presents reasonable evidence that he was unavoidably prevented from reporting on time through no fault of his own.
2. Employees shall have completed their probationary period and be actively at work except that permanent employees in a layoff status will receive holiday pay under this Article for a holiday(s) occurring during the first thirty (30) days they are laid off. Permanent employees eligible for Workers' Compensation benefits shall receive holiday pay during their compensation period. Employees eligible for benefits under provisions of Article XXVIII, Section 1, A., 3 shall receive holiday pay during any disability.
3. Should any of the holidays specified in this Article fall on Sunday, they shall be observed on Monday, except that where the Monday is also a holiday (as set forth in this Article) the holiday which fell on Sunday shall be observed on the next following straight time day.
4. Employees shall receive holiday pay for any of the above mentioned holidays which occur during their vacation period.
5. The regular straight time rate referred to above is defined as the rate as contained in the wage scale for the applicable job classification.

Employees temporarily working on a higher job classification shall receive the higher rate if assigned to such classification for the entire week in which the holiday falls. Floaters will receive the average of the straight time rates for the jobs worked on during that week.

LEAVES OF ABSENCE

ARTICLE X

Section 1. General

The Company agrees to grant leaves of absence when business conditions so permit. Employees who may be granted a leave of absence shall not engage in other business.

Female employees will be granted leaves of absence for pregnancy. The request for leave shall be made to her supervisor within four (4) months after pregnancy occurs. Final notice of the leave request must be given to the supervisor no later than thirty (30) days prior to the start of the leave. A pregnant employee may be permitted to remain at work as long as her physician feels it is advisable unless the Company physician has reason to question his advice. Normally maternity leaves will begin no later than eight (8) weeks before the expected birth and the employee will return no sooner than eight (8) weeks following termination of pregnancy, provided her physician and the Company physician agree, and the employee has given the Company two (2) weeks' notice of her intention to return to work.

Employees shall be granted a leave of absence of up to one (1) year for the transaction of Union business. Time spent in grievance or negotiating meetings will be excluded from this section. Employees who request, and are granted, a union leave of absence that exceeds one (1) year but less than ten (10) years, will have their seniority, including Company benefit credit, frozen after one (1) year.

Employees may be granted a leave of absence by their foreman of up to one (1) week provided operating conditions permit such an absence and employees have no additional vacation weeks available.

Employees may be granted a leave of absence to serve in elective public office. Employees on such leave will continue to accumulate seniority while on leave up to a maximum of thirty (30) working days in a contract year, after which time their seniority shall become frozen. It is also understood that employees granted a leave of absence to serve in an elective office may not return to active employment until the completion or termination of their term of office.

Section 2. Funeral Leave

In the event an employee is required to be absent on a regularly scheduled work day as a result of death in the immediate family (i.e., the employee's wife, husband, children, **step-children**, including those legally adopted, father or mother, stepfather or stepmother, mother-in-law or father-in-law, brother or sister) he shall be paid a maximum

of three days' pay, up to and including the day immediately following the funeral (one days' pay in the case of grandmother, grandfather, grandchildren, employee's brother-in-law or sister-in-law) at his straight time rate for such day(s) lost.

Section 3. Jury Duty

In the event an employee is required to be absent from work as a result of having to serve on a jury, he shall be paid the difference between the amount received for such jury service on the days when the employee should have been regularly scheduled to work and his straight time rate for the days lost.

SENIORITY

ARTICLE XI

Section 1. Purpose

The principles of seniority shall govern in promotions, demotions, layoffs, transfers and recalls providing the employee has the necessary ability to perform the work properly and efficiently and subject to the provisions of this Article.

Section 2. Definitions

- A. Types of Seniority. For the purpose of this Agreement, there shall be two (2) types of seniority:
 - 1. Department - defined as the length of service within a department.
 - 2. Plant - defined as the time continuously employed by the Company computed from the last date hired.

- B. Permanent. As used in this Article, permanent is defined and understood to mean any period of time 12 months or longer. It is also understood that this period may be extended to cover absences caused by vacations.

Section 3. Permanent Moves Affecting the Work Force

In permanently increasing the working force, making permanent promotions, permanent transfers, or permanently decreasing the working force, the following factors

will be the basis for effecting the change:

- a. Length of department seniority
- b. Ability and fitness
- c. Knowledge and training
- d. Experience and skill

Where factors outlined in "b" and "c" and "d" are relatively equal, length of departmental seniority shall govern. Plant seniority shall govern where factor "a" is equal. In the event plant seniority is equal, a flip of the coin will decide. The determination of qualifications under factors "b", "c" and "d" is the sole and exclusive prerogative of the Company. Should the Company's determination be questioned, the employee questioning shall have the right to invoke the grievance procedure. If tests are used by the Company in the determination of qualifications, those employees who take such tests shall be promptly informed of the results and the employee may be accompanied by a Local Union representative at the time the results are explained to the employee.

In the case of bidding to non-line of progression (LOP) jobs and an entry level LOP job, the employee will receive 90% of the full rate of the new job upon being placed (not to fall below the highest extra crew rate). The employee will receive their full wage increase when deemed to have become fully qualified. When promoting up in LOP jobs, the employee will receive the midpoint between the job they are qualified on and the rate of the job they are training on until deemed to have become fully qualified in the new job. Jobs which have established pay progressions (i.e. Maintenance, QA, Utilities, Extra Crew, etc.) are excluded from this paragraph. See Exhibit G for Pulp Mill.

Section 4. Lines of Progression

The Company has established Lines of Progression and qualified jobs for certain departments which are described in Exhibit "D".

Recognizing that change is an integral part of running our business at the Chillicothe facility, changes in Lines of Progression will be discussed as the need arises. The Company and the Union have committed to utilize the Interest Based Process to facilitate the discussion regarding the proposed changes to a line of progression. This process will involve input from the employees who will potentially be impacted by any

proposed change. If a successful conclusion is not achieved through the process, the Company and Union agree to use mediation.

Glatfelter has agreed to provide the necessary training and facilitator to support the Interest Based Process.

Lines of Progression establish a formal promotional sequence and it is understood that qualified employees shall be provided the necessary training and encouragement to move up when vacancies occur.

Section 5. Increases in the Working Force

A. Permanent

In making permanent promotions within established Lines of Progression, employees who have the longest department seniority on a job just below where the vacancy occurs will be given preference in filling the vacancy. Job openings on starting level jobs in established Lines of Progression or non-progression jobs will be promptly posted in that department. (Job vacancies in departments scheduled on a Southern Swing schedule will be posted on Tuesdays and Thursdays; no vacancies will be posted on Saturday or Sunday.) Employees of the department in which the vacancy occurs who desire promotion or transfer to the job which has become vacant should notify their immediate supervisor within forty-eight (48) hours (exclusive of non-operating days) after notice of the vacancy has been posted.

The job will not be filled permanently until the expiration of this forty-eight (48) hour period. After an employee signifies his intentions to accept an intra- or inter-department transfer or promotion, he cannot refuse to accept the promotion or transfer. The successful bidder will be notified promptly and moved to the new job as quickly as possible. An employee shall be permitted unlimited upward bidding **and bidding for shift preference (provided there is no training involved)** and no more than two (2) successful bids in a calendar year (January 1 to December 31) to jobs which are considered to be either a lateral or down bid on the basis of job classification top rate of pay. If for reasons beyond his control, the placement of the successful bidder on his new job is delayed, he shall receive the rate of pay for the new job, if it is a higher rate, beginning with the Monday following the expiration of the 14 day period.

Job openings that must be filled from outside the department will be first

offered to employees with recall rights to the department prior to going to the bid box and millwide posting. The employee may not refuse the vacancy once the posting period has expired.

Employees who are leaving on vacation, and who wish to bid on a job classification in their absence, may bid on that job classification in their absence, by submitting their request in writing to the supervisor prior to leaving on vacation. Sick and injured employees who wish to bid on a job classification in their absence may do so by submitting their request in writing to the supervisor prior to the close of the posting period.

B. Temporary

1) Daily and Vacation Vacancies

Vacancies of less than ninety (90) days in Lines of Progression due to daily absences, vacation, training or other situations involving the need for additional manpower will be filled by moving employees up in their progression on the shift where the vacancy occurs.

Temporary vacancies of less than ninety (90) days in non-progression jobs will be filled by moving up qualified employees on-shift either on the machine or in the department as been the practice.

2) Temporary But Over 90 Days

Where temporary vacancies (other than base rate jobs) of more than ninety (90) days, but less than 12 months duration, occur in a department because of illness, injury, leave of absence, short term promotion to excluded job (less than six (6) month duration) or temporary overloads, the vacancy shall be filled within the department in accordance with Article XI, Section 5(A).

An employee who successfully bids a temporary job within their department, may not bid on another temporary job within their department until the conclusion of the first temporary bid.

