

2008 - 2012
Labour Agreement

between

Eurocan Pulp & Paper Co.

A Division of West Fraser Mills Ltd.

Kitimat, B.C.



and

Local 298

of the

**Communications, Energy and
Paperworkers Union of Canada**



LABOUR AGREEMENT

between

Eurocan Pulp & Paper Co.
A Division of West Fraser Mills Ltd.

and

**Local 298
of the
Communications, Energy and Paperworkers
Union of Canada**

**Effective: May 1, 2008
Expiry: April 30, 2012**

**In this Labour Agreement the Employer is referred to as
"The Company", and the Local Union as "The Union".**

LABOUR AGREEMENT

2008 - 2012

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AGREEMENT

ARTICLE I - GENERAL

Section 1: Purpose

The general purpose of this Agreement is, in the mutual interest of the employer and employee, to provide for the operation of the Plant hereinafter mentioned under methods which will further, to the fullest extent possible, the safety and physical welfare 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 Union to cooperate fully for the advancement of said conditions.

The Company and Union recognize their respective obligations and responsibilities to provide a work environment free from sexual and personal harassment.

Section 2: Mutual Responsibilities

It is recognized by this Agreement to be the duty of the Company to explain fully the terms of this Agreement to all its officers, supervisors and others engaged in a supervisory capacity and it is recognized to be the duty of the Union to explain fully to its members, its and their responsibilities and obligations under this Agreement.

Section 3: No Interruption of Work

It is agreed by the Union that there shall be no strikes, walkouts or other interruption of work during the period of this Agreement. It is agreed by the Company that there shall be no lockouts during the period of this Agreement.

Section 4: Human Rights

The Company and Union subscribe to and support the principles of the Human Rights Code of British Columbia, Section 13 of which reads as follows:

- (1) A person must not
 - (a) refuse to employ or refuse to continue to employ a person, or
 - (b) discriminate against a person regarding employment or any term or condition of employment because of the race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sex, sexual orientation or age of that person or because that person has been convicted of a criminal or summary conviction offence that is unrelated to the employment or to the intended employment of that person.
- (2) An employment agency must not refuse to refer a person for employment for any reason mentioned in subsection (1).
- (3) Subsection (1) does not apply
 - (a) as it related to age, to a bona fide scheme based on seniority, or
 - (b) as it related to marital status, physical or mental disability, sex or age, to the operation of a bona fide retirement, superannuation or pension plan or to a bona fide group or employee insurance plan.
- (4) Subsection (1) and (2) do not apply with respect to a refusal, limitation, specification or preference based on a bona fide occupational requirement.

Section 5: Successorship

In the event of a change in employer status, members of Local 298 will retain all of their rights under the Collective Agreement.

ARTICLE II - DEFINITIONS

Wherever used in this Agreement, including Exhibits:

(a) The word EMPLOYEES means all persons on the payroll of Eurocan Pulp & Paper Co., excepting: those engaged in administration, in actual supervision, in sales, engineering, technical and research, accounting, clerical, stenographic and other office work, excluding those employed on jobs listed in Exhibit "A".

A complete list of the job categories and rates of the EMPLOYEES under this Agreement is attached hereto as Exhibit "A".

(b) The words TOUR WORKERS mean employees when engaged in operations scheduled in advance for at least twenty-four (24) hours continuous running; it being understood, however, that if a Tour Worker is temporarily assigned to work not connected with the continuous operation on which he is usually employed, his status as to tour or day work during such temporary assignment is determined by the nature of such assignment. All other employees are considered Day Workers.

(c) The word DAY means a period of twenty-four (24) hours beginning at 8:00 a.m. or at the regular hour of changing shifts nearest to 8:00 a.m., in the particular mill.

(d) The word WEEK means a period of seven (7) calendar days beginning at 8:00 a.m., or at the regular hour of changing shifts nearest to 8:00 a.m., on the day on which the actual work week begins in the particular mill.

(e) GRIEVANCE, DISPUTE or COMPLAINT means any difference between the persons bound by this Agreement concerning its interpretation, application, operation, or any alleged violation thereof, and PARTY means either one of the parties to this Agreement.

ARTICLE III - BARGAINING AGENCY

Section 1: Recognition

The Company recognizes the Communications, Energy and Paperworkers Union and the Union as the only agencies representing all employees as defined in this Agreement for the purpose of collective bargaining.

Section 2: Bulletin Boards

The Company shall supply adequately enclosed official bulletin boards for the use of the Union in posting of officially signed bulletins.

ARTICLE IV - UNION SECURITY

Section 1: Cooperation

The Company will cooperate with the Union in obtaining and retaining as members the employees as defined in this Agreement, and to this end will present to new employees and to all supervisors the policy herein expressed.

Any new employee shall be introduced to the Shop Steward by his supervisor within three (3) days of starting work.

Section 2: Union Shop

All employees in the employment of the Company shall, as a condition of continued employment, maintain membership in good standing in the Union. New employees shall, as a condition of continued employment, become members of the Union thirty (30) days after becoming employed by the Company.

Section 3: Discharge of Non-Members

Any employee who fails to maintain his membership in good standing in the Union shall be discharged after seven (7) days written notice to the Company by the Union of the employee's failure to maintain his membership in good standing.

Section 4: Application for Membership

No employee shall be subject to any penalties against his application for membership or reinstatement, except as may be provided for in the Constitution and By-Laws of the National Union and the Union. A copy of such Constitution and By-Laws, and any changes thereto, shall be transmitted to the Company.