3) An employee who successfully bids to a temporary job outside their regular department, will not be allowed to return to their regular department until such time as the temporary assignment is completed.

- 4) Vacancies Over 12 Months
All temporary over 90 day job vacancies known to be longer than twelve (12) months or that last longer than twelve (12) months, the resulting vacancy shall be bid millwide in accordance with Section 5 (A).

When the temporary vacancy is concluded, the departmental employee(s) will be returned to their former positions regardless of seniority except that an employee who is in a department on a temporary but over ninety (90) day basis may, if qualified, choose to replace the least senior employee, if any, also in the department on a temporary basis, before returning to their former job. If their former jobs no longer exist, these employees may exercise their bumping rights.

- 5) If an employee on a temporary job has the opportunity either through Line of Progression move-ups or bid to a permanent job in his department, he must immediately choose between the following alternatives:
 - 1) The employee can elect to continue working the temporary job, in which case the permanent job he was awarded would be rebid temporary until the temporary job the employee is working on is concluded,
or
 - 2) The employee can move immediately to the permanent job in which case the temporary job would be rebid. (If this choice is taken, the employee would not be permitted to rebid the temporary job the employee has just vacated.)
- 6) In departments that require vacation relief vacancies and no vacation relief exists, the job shall be filled in accordance with Article XI, Section 5(B)(1) and (2).

Section 6. Permanent Transfers

Employees desiring transfer to another department shall make application with the Human Resources Department. The employee will be provided with a receipt of the

transfer request. This request for transfer shall remain in effect for one (1) calendar year (January 1 - December 31) unless renewed by the employee.

At such time an inter-department job vacancy occurs, the vacancy will be posted at JeTech locations (to be determined by the parties) for a period of seven (7) consecutive days. Any employee, excluding extra crew, may make application for such job on the basis of plant seniority and necessary ability by signing a bid slip. It shall be the employee's responsibility to take his/her bid to Human Resources within the prescribed time limits. Any employee may withdraw his/her bid anytime prior to the expiration of the seven (7) consecutive day notice. After expiration of the seven (7) day notice, the successful bidder may not refuse to take the job.

If there are no applications on file for a specified job classification at such time as the vacancy occurs, the vacancy shall be filled by the senior employee on the Extra Crew.

Employees permanently transferred between departments shall retain the seniority accumulated in the department from which transferred. This seniority, however, shall not be used in evaluating an employee's eligibility for return to a department from which he may have transferred, or when the crew of his department has been permanently reduced, or when the transfer was affected because of a leave of absence, serious illness or injury.

Section 7. Failure to Qualify

When promoted or transferred, if the employee is unable to perform the duties of the job satisfactorily after a trial, he shall be returned to the position from which he came, without loss of seniority and shall not be considered for promotion or transfer to the same job for a period of six (6) months. Other employees who may be affected will return to the positions they held just prior to the promotion or transfer. After a second failure on the same job, he shall be ineligible for further consideration except at the discretion of the Company. An employee who is disqualified subsequent to the completion of the trial shall be placed in accordance with the provisions of Section 8A.

Section 8. Reduction of the Working Force

A. Permanent

When a crew in a department is permanently reduced or a department is permanently eliminated, employees thus affected will exercise their seniority in the following way:

1. Employees in established Lines of Progression will use their departmental seniority to place themselves, on a shift of their preference, in descending order within their Line of Progression. If their seniority does not permit them to remain in the progression, employees will exercise department seniority on jobs outside the progression.
 - a) Employees curtailed within **their department** may bump into a Line of Progression within **their department** provided said employee has held the job he/she wants to bump to. The Company will provide a reasonable familiarization period, not to exceed one week.
2. Employees on non-progression jobs may use their current departmental seniority to displace junior employees on starting jobs in Lines of Progression or on other non-progression jobs in the department. In the event the least senior (department seniority) employee occupies a progression position above the starting job:
 - (a) The least senior employee will be curtailed from the progression and department where;
 - (b) Remaining employees assigned to the progression are qualified and can be moved up to permit placement of the bumping employee in the starting job.
3. Any employee curtailed from their regular department will be able to exercise previously acquired department seniority in former departments and may bump the least senior in the department.

In addition, any employee(s) who exercises a bump in accordance with (A)(3) above, will be eligible to receive the “red-circled” rate of pay until such time as (1) the employee voluntarily bids to another position outside the department or, (2) they refuse to move to a position (permanent or temporary) within a department that their seniority would entitle them to or, (3) they move to the position their seniority and experience entitles them to. In the event that one of the above three things occur, the employee will assume the rate of the position that they are assigned to. (It is possible that an employee could move multiple times within the department or Line of Progression before an employee moves to the “highest” position that

their seniority would have entitled them to.)

(For example, an employee's experience and seniority would place them in a Fourth Hand's position on #12 Paper Machine if they had not bid to another position. The employee could exercise their previous department seniority and displace the junior person in the department. When a vacancy (Fourth Hand) occurs that the employee has the seniority and experience to perform, the employee will move to that position. The employee would continue to receive the rate of the position that they had been displaced from until such time as they move to the Fourth Hand's position. They would then receive the Fourth Hand rate of pay.)

Millwide

1. It is the parties intent to protect senior employees. In order to do that, the parties have agreed that after Steps 1 and 2 above, employees will be laid off according to Last In, First Out (LIFO). When a curtailment is to occur, the most junior employees in the unit will be laid off.

- (a) Employees unable to place themselves in a department curtailment will be able to exercise their plant seniority to displace the least senior employee in the plant. The Company has agreed to "red circle" the rates for displaced employees for a period of six months.
- (b) In the event the least senior employee is on a job in a Line of Progression or "qualified job" (See Exhibit "D") qualified employee within the line will be moved up to displace the junior employee provided qualified replacements are available to permit the bumping employee to fill the bottom job. When necessary, the Company will provide accelerated training for up to fourteen (14) days to facilitate the employee moving up. Accelerated training is understood to mean compressing as much as twenty-one (21) days normal training period into fourteen (14) days to facilitate the removal of a junior employee from a top or qualified job.

B. Temporary Curtailment

It is understood between the parties that, the company will operate under the following parameters assuming 3 curtailments (occurrences)

have existed within a consecutive three (3) month period or one (1) full work week for the affected employee.

- A sign up list will be maintained to allow affected employees, by seniority, the opportunity to train if above conditions exist.
- A minimum of 1 employee per department will be trained and qualified per month on a secondary job. This training will include appropriate refresher training.

When a curtailment exists, the following methods will be considered before curtailing the employee:

- Utilizing employees on idled, or available, equipment
- Placing an employee in an open position to offset OT (12 hour schedules)
- Offer training to prepare for future curtailment or business needs
- Non-urgent work, including the displacement of contractors (i.e. painting, roof drains, sanitation, clean-up, etc.)

When a partial curtailment of a department operation occurs, the affected employees shall be curtailed from the plant by department seniority on the machine or classification involved within the guidelines listed below.

1. **23 Hours or Less**

When a partial curtailment of department operations occurs for a period which does not exceed **twenty-three (23)** hours and a layoff occurs, the affected employees shall be curtailed from the plant by shift from the machine or classification involved by seniority (departmental).

2. **23 Hours Not to Exceed Three (3) Working Days**

In the event such partial curtailment of department operations exceeds a period of **23** hours, but does not exceed three (3) working days duration, affected employees desiring to work shall be placed by supervision on jobs in their department on a shift of their

assignment provided they possess the necessary department seniority and qualifications to perform the work.

3. Three (3) Workings Days Not to Exceed Fourteen (14) Days

In the event, however, such partial curtailment of departmental operations exceed a period of three (3) working days, but does not exceed fourteen (14) working days duration, and a layoff \occurs, the affected employees desiring to work shall be placed by supervision on jobs in their departments irrespective of shift, provided they possess the necessary qualifications to perform the work.

Employees affected by the shutdown and who are retained in the department will be considered to be transferred for the convenience of the Company.

4. In Excess of Fourteen (14) Days

When a partial curtailment of a departmental operation occurs for any reason for a period in excess of fourteen (14) working Days, employees thus affected may be placed on jobs within the department without regard to their seniority rights, provided such action does not reduce the scheduled hours of work of any employees in the department below forty (40) hours per week. During such period, the employees affected shall be considered to have been transferred for the convenience of the Company. Employees thus affected shall be restored to their former position, when the position again becomes available. If such action results in a reduction of the employee's scheduled hours of work below forty (40) hours per week, the resulting transfers shall be made in accordance with the previous provisions of this Article.

5. In the event an employee is scheduled to receive less than forty (40) hours pay (including holiday pay) in any one work week, the affected employee will, at his request, be assigned by his supervisor to a job continuing to function in his department, provided he possesses the necessary department seniority and qualifications to perform the work in order to obtain but not exceed sixty (60) pay hours in any one week, excluding unscheduled overtime. As long as

an employee has not exceeded sixty (60) scheduled hours, he will work the next scheduled shift.

6. A senior employee will not be permitted to displace a junior employee who is scheduled to receive less than forty (40) pay hours in that work week unless the senior employee is also scheduled to work less than forty (40) pay hours in that work week. In no event will bumping be permitted if it will cause the Company to incur additional unnecessary overtime.
7. Employees displaced under this Article shall be placed, upon their request, on the unassigned extra crew for the curtailment period, by plant seniority.

Section 9. Injured Employees/Physically Disqualified Employees

A. Temporary

An employee who is injured on the job and who cannot perform the duties of his regular job shall be transferred to any starting job in his department which he can satisfactorily perform and to which his seniority entitled him. His regular job will be filled as temporary vacancy and he and all other employees affected by the transfer will be returned to their regular jobs when he is physically able to do so. If the injured employee is unable to perform the starting job in his department his ability and plant seniority shall be given consideration for base rate jobs in other departments.

B. Permanent

An employee who is disqualified from a job because he cannot continue to meet the physical job requirements established by the Company under applicable state and/or federal statutes, or has been injured on the job and cannot perform the duties of his regular job, shall be transferred to any job in his department which he can satisfactorily perform and to which his seniority entitles him. If the disqualified employee is unable to perform any job in his department, he shall exercise previously acquired department seniority in former departments to place himself on a job he can satisfactorily perform and to which his seniority entitles him. If the disqualified employee is unable to place himself exercising previous departmental seniority, his ability and plant seniority shall be given consideration for starting jobs in other departments.

Section 11(A). Excluded Job

Any employee transferred to an excluded job outside the physical confines of the Chillicothe Mill, or into other recognized bargaining units, shall immediately forfeit all seniority. **Any employee working under the maintenance flexibility agreement (Exhibit I) will not lose seniority.**

Any employee temporarily transferred to an excluded job classification will continue to accumulate seniority up to a maximum of **five hundred and twenty-eight (528) working hours** in a contract year, after which time his seniority shall become frozen. Where such transfers are for one (1) week or more duration, notice to this effect will be posted **in advance** in the

department involved. **In the case of single day transfers (established as a minimum of eight (8) hours), posting is required as soon as practicable.**

All time spent on such excluded job classification in excess of **five hundred and twenty-eight (528) working hours** in any contract year shall not accrue as bargaining unit seniority **in the following manner: One hour over five hundred and twenty-eight (528) would result in one (1) day of lost mill seniority. Mill Seniority will be lost one (1) day at a time for each additional eight (8) hour increment.** When the total accumulated time for which bargaining unit seniority has not accrued exceeds 365 days his/**her** bargaining unit seniority rights shall be forfeited. This paragraph shall apply to transfers which originate on or after August 1, 1971.

When an employee moves to a temporary excluded job of over **five hundred and twenty-eight (528) working hours** and must be replaced, his/**her** job will be bid off temporary in the department.

Only use temporary supervisors when filling in for a supervisor who is off on vacation or out sick or for a temporary vacancy (**ex. Supervisory training, employee leaving the company creating an open position, etc.**)

Any other assignment such as preparation of training manuals, ISO, etc. will be classified as special assignments: will not be excluded jobs; will be paid at the individuals current job rate; will be at straight time whenever possible; will not be used to reward individuals (favoritism); overtime hours worked as temporary supervisor and special jobs will be recorded into the overtime procedures of respective department.

When an employee moves to any excluded job, he will not be permitted to work his/**her** regular job and excluded job in a twenty-four (24) hour period from 7:00 a.m. to 7:00 a.m.

In no event shall a bargaining unit employee working an excluded job work hours in excess of hours that a supervisor would have worked in similar circumstances.

No employee will be forced to work overtime and/or have their scheduled vacation cancelled as a result of another employee accepting an excluded job.

The Company and the Union agree to review and address any issues related to excluded jobs during the monthly grievance meeting or a mutually agreed upon date.

Section 11 (B). Special Assignments

The parties agreed that it is beneficial to the future success of the operation to have Bargaining Unit employees involved in “Special Project Assignments” throughout the facility. When Bargaining Unit employees are going to be utilized fulltime in “Special Assignment” roles, the following guidelines shall apply:

1. The Company has an obligation to discuss any special assignment with the Union prior to soliciting employees. In all circumstances, it is important that the parties discuss the nature and expected length of the special assignment.

The parties have agreed to establish a joint committee for the purposes of this article.

2. The committee shall utilize a joint selection process to select the individuals to be involved.
 - (a) When qualifications of individuals are relatively equal, seniority shall be the governing selection factor.
 - (b) The committee will be responsible for monitoring Special Assignment activities to prevent any potential abuses.
3. Employees on special assignment shall continue to get their regular rate of pay. Employees on special assignment will not be eligible to work beyond 48 hours in a week.

4. The parties may agree to post the special assignment to solicit individual employee interest. Selection of a posted special assignment shall be governed by these guidelines. The specific nature of the assignment and the expected duration of the special assignment will be included in the solicitation.
5. Employees who are on special assignment shall not be utilized to perform bargaining unit work (beyond the nature of the work involved in the special assignment).
6. It is understood that employees on special assignment may have to return to their regular bargaining unit position (if their position is not backfilled) while on special assignment to facilitate scheduled vacations.
7. Any other assignment such as preparation of training materials, ISO, etc. will be classified as special assignments and not excluded jobs. Special assignments will not be used to reward individuals (favoritism). Overtime hours worked on special jobs will be recorded into the overtime procedures of the respective department.
8. It is understood that if an employee on special assignment would have been curtailed or laid off if assigned to their regular position, the employee will be curtailed or laid off as if they were still in their regular assignment.

No employee will be forced to work overtime as a result of another employee accepting a special assignment.

Section 12. Seniority and Mailing Lists

The Company agrees to provide the Union with a seniority list and an up-to-date mailing list each four (4) months for the duration of this Agreement. The Company will submit a list of people on excluded jobs every four (4) months.

Section 13. Seniority Break

Seniority shall be broken for the following reasons:

1. If an employee resigns.
2. When he is discharged for just cause.

3. When he is absent for six (6) working days without notifying the Company or without a reasonable excuse for such failure to report.
4. When an employee fails to report after a period covered by leave of absence without a reasonable excuse for such failure to report.
5. When an employee who has been laid off shall be called to work and shall fail to appear within seventy-two (72) hours after such notice, unless the employee presents reasonable evidence that he was unavoidably prevented from reporting on time through no fault of his own. It shall be the employee's responsibility to notify the Company of change of address and telephone number.
6. When an employee laid off through no fault of his own:
 - a. Has not been recalled for a period of one (1) year in the case of employees with less than one (1) years' service, or
 - b. Has not been recalled for a period of **four (4)** years in the case of employees with more than one (1) years' service.
7. As provided in Section 11 above.

Section 14. Special Provisions for the Maintenance Department

A. Standards for Entering the Department

In transferring personnel to the Maintenance Department the same standards shall apply as are established for the employment of personnel for the department. These standards are:

1. The applicant must pass the cut off scores in the Maintenance entrance examination.
2. Physical
The applicant shall be in the physical condition necessary to perform all the duties required in the particular crew. He must be able to work in high places and in heat, cold and dampness.

A medical examination may be required at Company expense. Should the applicant fail to meet the medical standards as

determined by the plant physician, he may be examined by a physician of his own choosing. If the applicant passes his second examination, the Company physician and the applicant's personal physician will designate a third physician to conduct a third examination. The results of his third examination shall be final and may be not contested under this Agreement. The expense of the final examination shall be borne by the Company.

3. Personnel entering the Maintenance Department through the Apprentices Program will be governed by the standards provided in the Maintenance **Apprenticeship** Program.

When employee meets the above qualifications, length of service in the Maintenance Department shall be the determining factor in making temporary or permanent promotions. Should two or more employees have equal shop seniority and qualifications, length of Maintenance service shall govern. Where these are equal the length of plant seniority shall govern.

In the event no qualified employee is available within the Maintenance Department, a vacancy will be filled from the group of applicants outside the department who have complied with the requirements. When the qualifications of such applicants are relatively equal as to ability and fitness, selection shall be based on length of service with the Company. When the required qualifications are not met by anyone in the mill, outsiders will be hired directly for the job.

Section 15. Copies of Job Bids

Each employee shall receive a copy of the bid(s) he makes for intra or inter-department transfer or promotion. Employees bidding for an inter-department transfer or promotion through their supervisor shall have their bid witnessed by a supervisor.