Section 5: Union Dues Deduction

The Company will deduct union dues from new employees who have worked a minimum of forty (40) hours.

ARTICLE V - STANDING COMMITTEE

A Standing Committee shall be maintained in the following manner:

- 1) The Mill Manager shall appoint a Company Standing Committee of three (3) individuals which shall represent the Company.

- 2) The Union shall select from its membership a Union Standing Committee of three (3) which shall represent the Union for the purposes stated in this Agreement.

ARTICLE VI - HOURS OF WORK

Section 1: Basic Work Week

Both parties to this Agreement are committed to maintain the principle of a basic work week of forty (40) hours, but agree that additional time may be worked to permit operation or protection of the Mill when paid for as shown in Section 2 herein.

Section 2: Overtime

Overtime at the rate of time and one-half will be paid on the following bases:

(1) Day Workers

- (a) For all work performed on Sunday (8:00 a.m. Sunday to 8:00 a.m. Monday) and on holidays as specified in Article XVII of this Agreement.
- (b) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive straight time hours.
- (c) For work performed on an employee's designated day off as provided for in Section 3 herein.
- (d) For work in excess of forty (40) hours average per week. By average is meant the number of weeks mutually agreed upon in advance as the correct schedule.
- (e) The Company agrees that employees may carry over Sunday Letter and Statutory Holiday time earned when sufficient straight time hours are unavailable that week. The hours may be carried over after the week in which they are earned provided a regular work schedule is being followed.

(2) Tour Workers

(a) For all work performed on Sunday (8:00 a.m. Sunday to 8:00 a.m. Monday) and on holidays as specified in Article XVII of this Agreement.

(b) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive hours except:

(i) when such work in excess of eight (8) hours is caused by the change of shifts,

(ii) overtime work by special arrangement between a Tour Worker and his mate to exchange shifts with the approval of his Supervisor, and when this can be accomplished without additional cost or penalty to the Company.

(c) For work in excess of forty (40) hours average per week. By average is meant the number of weeks mutually agreed upon in advance as the correct schedule.

(d) For work performed on an employee's designated day off as provided for in Section 3 herein.

In the payment of overtime on the bases provided above, the one basis which results in the payment of the largest amount of overtime shall be used.

(e) The Company agrees that employees may carry over Sunday Letter and Statutory Holiday time earned when sufficient straight time hours are unavailable that week. The hours may be carried over after the week in which they are earned provided a regular work schedule is being followed.

(3) Banking of Overtime

(i) Tour Workers who work in excess of eight (8) consecutive hours shall have the option of receiving the overtime premium on the basis of this Section or of receiving straight time for hours in excess of eight (8) consecutive hours and taking equivalent time off in units of not less than four (4) hours at the hourly rate for the job when the work was performed, at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for purposes of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it is earned, the Company shall pay the deferred one-half premium pay. Tour Workers who choose to bank overtime may later re-elect to receive the deferred one-half premium pay.

(ii) Day Workers who work in excess of ten (10) hours in a day shall have the option of receiving the overtime premium on the basis of this Section or of receiving straight time for hours in excess of ten (10) hours in a day and taking equivalent time off in units of not less than four (4) hours at the hourly rate for the job when the work was performed, at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for purposes of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it is earned, the Company shall pay the deferred one-half premium pay. Day Workers who choose to bank overtime may later re-elect to receive the deferred one-half premium pay.

(iii) When the banked time off is requested in writing seven (7) days in advance, employees shall receive written notice

of the disposition of their request a minimum of seventy-two (72) hours prior to the requested time off. The payment of overtime shall not be a factor in canceling approved time off.

Section 3: Days Off and Schedule of Shifts

(a) The Company will designate regular periodic days off for each regular employee and will not change such designation without notice except in the case of breakdown.

In the event the day or days off are changed to follow the original designated day or days off, then forty-eight (48) hours notice will be given in advance of the original day or days off. In the event the day or days off are changed to precede the original designated day or days off, then forty (40) hours notice must be given in advance of the new day or days off.

When sufficient notice is not given prior to the initial day or days off, then overtime will be paid for work performed on the original day or days off.

The employees may change their day or days off by mutual arrangement with the supervisor and the Shop Steward of the department concerned without penalty to the employer.

(b) Where a system of days off is now in effect, same shall remain in effect as long as mutually satisfactory to the Union and the Company, it being understood that this has reference to a mill system of days off and not to the individual employee's days off.

(c) When the Company changes an employee's shift schedule after the start of the week without notification being given during the first eight (8) hours of his last shift preceding the new shift, the employee shall receive two (2) hours penalty payment at the straight time day rate for the first shift worked resulting from the change.

If the change in shifts during the week is temporary, the penalty payment is not payable for the second change in shifts

when the employee returns to his previously established shift schedule.

When an employee's established shift schedule is changed, the Company will, whenever practicable, notify the employee personally of the change.

(d) Where an employee is temporarily off work because of a shutdown of his job, department or plant of more than ten (10) days duration, the employee's regular schedule of hours per day and days per week, including his starting time and designated days off, shall, commencing with the eleventh (11th) day of such shutdown, be considered as having been suspended and shall not be in effect for the balance of said shutdown.

Call Time shall not be payable for assignments to extra work during such latter period or for assignments in connection with the resumption of operation of the job.

The ten (10) day period referred to above shall be exclusive of any recognized paid Statutory Holidays which may fall therein.