TOUR AND DAY WORKERS

ARTICLE XII

Section 1. Tour Workers

When a tour begins, each worker is required to be in his place. At the end of a shift, no tour workers shall leave his place to wash up and dress until his mate has

changed his clothes and reported to take on the responsibilities of the position. If a tour worker does not report for his regular shift, his mate shall notify the supervisor. He shall then remain at his post while the Company attempts to secure a substitute. If the Management is unable to secure a relief, he may be required to work an additional shift. It is the duty of a tour worker to report for his regular shift, unless he has already arranged with his supervisor to be absent. If unavoidably prevented from reporting, he must give notice to his supervisor, or at the **Security** Office, at least two (2) hours before his tour goes on duty or present a reasonable excuse to Management. The supervisor will, as soon as possible, notify the affected employee that his relief will not be reporting as scheduled. Employees reporting more than two (2) hours late for their regular scheduled shift may be denied work for that day.

It is understood that under normal circumstances if any employee has worked sixteen (16) continuous hours and the overtime provisions have been exhausted seeking his relief, the most junior qualified employee on-shift, within the department not committed to overtime or not have worked sixteen (16) hours, will be required to stay.

Section 2. Day Workers

Day workers shall be at their stations ready for work at the commencement of the hour scheduled for the job or operation involved and shall remain at their stations until termination of the hour scheduled. Day workers shall be relieved at the hour scheduled unless their services are required to complete work in progress or to perform work necessary and essential to the efficient operation of the plant.

If unavoidably prevented from reporting for work, a day worker must give notice to his supervisor, or the **Security** Office, at least one (1) hour prior to the commencement of his shift or present a reasonable excuse to the Company. Employees reporting more than (2) hours late for their regular shift may be denied work for that day.

Section 3. Reporting to Work After Absence

When a tour worker has been absent for one or more days and reports for work without having notified the Company at least ten (10) hours in advance, work may be denied for that day. Work may be denied day workers for the same reasons unless four (4) hours advance notice is received.

Section 4. Records

Records of calls and other efforts to secure substitutes will be maintained by the Company and will be open to inspection by the Union.

TEMPORARY TRANSFERS

ARTICLE XIII

The transferring of employees between shifts and temporarily between jobs and departments in order to maintain efficient and/or economical operations is the sole responsibility of Management.

"Temporarily" as used in this Article, is defined and understood to mean any period of time which does not exceed fourteen (14) **calendar** days.

An employee temporarily transferred to a lower rated job as a result of operating emergencies shall continue to receive his regular job rate.

An employee transferred to a higher rated job and who satisfactorily performs all of the job duties and responsibilities of the higher job classification will be paid the rate which has been established for the higher rated job in conformity with the Company's current wage schedule.

An employee transferred to a higher rated job within the same job classification and who is receiving a rate other than the full rate will be paid a rate equal to or greater than his present rate. An employee transferred to a higher rated job within the same job classification and who is on the full rate will be paid the full rate for the higher rated job.

An employee transferred to a lower rated job for the convenience of the Company shall continue to receive his regular job rate.

Relief positions will be utilized before temporary transfers.

It is also understood the junior qualified employee in the department will be transferred whenever possible.

An employee temporarily transferred between jobs and/or departments, and who as a result loses overtime opportunities in the job from which he/she was transferred, shall be afforded the option to:

- a. Decline the overtime;
- b. Work as an extra person up to the equivalent amount of lost overtime opportunity.

An employee who is assigned and accepts a lower rated job when work is not available on his regular job shall receive the rate of pay which has been established for the lower rated job in conformity with the Company's current wage schedule.

Note: Carbonless, Finishing, Cutters and Rewinder Departments:

- 1. Temporary transfers may exceed 14 days in the case of business need, but no longer than 28 days, however an extension may be granted by mutual agreement of both parties.**
- 2. Can use the temporary transfer language to facilitate training across the departments listed above.**
- 3. If the business need arises to transfer labor (excluding training) for longer than 14 days the position will not be backfilled including overtime (i.e. split shifts) during their absence.**

GRIEVANCE AND ARBITRATION

ARTICLE XIV

Section 1. Grievance Committee

The Union agrees to elect and maintain during the term of this Agreement a Grievance Committee of no more than seven (7) in number. It is agreed that this Committee shall be composed entirely of employees of the Company and shall be duly authorized and empowered at all times to represent the employees and the Union in handling grievances with the Company. The Human Resources Manager shall be furnished with a list of the members of this Committee and shall be given twenty-four (24) hours' written notice of any change therein.

Section 2. Shop Stewards

The Union shall select no more than one shop steward for each shift in each department, except where agreed otherwise between the Company and the Union, and shall furnish the Human Resources Manager with a list of said shop stewards and shall

give twenty-four (24) hours' written notice of any change therein.

Permission is granted the Chief Steward or the President of the Union or a Grievance Committee member, during his off duty hours, to visit the plant to investigate grievances unsettled in Step 1 of the grievance procedure. It is understood that the department supervisor shall be notified first and production shall not be disrupted. The Chief Steward, President, or any Union Committeeman may attend grievance meetings at Step 1, if requested by either the aggrieved employee or his shop steward.

Section 3. Scope of Grievance Procedure

Only grievances involving the interpretation of, or compliance with, this Agreement will be recognized, and such grievances to be recognized must be presented within ten (10) days after occurrence. Wage and wage rates are a matter for negotiation only and shall not be subject to this procedure.

Section 4. Step Procedure

With a desire to settle grievances promptly, the parties recognize the following systems for the settlement of grievances. Settlement of grievances shall be made in the following order and manner except that grievances involving suspension or discharge will start at Step 2. Time limits indicated may be extended by consent of the parties.

- Step 1. Between the aggrieved employee and his immediate supervisor and the appropriate supervisor. The shop steward or committeeman may be present. The employee and the Union Representative, if present, shall discuss the grievance with the supervisor in an attempt to resolve the grievance prior to putting it in writing. If the grievance is not satisfactorily resolved through these discussions, it shall be put in writing, setting forth the Article allegedly violated. The supervisor shall have ten (10) calendar days in which to make written disposition of the grievance.

Any settlement or final disposition of the grievance at Step 1 shall not constitute a precedent.

If the grievance is not settled, it shall be presented at the next step within five (5) work days of receipt of the supervisor's answer. In the event the immediate supervisor is not available the grievance

may be presented at Step 2.

- Step 2. Between the superintendent over the department where the grievance occurs, HR representative and the Union Grievance Committee. The Union's International Representative may be present. The Company shall have fourteen (14) calendar days in which to make written answer to grievance. If the grievance is not settled satisfactorily, it shall be presented at the next scheduled third step grievance meetings.
- Step 3. Between a representative designated by the Company and the International Representative designated by the United Steelworkers International Union and the Union Grievance Committee, who will attempt to settle the grievance. The Company shall have thirty (30) days in which to make a written answer to the grievance. The Union shall notify the Company within sixty (60) days of receipt of the Company's written answer as to whether or not the Company's written answer is satisfactory.

Section 5. Arbitration

If the grievance is still not settled after proper processing in accordance with Section 4 above, then the grievance shall be submitted to arbitration upon notice that the Step 3 answer was unacceptable (unless the parties mutually agree to not submit the issue at this time), as follows:

- A. Notice of Arbitration: It is the agreed purpose to reach a prompt solution to all grievances through the cooperative efforts of the Company and the Union, however, in cases where it is impossible to reach a settlement of any grievance involving the interpretation or application of the provisions of this Agreement by these means, the grievance may be referred to Arbitration if written request is made by the Company or Union. When any matter has been thus submitted, Arbitration shall proceed as follows:
- B. Selection of Arbitrator: A panel of seven qualified Arbitrators shall be requested from the Federal Mediation and Conciliation Service. All Arbitrators listed on the panel shall be members of the National Academy of Arbitrators. The Company and the Union shall alternately strike names from the panel of seven Arbitrators listed until one name remains. This remaining Arbitrator shall then be the Arbitrator chosen to handle the case

in question.

- C. Powers of Arbitrator: It is understood that the function of the Arbitrator shall be to interpret and apply this Labor Agreement involving the dispute before them, and that the Arbitrator shall have no power to extend the duration thereof, nor to add terms or provisions thereto, nor to arbitrate a dispute concerning a general wage adjustment, nor to enlarge their own jurisdiction except upon mutual consent of the Company and the Union.
- D. Arbitrator Decision Conclusive: The decisions of the Arbitrator concerning any matter properly arising out of this Agreement and referred to the Arbitrator pursuant to the provisions hereof shall be final and conclusive upon the employees, the Union, and the Company.
- E. Arbitration Expense: Each party shall bear the expense of preparing and presenting it's own case. The expense of the Arbitrator and incidental expenses mutually agreed to in advance shall be borne equally by the parties to the Labor Agreement.
- F. The Arbitrator will render their decision within sixty (60) days.
- G. Expedited Arbitration may be used by mutual agreement of the parties.

Section 6. Expedited Arbitration Procedure

Notwithstanding the Arbitration procedure set forth in Article XIV, Section 5 above, the following expedited arbitration procedure may be used to provide prompt and efficient handling of grievances.