(e) The Company will cooperate with any day worker called in after twelve midnight to ensure that this work does not preclude him working his regular eight (8) hour shift the following day. This may be accomplished by altering the hours of work to the mutual satisfaction of the employee and his supervisor. No penalty shall apply to the Company as a result of such an arrangement.

(f) Relief employees, employed to provide relief of employees who follow regular schedules, will be scheduled when required for coverage. The Company will designate regular, periodic days off for all other employees and will not change such designation without notice except in the case of breakdown.

The Company shall use its best efforts:

- (i) to schedule days off for relief employees on a consecutive basis; and
- (ii) to provide established schedules for relief employees.

Section 4: Starting and Stopping Work

(a) Tour Workers

When a tour begins, each Tour Worker is required to be in his place. At the end of a shift no Tour Worker shall leave his place to wash up and dress until his mate has changed his clothes and reported to take on responsibility of the position.

If a Tour Worker does not report for his regular shift, his mate shall notify the Supervisor. He shall remain at his post until a substitute is secured, and, if necessary, he shall work an extra four (4) hours. If work in excess of twelve (12) hours is required by refusal of a mate to report in, or when no other qualified relief is available, then the employee shall complete the extra shift. It is the duty of a Tour Worker to report for his regular shift, unless he has already arranged with his Supervisor for a leave of absence. If unavoidably prevented from reporting, he must give notice to his Supervisor, or at the office, if reasonably possible, at least four (4) hours before his tour goes on duty.

(b) Day Workers

Day Workers shall be at their respective posts ready to begin work at the time their pay starts and shall not quit work in advance of the time their pay stops. For example, if a Mechanic's pay time is from 8:00 a.m. to 12:00 noon, and from 1:00 p.m. to 5:00 p.m., he shall be at his post ready to work at 8:00 a.m. and 1:00 p.m. and shall not quit work until 12:00 noon and 5:00 p.m.

Section 5: Meal Tickets

(a) Tour Workers

A meal ticket, shall be furnished at the expense of the Company to any Tour Worker required to work more than one (1) consecutive hour beyond their regular scheduled shift. If the employee continues to work, a meal ticket shall be provided every four (4) hours thereafter.

(b) Day Workers

Any Day Worker required to work more than one (1) hour beyond the end of their regular scheduled eight (8) hour shift, shall be furnished a meal ticket at the expense of the Company. If the employee continues to work, a meal ticket shall be provided every four (4) hours thereafter.

(c) All Workers

Any employee called in for an emergency before their shift commences, without time to arrange for their normal lunch or meal, will be given meal tickets at the usual meal hours.

ARTICLE VII - WAGES

Section 1: Wage Scale

The wage scale for the term of this Agreement is attached as Exhibit "A" and forms part of this Collective Agreement. Any new job rate will become part of Exhibit "A".

Section 2: Night Shift Differential

(a) Tour Workers

- i) Tour workers following compressed work week schedules shall be paid the following shift differential in addition to the hourly rate for all work performed as follows:

| | (% of Base Rate) |
|------------------------|------------------|
| 8:00 a.m. to 8:00 p.m. | 2.50% |
| 8:00 p.m. to 8:00 a.m. | 4.25% |

- ii) Where tour work is scheduled 8-4, 4-12 and 12-8, the following shift differentials will be paid in addition to the hourly rate on all work performed:

| | 2000 (% of Base Rate) |
|-------------------------|-----------------------|
| 8:00 a.m. to 4:00 p.m. | 2.00% |
| 4:00 p.m. to 12:00 a.m. | 3.55% |
| 12:00 a.m. to 8:00 a.m. | 4.50% |

- iii)Tour Workers not employed on a 20 or 21 shifts per week schedule:

| | 2000 (% of Base Rate) |
|-------------------------|-----------------------|
| 4:00 p.m. to 12:00 a.m. | 2.25% |
| 12:00 a.m. to 8:00 a.m. | 3.25% |

(b) Day Workers

Day Workers scheduled in advance to work on other than their normal day shift will receive shift differential in addition to the hourly rate for all work performed as follows:

| | 2000 (% of Base rate) |
|-------------------------|-----------------------|
| 4:00 p.m. to 12:00 a.m. | 2.25% |
| 12:00 a.m. to 8:00 a.m. | 3.25% |

Note: Day Workers normally scheduled in excess of 8 hours in a day will receive the appropriate shift differential for all hours in excess of eight (8) hours as outlined above.

(c) All Employees

The Company shall not include the shift differential in any employee's wage rate for the calculation of overtime.

ARTICLE VIII - JOB EVALUATION PLAN

It is agreed that there shall be a Job Evaluation Plan the provisions of which are set forth in Exhibit "B" which is attached hereto and forms part of this Agreement.

It is understood that the Job Evaluation Plan shall not be subject to the grievance procedure as set forth in Article XXXI, Adjustment of Complaints. Any dispute which may arise thereunder shall be dealt with as provided in the Job Evaluation Plan.

ARTICLE IX - ALLOWANCE FOR FAILURE TO PROVIDE WORK

Section 1: No Work

In case any employee reports for his regular scheduled shift having been ordered to report for such work and then no work is provided, he shall nevertheless receive two (2) hours pay for so reporting.

Section 2: Where Shift Commenced

In any case where an employee has commenced his regular scheduled shift, he shall receive a minimum of four (4) hours pay except in cases of accident, breakdown, interruption of power, acts of God, or to cases of Call Time as provided in Article X hereof. In cases of accident, breakdown, interruption of power or acts of God, the employee shall receive a minimum of two (2) hours pay.

ARTICLE X - CALL TIME

Section 1: Qualifying Conditions

An employee shall receive two (2) hours Call Time at the straight time rate in addition to pay for time actually worked under the following conditions:

(a) **Call to work following a shift**

When required to report for work after completing his designated shift.

(b) **Call to work on a designated day off**

When required to report for work on a designated day off.

(c) **Statutory Holiday Work**

For any work performed on a holiday as specified in Article XVII.

(d) **Assignment of work not connected with the initial call-in**

When a day worker is required to report for work in accordance with (a), (b) or (c) above, he shall receive one (1) additional Call Time payment if the initial call-in was to perform emergency work and he is then required to perform work other than that which necessitated the call-in.

Section 2: Payment

(a) The employee shall receive a minimum payment of four (4) straight time hours pay including payment for Call Time and time worked, but not the payment provided in Section 1(d).

(b) Not more than one (1) basis shall be used to cover the same period of work except as provided in Section 1(d).

(c) The Call Time payment will not be added to or paid in lieu of allowances payable under Articles VI, IX and XI.

ARTICLE XI - FOURDRINIER WIRE ALLOWANCE

Tour Workers called to put on Fourdrinier Wires at a time other than their regular tour and are dismissed before their tour is scheduled to begin shall be paid for the time worked plus three (3) hours but not less than a total of six (6) hours on any one wire.

If tour workers are called to put on a Fourdrinier Wire before their shift is scheduled to begin and work through into their regular shift they shall be paid for the time worked plus three (3) hours. If tour workers are asked to remain after their shift is scheduled to end, to put on a Fourdrinier Wire, they shall be paid for the time worked plus three (3) hours.

The above shall also apply to tour workers when working on machines other than their own.

In cases where more than one machine is involved, the above allowance shall be paid for each machine.

Tour workers asked to assist to put a Fourdrinier Wire on a machine other than their own during their regular shift, shall receive three (3) hours extra time, but in no case shall more than three (3) hours extra time be allowed.

ARTICLE XII - JURY DUTY

Section 1: Wage Compensation

Any regular full-time employee who is required to report for Jury Selection, Jury Duty, Coroner's Inquest or who is subpoenaed to serve as a witness in a court action, save and except actions involving the Company or Trade Unions, unless subpoenaed by the Crown, on a day when he would normally have worked, will be reimbursed by the Company for the difference between the pay received in such duty and his regular

straight time hourly rate of pay for his regularly scheduled hours of work necessarily lost. It is understood that employees will be reimbursed by the Company for the difference between the pay received for such duty and his straight time rate of pay for his regularly scheduled hours of work in that week. The employee will be required to furnish proof of performing such service and such duty pay received.

Section 2: Holidays and Overtime

Hours paid for such duty will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays, but will not be counted for hours worked for the purpose of computing overtime.

ARTICLE XIII - BEREAVEMENT LEAVE

Section 1: Compensation

When death occurs to a member of a regular full-time employee's immediate family, the employee will be granted an appropriate leave of absence and he shall be compensated at his regular straight time hourly rate for hours lost from his regular schedule for a maximum of three (3) days.

Section 2: Definition of Family

Members of the employee's immediate family are defined as the employee's spouse, mother, father, brothers, sisters, sons, daughters, stepchildren, mother-in-law, father-in-law, sons-in-law, daughters-in-law, stepparents, grandparents and grandchildren.

Section 3: Effect on Vacation Entitlement

Compensable hours under the terms of this Article will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays, but will not be counted as hours worked for the purpose of computing overtime.

ARTICLE XIV - LEAVE OF ABSENCE

Section 1: Union and Public Office

The Company agrees that it is proper to grant leave to employees who have been elected or appointed to office in the Union, or who have been nominated, elected or appointed to Federal, Provincial, Municipal or Aboriginal office. However, it is not the intention of the Company to grant lifetime leaves of absence.

An employee appointed or elected to full-time office in his Union, or to Federal, Provincial, Municipal or Aboriginal office, shall be granted as much leave as is necessary during the term of such office.

Seniority shall accumulate during the period of an employee's leave of absence.

Section 2: Maternity Leave

The Company will grant extended maternity leave without pay to female employees to a maximum of six (6) weeks in excess of that provided in the Employment Standards Act where there is a valid and documented medical reason applicable to the health or well-being of the mother and/or child.

Section 3: Other Leave

Granting of leave is a matter between the employees and the mill management. The Company will consider length of service and will endeavour to arrange leave of absence to suit the employee's wishes. Employees with ten or more years service will be given special consideration.

ARTICLE XV - VACATIONS

Section 1: Entitlement

Effective May 1, 1997, Subject to the requirements of this Article, every employee is entitled to a vacation and vacation pay as follows:

| | Length of Vacation | Vacation Pay, being the greater of: | |
|---|--|--|---|
| An employee who is on the payroll on May 1st, who has been continuously employed during the qualifying period, and who has: | 1/4 day for each full week of actual work performed during the preceding vacation period provided no vacation of less than one day will be granted | % of the total wages earned by the employee during the preceding vacation period | or hours pay at the hourly rate of the employee's regular job. |
| (A) been employed for less than one year and does not qualify under (B) below; | 1/4 day for each full week of actual work performed during the preceding vacation period provided no vacation of less than one day will be granted | 4-1/2% | or NIL hours |