The Local Union and Local Management shall appeal the grievance to an arbitrator under expedited arbitration procedure by mutual agreement of the parties.

The hearing shall be conducted in accordance with the following:

1. The hearing shall be informal.
2. No briefs shall be filed or transcripts made.
3. There shall be no formal evidence rules.
4. Each party's case shall be presented by a previously designated local representative.

A determination by the arbitrator shall be final and binding on all parties as to the matter in dispute; and the Company, the Union, and the aggrieved employee shall thereafter comply in all respects with the result of that decision.

The arbitrator shall issue a decision no later than forty-eight (48) hours after the conclusion of the hearing (excluding Saturdays, Sundays and holidays). His/her decision shall be based on the records developed by the parties before and at the hearing and shall include a brief written explanation of the basis for his/her decision. The expense and fee incident to the services of the arbitrator involved in the expedited arbitration procedure shall be borne equally by the Company and the Union.

The award in writing of the impartial arbiter on the merits of any grievance adjudicated within his jurisdiction and authority, as provided in this Agreement, shall be final and binding on the Union and the Company.

DISCHARGES QUESTIONED

ARTICLE XV

In discharging or suspending an employee, he shall at the time of suspension or discharge, be given the reason therefore in writing, including a statement that any complaint for discharge or suspension must be filed with the Company in writing within seven (7) calendar days or the matter shall be considered closed. A copy of the discipline letter will be timely sent to the Union office. If an investigation proves that an injustice has been done, the Company will reinstate the employee, and if considered appropriate by the parties or the arbiter, full compensation shall be paid at the employee's regular rate of pay for the time lost. In case of discharge or suspension, Union representation will be provided (a Committeeman if available), unless declined by the employee.

RATES FOR NEW OR CHANGED JOB CLASSIFICATIONS

ARTICLE XVI

If during the term of this Agreement the Company installs new equipment, or changes work methods, lay-out, or work assignments which result in the creation of new job classifications, and/or changes in existing job classifications, the Company shall within ninety (90) days thereafter establish rates for such new or changed job classifications in line with the Company's wage scale for like work. In those instances wherein the duties of the new or changed classifications cannot be accurately determined within the above time limit, the Company shall establish the new rates as early a date as possible thereafter. Before implementing new job classifications or changing existing job classifications, the Company will notify the Union and provide the Union with an opportunity to provide input upon the proposed change.

If after ninety (90) days following the establishment of the new rates, neither party questions the rate established for the new or changed classifications, it shall become the established rate for the job. If during the ninety (90) day period the rate is questioned, the establishment of the rate shall then be a matter for negotiations only, and such negotiations shall not be unduly delayed by either party. **If a wage is not achieved through negotiations, the Company and the Union agree to utilize non-binding mediation, selected mutually by the Company and the Union.**

If negotiations result in a change of rate, the new rate shall be made retroactive to the date of the job changes which caused the rate adjustment.

SUPERVISORY WORK RESTRICTIONS

ARTICLE XVII

Supervisory officials, or those employed for the purpose of directing the working force, shall not perform any work that would displace production or maintenance employees except in the case of an emergency or for the purpose of instruction and training.

Employees who are displaced by supervisors for reasons other than those mentioned above shall be paid for the time so lost.

EXTRA CREW

ARTICLE XVIII

- A. The Company may maintain an Extra Crew Department for use in providing relief for temporary vacancies in departments throughout the plant.

Employees of this department shall be classified as Extra Crew. The objective of the Extra Crew Department is to fill such vacancies at straight time if possible; however, Extra Crew employees may be used to fill temporary vacancies occurring on any day of the week even though such day may be at a time and one-half.

It is understood that Extra Crew employees will not be used to fill temporary vacancies which will result in the payment of time and one-half to them when the vacancy is for that day(s) only, until regular employees within the job classification where the vacancy occurs have been given the opportunity to fill such vacancy. "Vacancies", as used herein, means any vacancy caused by:

1. Absenteeism (whether sickness, injury, leave of absence, etc.)
2. Vacations
3. Temporary increases in departmental work loads or other extra work of a temporary nature.
4. In the case of Saturday or Sunday when an employee is stuck for an additional eight (8) hours, the department overtime procedure has been exhausted, and qualified Extra Crew employees are available on the Call Sheet.

- B. The employees assigned to the Extra Crew Department will be classified as Extra Crew and will be paid at the rate as specified in Exhibit "B". Once Extra Crew employees reach the twelve (12) month rate or have been placed on a temporary/permanent job vacancy through the millwide job posting or application process, they shall be paid the rate of the job performed. Such employees will be used to fill temporary vacancies in starting jobs within a department, or on higher jobs when an employee below the job vacancy is not qualified to be promoted to the higher job. Extra Crew will be assigned at the sole discretion of the Company in order to fill temporary vacancies. Such employees must accept all assigned

vacancies to which the Company feels the employee is qualified. When permanent and temporary but over ninety (90) day vacancies occur and there are no job bidders or applications on file, the vacancy shall be filled by the senior employee on the Extra Crew.

C. It is mandatory that employees qualified to move up on-shift to fill temporary vacancies on the machine or operation involved will do so. The Company will provide the necessary training to effectuate this policy, at such time and in such manner as it deems most feasible and economical, including the training of Extra Crew.

D. GENERAL GUIDELINES – EXTRA CREW

1. Extra Crew **List** – In Sequence

Whenever practical, extra crew employees will be assigned on the basis of company seniority, i.e. the most senior extra crew employee listed on the “On Call” section of the extra crew **list** will be called for the work assignment. The only exception in attempting to assign extra crew work on a strict seniority basis can occur when a particular assignment requires certain skills possessed by a junior extra crew employee and not possessed by a more senior employee on call. In such cases, the junior employee may be called in to perform the work.

2. Reinstatement to Extra Crew **List**

Extra Crew employees, upon release from the department in which they last worked, shall **swipe** out and immediately report in person to the Human Resources Department or **Security** Office to place their names back on the call **list**. Their names, if they are released after a normal trick, shall be placed under the “Just Released” section of the extra crew **list** where they will remain for the next eight (8) hours. At the beginning of the next shift following an eight (8) hour period, their names shall be transferred to the “On Call” section of the extra crew **list** in order of seniority, i.e. the most senior employee at the top, etc.

3. Extra Crew – Unavailability For Call

Whenever extra crew employees are not going to be available for an

assignment during a specific period, it shall be their responsibility to call or report in to the Human Resources Department or **Security Office** - and report their unavailable status. Their names shall be placed under the "Do Not Call" section of the extra crew **list**. At such time employees are again available for work assignments, they shall personally report to the Human Resources Department or **Security Office** and sign-in to place their names back on the call **list**. (Employees requesting to have their names taken off the extra crew **list** must present an acceptable reason for such request to the Company.)

4. Weekly Extra Crew **List**

Each Friday, the Human Resources Department will check the extra crew **list** to see if it appears that any junior employees should be released from their work assignments at the end of the week. If it appears that older employees on call may not receive an assignment for the following Monday, the department(s) having junior extra crew employees will be directed to release them. The only exception to this guideline is where a junior employee is working on a job that would require the department to break-in another person, the junior employee will be retained.

5. Extra Crew Responsibility Re-Call **List**

If extra crew employees do not receive calls for work assignments during any part of any day when they feel they should have been called, it shall be their responsibility to call the Human Resources Department or **Security Office** to ascertain whether or not their names appear on the proper section of the extra crew **list**. At no time should an extra crew employee permit more than 24 hours to pass without personally checking on his/her extra crew status.

6. Extra Crew Calling Procedures

In attempting to call the most senior extra crew employee under the procedures outlined in No. 1 above, the Company will follow the procedures set forth below:

- A. If, upon calling the most senior employee on the call **list** the telephone line is busy, the next most senior employee will be called leaving the senior employee's name on the top of the call **list**.

This procedure will be followed for subsequent calls.

- B. If no one answers a call after eight (8) rings, the employee's name will be moved to the bottom of the "On Call" list for the remainder of that work day.
- C. If an employee is not at home, the person answering the call will be asked if he or she can give the work assignment to the employee. If the person answering the call indicates that he or she cannot give the employee the assignment, the employee's name will be moved to the bottom of the "On Call" list for the remainder of the day.
- D. When a call-in assignment is completed, the employee's name will be moved from the "On Call" section of the extra crew **list** and placed under the name of the department to which he or she is assigned.

7. Permanent Employees As Extra Crew

Permanent employees, who have been laid off due to an extended curtailment of operations, and as a result of such curtailment will receive less than forty (40) pay hours in a work week, may place themselves on the extra crew by reporting in person to the Human Resources Department or **Security** Office and placing their names on the call **list**. In this regard, each particular situation must be approved in advance by the Company. (Permanent employees' seniority status will place them ahead of regular extra crew employees whose names are on the call **list**.) All permanent employees who place themselves on the extra crew call **list** will be subject to the same procedures and guidelines in effect for regular extra crew employees.