| | Length of Vacation | Vacation Pay, being the greater of: |
|---|-----------------------|---|
| <p>B) been employed for less than one year but has worked not less than 1500 hours during the preceding vacation period</p> <p>or</p> <p>been employed for not less than one year and who has worked not less than 1200 hours during the preceding vacation period. The following hours will count as hours worked for the purpose of qualifying for a vacation: Vacations; Supplementary Vacations; Statutory Holidays; Special (Personal) Floating Holidays; Jury or Witness Duty; Bereavement Leave; Contractual Steam Plant, Apprenticeship and First Aid Leaves; Banked Days Off and Days Off in lieu of work performed on a Statutory Holiday;</p> | 2 weeks | <p>4 1/2 %</p> <p>or</p> <p>80 hours</p> |

| | Length of Vacation | Vacation Pay, being the greater of: |
|---|-----------------------|--|
| (C) qualified for their 2nd vacation under this Agreement; | 3 weeks | 6 1/2% <i>or</i> 120 hours |
| (D) qualified for their 7th vacation under this Agreement; | 4 weeks | 8 1/2% <i>or</i> 160 hours |
| (E) qualified for their 14th vacation under this Agreement; | 5 weeks | 10 1/2% <i>or</i> 200 hours |
| (F) qualified for their 23rd vacation under this Agreement; | 6 weeks | 12 1/2% <i>or</i> 240 hours |
| (G) qualified for their 29th vacation under this Agreement. | 7 weeks | 14 1/2% <i>or</i> 280 hours |

Section 2: Additional Pay

In addition to the vacation pay to which an employee is entitled under Section 1 above, each employee shall, on qualifying for vacation under categories (B), (C), (D), (E), (F) or (G) above, be entitled to an additional amount of vacation pay equivalent to ten (10) hours pay at the hourly rate of the employee's regular job in respect of the first week of vacation.

Section 3: Payment on Termination

In the event an employee's employment terminates either before he becomes entitled to a vacation with pay, or, being entitled to it, before he takes it, he shall be paid on termination, 4-1/2%, 6-1/2%, 8-1/2%, 10-1/2%, 12-1/2% or 14-1/2% (depending on whether he belongs in the category of employees described in (A) or (B), (C), (D), (E), (F) or (G) above respectively) of his

wages earned during the period of employment ending with his termination in respect of which no vacation or vacation pay to which he remains entitled has been paid or taken.

Section 4: General Rules

- (a) The vacation period is May 1 to April 30.
- (b) Vacations with pay provided in accordance with Section 1 above for employees in category (A) may not be counted when determining whether an employee has qualified for the vacations provided under Section 1 for employees in categories (C), (D), (E), (F) or (G).
- (c) Vacations with pay are not cumulative and must be taken during the vacation period except as provided as follows:
 - 1) Vacations earned under Section 4(d).
 - 2) (i) At the start of the vacation year, employees may elect to receive all, part or none of their vacation pay in advance in full weekly increments.
 - (ii) Employees shall have the option at any time during the vacation year to bank paid vacation entitlement in excess of the statutory minimum to a maximum of two (2) weeks per year for which the vacation pay advance has not been paid. Employees may accumulate a maximum of six (6) weeks vacation in the bank.
 - (iii) Banked vacations must be taken prior to retirement and will be paid at the employee's current rate of vacation pay at the time when taking the banked vacation time off.
- (d) A vacation with pay provided under Section 1 for employees in category (A) may be taken during the vacation period in which the entitlement thereto is established, or during the next following vacation period.

(e) No employee may continue to work and draw vacation pay in lieu of taking the vacation.

(f) The allocation of vacation times is to be decided by the Company. However, the Company will endeavour by discussion with the employees or the Union, to arrange vacations to suit the employee's wishes.

(g) Time lost as a result of an accident recognized as compensable by the Workers' Compensation Board, suffered during the course of employment with the Company, shall be considered as time worked for the purpose of calculating entitlement upon return to work.

(h) Time not exceeding one year, lost as the result of a non-occupational accident, illness or approved maternity leave, shall be considered as time worked for the purpose of qualifying for vacation provided at the time of the accident or illness or commencement of maternity leave, the employee has been on the payroll for not less than one (1) year and returns to employment. It is understood that the employer may require that the employee provide a certificate from a qualified medical practitioner. Time exceeding (1) year shall be recognized as uninterrupted service for the purpose of establishing vacation time off, upon return to work.

(i) Time lost as the result of layoff shall not be considered as time worked for the purpose of qualifying for a vacation.

(j) When operating conditions permit, the Company agrees in principle to granting two (2) days leave of absence to allow shift workers on a seven (7) day schedule a full seven (7) day tour off, for one (1) week's vacation - five (5) days with pay and two (2) without pay.

Due to mill start-ups, training and various operating schedules and practices involved, details should be resolved between the Company and the Union.

(k) For the purpose of vacation, an employee will be considered on vacation for the actual days booked off. Additionally, the employee’s regular scheduled days off following their vacation days booked off will also be considered part of that vacation period.

Section 5: Computation of Vacation Pay

Where an employee's vacation pay for the current year is to be computed as a percentage of his "total wages earned" in the previous year, such "total wages earned" shall include the amount of vacation pay the employee received in the previous year.

**ARTICLE XVI - SUPPLEMENTARY
VACATIONS**

Section 1: Eligibility

(a) After completing five (5) or more years of continuous service with the Company, an employee shall, in addition to the regular vacation to which he is entitled, become eligible to receive a Supplementary Vacation with pay each five (5) years as set forth below:

| Years of Completed Continuous Service | Weeks of Supplementary Vacation |
|--|--|
| After Five (5) | One (1) |
| After Ten (10) | Two (2) |
| After Fifteen (15) | Two (2) |
| After Twenty (20) | Three (3) |
| After Twenty-Five (25) | Three (3) |

| Years of Completed Continuous Service | Weeks of Supplementary Vacation |
|--|--|
| After Thirty (30) | Four (4) |
| After Thirty-Five (35) | Four (4) |
| After Forty (40) | Five (5) |

(b) For the purpose of determining eligibility for Supplementary Vacation, an employee's service shall be calculated from the date of his joining the Company.

Section 2: General Provisions

(a) The Supplementary Vacation may be taken in conjunction with the regular vacation to which the employee is entitled provided such regular vacation is not scheduled to be taken during the months of July or August, in which event the Supplementary Vacation shall be taken at a time to be agreed upon by the Company and the employee.

(b) The Supplementary Vacation must be taken prior to the employee becoming eligible for his next earned period of Supplementary Vacation as provided for in Section 1(a) above.

(c) One (1) weeks Supplementary Vacation pay shall be equal to forty (40) hours at the straight time hourly rate of the employee's regular job.

(d) An employee may elect to take his Supplementary Vacation one day at a time according to the following schedule:

| | | |
|------------------------|----|-------------------------|
| After 5 years service | -- | one (1) day per year |
| After 10 years service | -- | two (2) days per year |
| After 15 years service | -- | two (2) days per year |
| After 20 years service | -- | three (3) days per year |
| After 25 years service | -- | three (3) days per year |

| | | |
|------------------------|----|------------------------|
| After 30 years service | -- | four (4) days per year |
| After 35 years service | -- | four (4) days per year |
| After 40 years service | -- | five (5) days per year |

If employees wish to elect this option, they must advise the Company, in writing, of their election in advance for that five (5) year period. However, employees may revoke this option at any time during the five (5) year period and take any remaining Supplementary Vacation days as weeks. Any remaining Supplementary Vacation days that cannot be taken in multiples of five (5) will be taken in one block.

Section 3: Partial Entitlement

At retirement or termination from the Company an employee who has completed five (5) or more years of service shall be entitled to that portion of Supplementary Vacation Pay proportionate to the number of years of service completed subsequent to his last five (5) year entitlement period.

ARTICLE XVII - STATUTORY HOLIDAYS

Section 1: Recognized Days

The following shall be the recognized Statutory Holidays:

| | |
|----------------|--|
| New Year's Day | 40 hours, 4:00 p.m. December 31 to 8:00 a.m. January 2 |
| Good Friday | 24 hours, 8:00 a.m. Friday to 8:00 a.m. Saturday |
| Canada Day | 24 hours, 8:00 a.m. July 1 to 8:00 a.m. July 2 |
| Labour Day | 24 hours, 8:00 a.m. Monday to 8:00 a.m. Tuesday |
| Christmas Eve | 24 hours, 8:00 a.m. December 24 to 8:00 a.m. December 25 |
| Christmas Day | 24 hours, 8:00 a.m. December 25 to 8:00 a.m. December 26 |

| | |
|------------|--|
| Boxing Day | 24 hours, 8:00 a.m. December 26 to 8:00 a.m. December 27 |
|------------|--|

Section 2: Adjustment in Hours

The hours of commencing and ending, specified above, may be varied by mutual agreement of the Company and the Union Standing Committee and the specified hour of commencing or ending will be adjusted to coincide with the regular hours for changing shifts.

In the event that Canada Day falls on Sunday, the following Monday will be observed and the specified hours correspondingly changed.

Section 3: Holiday Work

(a) The Company will provide the Union with not less than 30 days' notice of the general scope of operating and/or maintenance plans on statutory holidays. Unanticipated weather conditions or maintenance requirements may alter those plans.

(b) On Christmas Eve, Christmas Day and Boxing Day, operational and maintenance manning required will be identified on a scheduled crew basis. Any employee who wishes to be excused from working on a particular statutory holiday will be accommodated provided a request for leave is requested 7 days in advance of the statutory holiday and provided that a trained volunteer can be found to replace him for the shift. If no trained volunteer is found, the employee will be required to work the shift.

(c) Employees who work at Christmas shall be paid double time for work during that period identified in Clause (b).

Section 4: Pay for Holiday Work

- (a) Overtime shall be paid for all work performed during holidays at the rates hereinafter specified.
- (b) An employee who works on such a holiday shall receive equal time off with pay at his straight time hourly rate. Such time off shall be treated in the same manner as a Special (Personal) Floating Holiday.
- (c) The time off and pay provided in (b) above replaces any time off and pay provisions in respect of the same statutory holiday work under current local arrangements.