E. EXTRA CREW

Employees originally hired or who may be assigned as Extra Crew shall not accumulate departmental seniority in any department in which they work as Extra Crew. Plant-wide seniority will be accumulated from the date of employment. When an extra crew employee is placed on a permanent job, his department seniority shall then begin. When permanent vacancies occur and there are no job bidders or applications on file, the vacancy shall be filled by the senior employee on the Extra Crew.

CONSTRUCTION AND MAINTENANCE WORK

ARTICLE XIX

The Company shall continue to have the right to engage independent contractors to perform new construction, or the replacement or modification of existing buildings, equipment, or other facilities.

With respect to service functions and overloads of maintenance work, the Company and the Union share the common goal of working efficiently and cost-effectively to utilize bargaining unit employees to perform as much of such work as possible. The parties agree to work collectively to consider work redesign and reengineering.

For these purposes the parties hereby establish a Joint Outside Contracting Committee. This Committee shall be composed of six (6) members, three (3) of whom shall represent Management, and three (3) of whom shall represent the Union. The Committee shall elect a chairman and secretary. When a Company member is a chairman, a Union member shall be secretary and vice versa. Officers shall change annually. The Committee shall meet on a regular basis, and as needed.

The Company shall continue to have the right to engage independent contractors to perform selected service functions and overloads of maintenance work. Prior to engaging an independent contractor to perform such maintenance work the Committee will review the proposed contracting. In arriving at any recommendation as to the assignment of such work, the Joint Outside Contracting Committee will consider all the factors involved that are pertinent to the work in question, including but not limited to the following: availability of required skills and personnel, necessary tools and equipment, the time limits within which the work must be performed, availability of related services, the problem of keeping the mill operating while the work is in progress, and cost factors. The Company is not required, however, to submit unanticipated or emergency contracting needs to the Committee. Nevertheless, in the Company and the Union's interest in sharing the common goal of working efficiently and cost effectively to utilize bargaining unit employees to perform as much of such work as possible, prior to engaging an independent contractor to perform such maintenance work, a Union representative of the Joint Outside Contracting Committee will be notified immediately as to the nature of the work provided. A determination will be made at that time as to

whether or not it would be practicable for the Joint Outside Contracting Committee to meet and review the proposed contracting of such work.

The Company has developed a revised system of subcontracting notification. It is believed at this time that the process will involve a letter of anticipated subcontracting work and firms to be utilized. The letter will be generated and distributed on Friday and is to cover the anticipated work of the following week. This process will not cover unanticipated or emergency work, except to the extent practicable.

RULES

ARTICLE XX

The Company rules governing employment, which are attached hereto as Exhibit "A", are affirmed and will continue in effect and force during the life of this Agreement.

MILITARY SERVICE

ARTICLE XXI

Employees who enter the Armed Forces of the United States shall be re-employed in accordance with the provisions of the Selective Service Act of 1948, as amended, or subsequent laws pertaining to servicemen's re-employment. Questions arising under this Article shall be interpreted by the Director of Re-employment Rights for Veterans.

An employee who is a member of the National Guard or a Reserve Unit of the United States or the State of Ohio and who is required to participate in the annual field training period, will be reimbursed for the difference between his regular straight time rate, times the number of hours of regularly scheduled worked missed within the annual field training period (not to exceed 168 hours), and the pay received from the National Guard or Reserve Unit.

BULLETIN BOARDS

ARTICLE XXII

Notices of Union meetings and recreational and/or social affairs may be posted on

specified bulletin boards provided by the Company. The material to be posted shall be signed by an appropriate Union officer and submitted to the Personnel Department for approval, prior to being posted. The Company shall keep such bulletin boards in good repair.

EFFECT OF LAW

ARTICLE XXIII

In the event any provision of this Agreement is found to conflict with any applicable State/Federal Law or regulation, that provision shall no longer be effective, but the remainder of this Agreement shall continue in full force and effect.

The parties will, upon request, promptly meet and negotiate concerning possible revisions resulting from one invalidation, but Article V, No Strike - No Lockout, shall remain in effect until termination.

Where the contract requires, the masculine gender shall include the feminine gender.

AMENDMENT

ARTICLE XXIV

This Agreement is complete in writing and excludes all matters from further negotiation for the duration of this Agreement, whether or not previously mentioned, except as specifically provided to the contrary herein. Further, this Agreement shall not be amended, changed, altered, or qualified, except by an instrument in writing duly signed by the parties signatory hereto.

This Agreement cancels and supersedes any and all previous practices, procedures or agreements, whether written or oral.

WAGES

ARTICLE XXV

The wage scales agreed upon the attached here to as Exhibit "B" shall remain in full force and effect during the term of this Agreement.

NON-DISCRIMINATION

ARTICLE XXVI

There shall be no discrimination against any bargaining unit employee on account of race, color, creed, sex, age, handicap, status as a veteran of the Vietnam era, or national origin. Any provision of this Agreement, practice, or custom to the contrary shall be null and void.

HEALTH AND SAFETY

ARTICLE XXVII

Section 1.

The Company agrees to maintain reasonable provision for the health and safety of all employees while working. The Union, all employees and the Company agree to cooperate on all matters pertaining to safety.

The parties will establish a Joint Plant Safety Committee for the purpose of improving the parties' effectiveness in accomplishing our mutual objective of eliminating occupational accidents and illnesses in the Plant. The representation on the committee shall not exceed six (6) members with an equal number of Company and Union members on that committee. Company representatives on the committee shall be selected by the Company and the Union representatives shall be selected by the Union. The committee will meet on a monthly basis and shall be responsible for recommending improvements regarding health and safety issues; designing programs and initiatives to correct/eliminate safety concerns; reviewing and recommending appropriate safety and health training for all employees; and reporting unresolved health and safety concerns to Glatfelter Vice President and General Manager and the Union Negotiating and Grievance Committee.

Section 2.

The Company will continue its employee safety committee program. These committees shall act in an advisory capacity and to the extent practical, they will be guided by the following principles:

- (a) Review data to indicate accident sources and injury rates.
- (b) Detect hazardous physical conditions and unsafe work methods and recommend changes or additions to protective equipment or devices for the elimination of hazards.
- (c) Promote safety and participate in advertising safety and in selling the safety program to employees.
- (d) Attend regularly scheduled meetings for the sole purpose of discussing accident prevention and developing corrective measures.
- (e) The Chairman of the Union Safety Committee or his/her representative shall be designated as a permanent member of the Company's Employee Safety Committee.

Section 3.

The Company will notify employees of appropriate plant safety committee vacancies on a semi-annual basis, accepting volunteers to fill such vacancies.

Section 4.

All employees will be given proper safety instructions. The employees are to comply with all safety rules as established by the Company and applicable State and Federal statutes.

Section 5.

The Company shall recognize the Union's Workers' Compensation Committee and will allow them access to the mill.

Section 6.

The Company shall recognize the Union Safety Committee and will allow the Committee access to the mill. Two (2) Safety Committee members assigned to accompany OSHA inspectors on inspection tours will be compensated for the time spent on these inspections.

Section 7.

Local 731 and Glatfelter are committed to implementing an observation based safety program which is intended to increase employee safety awareness, resulting in a safer work environment for all. This program is based upon observing work behaviors as well as the work environment and is not intended to be punitive in nature. A minimum of one (1) full time position within the bargaining unit will be established to coordinate the program and will be considered a “special assignment” for a term of 12 months which can be extended by mutual agreement.

INSURANCE AND RETIREMENT

ARTICLE XXVIII

Section 1. Insurance

The Company shall maintain for the duration of this Labor Agreement, the following Group Insurance Program:

A. BENEFIT LEVELS - LIFE, AD&D, A&S

1. Life Insurance effective:

Less than one (1) year's service	-	\$25,000
One (1) year of service or more	-	\$70,000
Supplemental Life Insurance Option	-	1x pay for up to 5x pay

(You are not required to participate in this benefit)

2. Dependent Life: *(You are not required to participate in this benefit)*

Dependent Life Options

	<u>Coverage Option</u>	<u>Employee Monthly Cost</u>
Spouse	\$8500	\$0.42
Child(ren) *	\$3500	\$0.08
Spouse /Child(ren) *	\$8500/\$3,500	\$0.50

*Child(ren) less than 6 months - \$500

*Child(ren) greater than 6 mos to age 19, or 25 if full-time student - \$3500

3. AD&D: **\$35,000**

There will be no additional AD&D options made available.

- 4. Accident and Sickness – Weekly Indemnity - **\$410 per week effective 10/26/09; \$420 per week effective 8/02/10 and \$430 per week effective 8/01/11.** This benefit is payable for total disability due to non-occupational sickness or accident. Benefits begin on the first day of disability due to accident and fourth day due to sickness. Sickness requiring in-patient hospital confinement of the employee will be paid from the first day. Payments are limited to twenty-six (26) weeks for any one disability.