Section 5: Qualifying Conditions

In addition to any other compensation earned, any employee who is on the payroll of the Company on any of the foregoing recognized statutory holidays will be granted eight (8) hours pay at the straight time rate of the employee's regular job, subject to compliance with all of the conditions (a) to (f) set forth below:

- (a) The employee must have been on the payroll for not less than the sixty (60) days just preceding the holiday and must have previously qualified for a statutory holiday as provided in (d) below, and
- (b) The employee must have worked at least one (1) day during the sixty (60) day qualifying period just preceding the holiday, and
- (c) The employee must have worked his scheduled workday before, and his scheduled work day after, such holiday, unless failure to work his scheduled workday before or after the holiday was due to any of the following events:
 - (i) When the employee is on his regular authorized paid vacation;
 - (ii) When the employee is unable to work by reason of an industrial accident as recognized by the Workers' Compensation Board or non-occupational sickness or injury;

- (iii) When the operation in which the employee is engaged is curtailed or discontinued by the decision of the Company and which curtailment or discontinuance changes or eliminates the employee's scheduled work day before, or his scheduled work day after, such holiday;
 - (iv) When a trade in shifts agreed upon between employees and approved in advance by the Company results in a temporary change of the scheduled work day before, or the scheduled work day after, the holiday, provided the employee works the shift agreed upon;
 - (v) When the employee is on a leave of absence authorized by the Company.
- (d) The employee who has been on the payroll for at least sixty (60) days but who has not previously qualified for a Statutory Holiday will qualify for the holiday if he has worked a minimum of one hundred and eighty (180) hours during the sixty (60) day qualifying period just preceding the holiday and meets the requirements of (b) and (c) above.
- (e) Time lost as the result of an accident as recognized by the Workers' Compensation Board, suffered during the course of employment, or time lost as a result of non-occupational sickness or injury shall be considered as time worked for the purpose of qualifying for a recognized paid holiday, it being understood that the employee will only be entitled to this credit for time while on Workers' Compensation or non-occupational sickness or injury for a period of up to but not exceeding one (1) year from the date of his sickness or injury.
- (f) It is understood and agreed, however, that an employee shall not receive the above provided holiday pay if he has agreed to work on such holiday and fails or refuses to work, except in the case where bona fide sickness, or other bona fide reason approved by the Company, prevents his working on such holiday.

ARTICLE XVIII - SPECIAL (PERSONAL) FLOATING HOLIDAYS

Section 1: Floating Holidays

There shall be granted annually five (5) Special (Personal) Floating Holidays with pay to regular full-time employees, such special holidays to be arranged at a time suitable to the employee and the Company, during the contract year, so that there will be no loss of production.

Effective May 1, 1998 there shall be granted five (5) Twelve Hour Special Personal Floating Holidays to those employees who are defined as Tour Workers.

Section 2: Qualifying Conditions

For each Special (Personal) Floating Holiday taken an employee will be granted eight (8) hours pay on the straight time rate of the employee's regular job subject to the following:

- (a) A new employee must have been on the payroll for not less than ninety (90) days to qualify for his first Special (Personal) Floating Holiday and on the payroll for one hundred and eighty (180) days to qualify for his second, third, fourth and fifth Special (Personal) Floating Holidays.
- (b) Employees will not qualify for Special (Personal) Floating Holidays if on leave of absence of more than nine (9) months in the contract year except in the case of sickness or injury.
- (c) The formula for day workers who provide tour relief will be: for every 30 shifts worked as a tour worker, one floater will become a 12 hour floater.
- (d) If an employee is required to work on any of these Special (Personal) Floating Holidays, after a definite date has been

designated for such holidays, the employee shall be paid overtime for such work at the rate of time and one-half. The employee will then be entitled to take the said holiday or holidays with pay at a later date to be mutually agreed upon.

(e) When the holiday is requested in writing seven (7) days in advance, the payment of overtime shall not be a factor in the granting of Personal Floating Holidays. The employee shall receive written notice of the disposition of his request a minimum of seventy-two (72) hours prior to the requested Personal Floating Holiday.

ARTICLE XIX - WELFARE PLAN

Section 1: The Plan

There shall be a Welfare Plan pursuant to the terms and conditions of Exhibit "C", which is attached hereto and forms part of this Agreement. Membership in the Plan for all eligible employees shall be a condition of employment on and after July 1, 1973.

Section 2: Joint Welfare Board

A Joint Welfare Board shall be established comprised of three (3) members appointed by the National Union and three (3) members appointed by the Pulp and Paper Employee Relations Forum.

The function of the Board will be to review the operations of the Plan. It will formulate and review uniform statistical reports to be supplied by the Company for the purpose of ensuring compliance with Exhibit "C". The Company agrees to furnish to the Board such statistical reports as the Board may require.

ARTICLE XX - PENSION PLAN

Section 1: The Plan

The Company agrees to contribute to a Pension Plan which will be established pursuant to the general principles set forth in the Pension Plan Summary dated December 6, 1975.

Section 2: Contributions

The contribution levels will be as follows:

| | | |
|---------------------------|--------------|---------------|
| Effective January 1, 2002 | Employer 10% | Employee 3% |
| Effective January 1, 2004 | Employer 10% | Employee 4.5% |
| Effective January 1, 2005 | Employer 10% | Employee 6.0% |
| Effective January 1, 2006 | Employer 10% | Employee 7.0% |
| Effective January 1, 2007 | Employer 10% | Employee 8.0% |

Section 3: Board of Trustees

The Board of Trustees will consist of the following:

- 3 Trustees appointed by the member employers
- 3 Trustees elected or appointed by the CEP
- 3 Trustees elected or appointed by the PPWC

The Union will provide the Company with audited financial statements and actuarial valuations as per the plan.

Section 4: Existing Plan

It is recognized that some employees may exercise the option to remain in the existing Pension Plan which was provided for in the 1973-74 B.C. Standard Labour Agreement as Article XX, and Exhibit "E". This Plan will continue in respect of such employees and the Joint Union/Management Pension Committee provided for therein will continue to function as necessary.

Section 5: Pension Bridge Benefit

The Company shall provide employees with a pension bridge annuity of twenty dollars (\$20.00) per month per year of service at age sixty (60) or older who retire prior to attaining age sixty-five (65). The pension bridge benefit will not be payable beyond age sixty-five (65). The calculation of the pension bridge benefit shall

be credited on the same bases as under the terms and conditions of the Pulp & Paper Industry Pension Plan.