B. BENEFIT LEVELS - HEALTH INSURANCE

The Company has offered a Health Care Plan for all bargaining unit employees in USW Local #731.

- 1. Co-Insurance will be 80% - 20% for in-network providers and 70% - 30% for out-of-network providers.
- 2. **60 days of health insurance at the employee rate will be offered to dependents of deceased employees**

Health Insurance

Effective 1/01/10	Effective 1/01/11	Effective 1/01/12
20%	20%	20%

Contribution Rate Cap:

	<u>Effective 1/01/10</u>	<u>Effective 1/01/11</u>	<u>Effective 1/01/12</u>
Single:	\$22.50/week	\$25/week	\$28/week
Family:	\$55/week	\$68/week	\$84/week

Plan Design Changes:

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Effective 1/01/10	Effective 1/01/11	Effective 1/01/12

Deductibles (in-network)	\$200-Individual \$375-Family	\$200-Individual \$375-Family	\$250-Individual \$500-Family
Deductibles (out-of-network)	\$375-I \$750-F	\$375-I \$750-F	\$500-I \$1000-F
Out-of -Pockets (In-network)	\$1500-I \$3000-F	\$1500-I \$3000-F	\$1500-I \$3000-F
Out-of-Pockets Out-of-Network	\$2000-I \$4000-F	\$2000-I \$4000-F	\$2000-I \$4000-F

The annual deductibles are not included in the annual out-of-pocket maximum for both in-network and out-of-network benefits.

The Company agrees to provide group insurance benefits as established pursuant to this Collective Bargaining Agreement. Summary Plan descriptions (SPDs) will be provided to summarize the main features of each plan. SPDs are not intended to be all-inclusive; therefore, full details of the Plans are contained in the official Plan text and insurance contracts which governs the operation of the Plans. SPDs will be provided as soon as administratively feasible, and in compliance with the Employee Retirement Income Security Act of 1974 (ERISA).

C. DENTAL PROGRAM

The Company will also offer a UCR Dental Plan including a \$1000 lifetime maximum per individual for orthodontics. The Schedule Dental Plan shall be fully paid for by the Company. Employees who elect the UCR Dental Plan will be required to pay the cost difference between the 13.0 Schedule Dental Plan and the UCR Dental Plan for employees and/or family coverage.

The reimbursement table for the 13.0 Schedule Dental Plan will increase by 30% effective February 1, 2010. This increase will remain effective for the term of the agreement.

For the UCR Dental Plan, the annual deductibles will increase from \$25 single/\$75 family to \$50 single/\$150 family effective February 1, 2010.

D. DEPENDENT COVERAGE

Your Eligible Dependents: Under Glatfelter's health and welfare plans, your spouse

is a covered dependent. Unmarried children are covered until age 19. In addition, unmarried children may be covered until they reach 25 years of age if they are full-time students, or if they are totally dependent upon you for your support *and* live with you, are not employed full-time, and are not covered under any other employer's group insurance or prepayment health care plan. Children must live with you in a regular parent-child relationship, including stepchildren, foster children, and other children who depend on you for support (within the meaning of the Internal Revenue Code of 1986, as amended). A grandchild may be a dependent only if the mother and father of the grandchild is neither living with you nor covered by you as an eligible dependent. If you are divorced, your child must either live with you in a regular parent-child relationship or you must provide one-half of the support for the child. For a disabled child, generally, coverage extends beyond age 19 if the child was covered before the age of 19 under this plan, or for new hires, under the group plan of the prior employer; is unmarried; maintains a legal residence with you; and is incapable of self-sustaining employment due to total or permanent physical or mental disability.

A divorced parent covered by Glatfelter health insurance who has a dependent child that meets the requirements of an eligible dependent as defined above may provide health insurance coverage for the dependent child as outlined in a "Qualified Medical Child Support Order". The dependent child does not have to live with the Glatfelter parent in a parent-child relationship to be an eligible dependent as long as a "Qualified Medical Child Support Order" is governing.

E. MAINTENANCE OF BENEFITS

Maintenance of Benefits replaced Coordination of Benefits.

F. DEFAULT COVERAGE

- Life **\$70,000**
- Health Care Plan
- Schedule Dental Care
- AD&D **\$35,000**
- A&S Coverage per the contract (not a Flexible Benefit Plan Option)

G. FLEXIBLE SPENDING ACCOUNT

The Company added a "pre-tax" flexible spending account to the flexible benefits program.

H. PRESCRIPTION DRUG PLAN

Prescription Drug Co-pays for Caremark Retail Program

Retail

Generic remains \$10

Mail Order (90-day supply)

Generic remains \$20

Formulary \$15 to \$20
Brand \$30 to \$35

Formulary \$30 to \$40
Brand \$60 to \$70

Prescription Drug Co-Pays at Glatfelter Family Medical Center

Retail

Generic remains \$5
Formulary \$10 to \$15
Brand \$15 to \$20

Mail Order (90-day supply)

Generic remains \$10
Formulary \$20 to \$30
Brand \$30 to \$40

I. EYECARE PROGRAM

The National Vision Administrators, LLC, (NVA) vision care program, was made available to all employees. (A flexible benefit option)

J. FAMILY STATUS CHANGE

Current tax law prevents you from changing your medical election during a calendar year, unless you have a qualified change in status. If your family status changes, you will be able to drop (opt out of coverage for you and your dependents) or add you and your dependents. However, you cannot switch plans. A change in family status includes:

- birth of a child;
- adoption of a child;
- your marriage;
- your divorce or legal separation;
- death of a dependent;
- change in your employment status; or
- changes in your spouse's health care coverage due to the start or end of his or her employment

WITHIN 30 DAYS of an event as described above, you should log on to the *Benefits website* or **call service center**. The change you want to make to your medical coverage must be consistent with your family status change. In order to opt out of coverage for yourself, you must show proof of other coverage. To opt in, you must show proof that you lost coverage.

The effective date of the change shall be the date of the event (i.e., date of marriage, date of birth of child, etc.)

Payroll deductions will end (opt out) or start (opt in) on the Monday following your notification (and submission of proof of other coverage, or loss of coverage).

Important: If you do not call within 30 days of your status change, you will have to wait until the next annual enrollment period to make a change or another qualifying life event.

K. ELIGIBILITY

For newly hired employees on and after 1/01/07, effective eligibility for benefit plans will begin thirty (30) days from the date of hire. This applies to medical, prescription, dental, FSA, vision and life insurance plans.

L. TERMINATION OF INSURANCE

1. Resignation or Discharge

Health Insurance will continue through the end of the month following termination in all situations. All other insurance shall cease on the date of termination of employment.

2. Armed Forces

Armed Forces Leave of Absence exceeding twenty-one (21) days, all coverage ceases on the date the leave begins, except Health Insurance continues to the end of the month.

3. Layoff

When an employee is laid off, all group insurance coverage (except accident and sickness – weekly indemnity) will continue at Company expense for three (3) months following the month of layoff. An employee will be permitted to continue the coverage at the group rate at his own expense for an additional four (4) months thereafter.

4. Personal Leave of Absence

If an employee is granted personal leave of absence, group insurance coverage (except accident and sickness - weekly indemnity) shall be continued, providing that the continuation shall not exceed thirty-one (31) days. (Health Insurance coverage shall continue until the end of the month during which the 31st day falls.) An employee will be permitted to continue the coverage at the group rate at his own expense for an additional three (3) months thereafter.

5. Leave of Absence Due to Sickness and Accident

Group insurance coverage shall be continued for such period as an employee is totally disabled due to sickness or accident provided that such continuation shall not exceed twelve (12) continuous months after which time another twelve (12) month period of coverage is provided with 50% of basic premium cost being paid from income from mill vending machines. Health Insurance will terminate at the end of the calendar month during which contributions were made. The above applies to persons who are considered to be in the employ of Glatfelter.

6. Leave of Absence Due to Industrial Injury

Group insurance coverage shall continue for such period as an employee is totally disabled due to industrial injury or illness for a period of one year from the date that the employee's disability commences. Then, for the duration of the disability, continue health insurance provided the employee pays 50% of the monthly premium.

7. Dependent insurance coverage will terminate on the same date that the employee's coverage terminates.

M. CERTIFICATES OF INSURANCE

Certificates of insurance from the carrier(s) selected by the Company or from the Company if it elects to self-insure shall be furnished to all eligible employees. (Should the Company elect to self-insure any part of its group insurance program, benefits described in this article will be maintained for the duration of the Labor Agreement.)

The certificates shall state all the terms and conditions of the group insurance coverage including Maintenance of Benefits. The rights, benefits, limitations and conditions of all eligible employees shall be governed by the certificates and the interpretation of this Article XXVIII, Section 1, shall in all respects be subordinate and subject to the terms and provision of the certificates.

Section 2. Retirement

- A. The Company agrees to maintain for the duration of this Agreement, the retirement plan as agreed upon with the Union. The terms and conditions of the agreed upon retirement plan are set forth in the document entitled the Glatfelter Retirement Plan for Hourly Employees of Printing & Carbonless Paper, Chillicothe, Ohio who are represented by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local Union No. 731.
- B. In those instances where the Company challenges an employees' initial or continuing claim for disability retirement benefits and requires a physical examination of the employee, the cost of such a physical will be borne by the Company.
- C. Effective **11/01/09** the pension benefit will be increased from **\$42.50 to \$43.50** per year of credited service.
- D. If an employee leaves Glatfelter after age 55 but before age 65, his/her benefit will be reduced as follows:

$$\text{If Age + Company Service} = \frac{\% \text{ Reduction for Each}}{\text{Year Before Age 65}}$$

Less than 88	5%
88 but less than 90	4%
90 but less than 92	3%
92 or more	2%

There is no reduction if the employee is at least age 62 and has 30 or more years of Company Service.

If the employee had a break in service before ERISA (1976), special rules may apply and not all past service can be counted as company service. The Benefits Office can provide more specific information.

- E. Effective 01/01/96, improve the eligibility for Disability Retirement from 15 years of credited service to 10 years of credited service.

Section 3. 401(k) Savings Plan

A 401(k) savings plan was installed for hourly employees. The plan included a "roll-over" provision and a loan provision.

Company match of \$0.50 up to employee's 3% contribution effective August 1, 2011. Contributions and match based on gross wages.

WORKFORCE FLEXIBILITY

ARTICLE XXIX

As a specialty paper operation, it is understood that workforce flexibility is necessary to meet our customers' needs. The Company and the Union have committed to work collaboratively to maintain the long term viability of the company by establishing a well trained, adaptable workforce. With the focus to support the corporate vision and values and taking the needs of the employee into consideration, this endeavor will allow the Company to turn future challenges into opportunities. This process will involve input from the employees who will potentially be impacted by any proposed change.

TERMINATION

ARTICLE XXX

This Agreement shall become effective **August 1, 2009** and shall remain in full force and effect until 12:01 A.M. on **August 1, 2012**, and it shall be self-renewing thereafter unless written notice is filed at least sixty (60) days prior to any subsequent August 1, by either party to the other, of their desire to amend, modify, change or terminate this Agreement.

At any time after the expiration date if no agreement on the question 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 the provisions of the Agreement shall remain in full force and effect until the specified time has elapsed. During the period, attempts to reach an agreement shall be continued, and there shall be no strike or lockouts.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives this _____ day of _____, 2009.

GLATFELTER
CHILLICOTHE, OHIO

UNITED STEELWORKERS-USW
AFL-CIO-CLC

John R. Blind
Vice President-Printing & Carb Papers

Leo W. Gerard
International President

Victoria A. Schafer
Director Human Resources

Stan W. Johnson
International Secretary-Treasurer

Perry R. Hall
HR/Labor Relations Program Manager

Tom Conway
Int'l Vice President Administration

Mitzi L. Anderson
Senior Human Resources Manager

Fred Redmond
Int'l Vice President Human Affairs

Phillip P. Pack
Director Papermaking Operations

David R. McCall,
District 1 Director

Eric M. Wood
Director Maintenance

Dave McLean
Sub Director

Robert P Reder, Jr.
Division Controller

Randy Basham
Staff Representative

Jeffrey J Allen
USW Local 731, President

Fred C Caressi
USW Local 731, Vice President

Howard E Beatty, Jr.
USW Local 731, Chief Steward

Brian E. Knight
USW Local 731, Negotiating Committee

Mark A Metzger
USW Local 731, Negotiating Committee

Brian J. Knight
USW Local 731, Negotiating Committee

Mark S Smith
USW Local 731, Negotiating Committee

EXHIBIT "A"
COMPANY RULES

The reason for setting forth Company Rules is to provide a guide to employees so that their actions will not interfere with orderly and proper operations.

The purpose of disciplinary action is not to punish, but to discourage repetition of misbehavior of the offender or by another following his example. Since the violations of some rules are more serious than the violation of others, the rules have been divided into groups, governed by the seriousness of the offense. The employee shall be informed of action taken by the Company as a result of violation of these rules within five (5) employee working days after the violation is known by the Company.

An employee who works twelve (12) months from the last violation of any rule in Groups I, IA, IB and II shall have all previous violations of any rules disregarded for purposes of progressive discipline.

Rule infractions within each group will be considered collectively in terms of progressive discipline under Exhibit "A".

It is understood that any discipline given an employee under the prior Company Rules will not serve as a basis for progressive discipline under the new Company Rules.

The following violations of Company standards of conduct, not excluding others, shall receive disciplinary action as indicated:

GROUP I

<i>1st Offense</i>	-	<i>Verbal Warning</i>
<i>2nd Offense</i>	-	<i>Instruction and Cautioning</i>
<i>3rd Offense</i>	-	<i>5 Working Days Suspension</i>
<i>4th Offense</i>	-	<i>Discharge</i>

1. Inefficiency or lack of application on the job.
2. Loafing during working hours.
3. Failure to report to superior an accident or injury.

4. Engaging in any unauthorized activity, including solicitation, during working hours that is not closely related to or a part of the employee's regular job. The privilege of soliciting shall not be unduly withheld. This is not to be construed to prohibit lawful activity permitted under the National Labor Relations Act.
5. Throwing objects out of windows or off the roofs.
6. Failure to use safety equipment or comply with safety rules.
7. Failure to properly notify the Company when absent from work.
8. Failure to give satisfactory reason for being absent from work.
9. Smoking in non-designated areas.
10. Incident involving minor property damage.

GROUP IA

<i>1st Offense</i>	-	<i>Verbal Warning</i>
<i>2nd Offense</i>	-	<i>Instruction and Cautioning</i>
<i>3rd Offense</i>	-	<i>5 Working Days Suspension</i>
<i>4th Offense</i>	-	<i>Discharge</i>

1. Habitual Tardiness
2. Chronic Absenteeism

Each month of perfect attendance will erase the oldest active incidence of chronic absenteeism in any employee's record except that any discipline in place during a twelve (12) month period will be considered for the purpose of progressive discipline under the terms of Exhibit "A".

GROUP IB

1st Offense - *Verbal Warning*
2nd Offense - *Instruction and Cautioning*
3rd Offense - *5 Working Days Suspension*
4th Offense - *Discharge*

1. Violation of parking or traffic regulations on Company property.

GROUP II

1st Offense - *5 Working Days Suspension*
2nd Offense - *30 Working Days Suspension*
3rd Offense - *Discharge*

1. Posting, distribution or circulation of unauthorized notices, posters, and placards in working areas of the mill. This is not to be construed to prohibit lawful activity permitted under the National Labor Relations Act.
2. Dishonest.
3. Gambling on Company property.
4. Leaving job during working hours without authorized permission except to perform activities closely related to the employee's job or in the event of an emergency.
5. Operation of machines, tools, or equipment to which an employee has not been specifically assigned by an accredited supervisor.
6. Unnecessary waste of materials, supplies, etc.
7. Conduct which endangers employees or results in damage to Company property.
8. Reporting for duty while under the influence of liquor or narcotics.
9. Obtaining materials or tools at storehouses or other assigned places on fraudulent orders or misrepresentation.
10. Defacing bulletin boards or material thereon.

11. Coercing, inciting, bribing or otherwise inducing employees to engage in any practice in violation of Company rules.
12. Creating or contributing to unsanitary conditions.
13. Gross negligence resulting in serious injury to another employee.
14. Horseplay, including misuse, hiding or destruction of materials of an employee or the Company.
15. Deliberate falsification of reports or tampering with Company records.

GROUP III

1st Offense - Discharge

1. Unauthorized possession of explosives or concealed firearms on Company premises.
2. The giving or taking of a bribe of any nature as an inducement to obtain or retain a position.
3. Sabotage, causing damage or destruction to tools, machinery, equipment, product or other property belonging to the Company or to fellow workers.
4. Willful waste of materials, supplies, etc.
5. Stealing any property of other employees or of the Company.
6. Immoral conduct on Company property.
7. Any employee determined to be the aggressor in a fight on Company property.
8. Insubordination (refusal to perform service connected with the efficient operation of the plant as required by a superior, or refusal to obey any reasonable order given by a superior.)

9. Intentionally punching, signing or recording the time of another employee.
10. Taking photographs or making sketches or written descriptions of any Company property or products without permission of a supervisor.
11. Refusal to submit packages, parcels, or lunch boxes for inspection by plant police when entering or leaving plant premises.
12. Willful sleeping on the job.
13. Leaving plant premises during working hours without permission.
14. Bringing, possessing or using liquor or narcotics in/on plant premises.