An employee who chooses to retire at age fifty-five (55) or later shall have access to the bridging benefit paid by the Company when they reach age sixty (60).

ARTICLE XXI - SENIORITY

Section 1: Principles

(a) The Company recognizes the principles of seniority in their application to the promotion, demotion, transfer, lay-off and recall, and the permanent movement from day to shift positions of an employee, providing the employee has the qualifications and ability to perform the work.

In cases of permanent job transfers, it is not the Company's intent to give a junior employee preference over a senior employee on the basis that he has acquired experience by providing relief.

If an employee is moved out of a line of progression for any reason, the employer will not require retesting of the employee for him to return to that specific line of progression. No employee will be removed from the mill as the result of unilateral testing by the employer.

(b) The Company and the Union recognize that it is desirable to reduce the effect of layoffs on employees and at the same time continue to recognize mill seniority, job qualifications and the role of lines of progression, job seniority and departmental seniority.

(c) Arrangements to implement the above principles will be discussed by the Company and the Union.

Section 2: Probationary Period

Until an employee has been on the payroll of the Company for forty (40) calendar days, or until he/she has accumulated thirty

(30) working days in a ninety (90) calendar day period, he/she shall be considered a probationary employee and shall have no rights under Article XXI with respect to seniority.

Section 3: Retention of Seniority

(a) Any employee, other than a probationary employee, whose employment ceases through no fault of his own, shall retain seniority and shall be recalled on the following bases:

(i) An employee with less than one (1) years continuous service shall retain these rights for six (6) months from the date of lay-off.

(ii) An employee with one (1) or more years of continuous service shall retain these rights for twelve (12) months from the date of lay-off, plus two (2) additional months for each year of service up to an additional twenty-four (24) months.

(b) Failure of the employee to report for work within one (1) week of notice by registered mail at his last address reported to and received by the mill shall result in his termination of employment with the Company. Bona fide reasons for failure to report shall not deprive an employee of his recall rights.

Section 4: Training

To facilitate laid off employees exercising their mill seniority the following training will be provided:

(a) Up to five (2) days where the layoff is estimated to be in excess of ten (10) days.

(b) Up to five (5) days where the layoff is estimated to be in excess of twenty-one (21) days.

(c) Up to eight (8) days where the layoff is estimated to be in excess of thirty-five (35) days.

(d) Up to ten (10) days where the layoff is estimated to be in excess of sixty (60) days.

(e) Where the layoff is estimated to be in excess of ninety (90) days, the Company will discuss with the Local Union training provisions of up to fifteen (15) days.

(f) Where a layoff results from a permanent partial plant closure of temporary closure in excess of ninety (90) days, the Company will participate in a program of training or re-training for another job within the operations to facilitate the exercising of mill seniority, recognizing there will be some limitations where special qualifications are required. Phasing in arrangements to implement the program shall be concluded prior to the closure.

Section 5: Lay-off and Vacation Entitlement

Time on lay-off shall not be considered as time worked for the purpose of qualifying for vacation pay or holiday pay.

Section 6: Welfare Coverage

(a) An employee with one (1) or more years seniority may have his welfare coverage continued for six (6) months while on layoff.

(b) An employee with more than four (4) months but less than one (1) years seniority may have his welfare coverage continued for three (3) months while on lay-off.

(c) An employee who elects to maintain coverage while laid off will be required to pay the employee portion of the premium in advance on a monthly basis.

(d) An employee who has welfare coverage as provided for in paragraphs (a) and (b) above, will on return to work have his welfare coverage extended by one month for each month in which he works.

(e) An employee whose welfare coverage under paragraphs (a) and (b) above has expired, will on return to work be eligible for coverage for the period of his employment.

(f) An employee will qualify for a new period of welfare coverage as provided in paragraphs (a) and (b) above if he returns to work for at least ten (10) days within a floating period of thirty (30) consecutive days.

ARTICLE XXII - JOB SECURITY

Section 1: Objective

The Company and Union recognize that technological change, while necessary to the industry, may have an impact on employees. It is the purpose of the following provisions to assist employees in adjusting to the effects of such change.

Section 2: Definition

Technological change, which term shall include automation, mechanization, and process change, means the introduction of equipment or material of a different nature or kind than that previously utilized, or a change in the operation that is directly related to the introduction of that equipment or material.

Section 3: Joint Committee

A joint committee on automation will be established which shall consist of three (3) persons representing the Company and three (3) persons representing the Union. It shall be the function of the committee to study the effect of mechanization, technological changes and automation on employment in the mill and to make such recommendations as are agreed upon, to the local mill manager, to ensure that the interests of the Company and of the employees are fairly and effectively protected.

Section 4: Required Notice

The Company will advise the appropriate committee or committees as soon as possible, and in any case not less than one hundred and eighty (180) days before the introduction thereof, of mechanization, technological changes and/or automation which the Company has decided to introduce and which will result in terminations or other significant changes in the employment status of employees.

The Company will advise the appropriate committee or committees as soon as possible, and in any case not less than thirty (30) days before the expected date of the change of the anticipated time sequence of final installation and production start-up and the anticipated effect on the job status of individual employees.

Section 5: Seniority Status

(a) In the event that it is necessary, crews will be reduced in accordance with Article XXI - Seniority, of the Agreement.

(b) An employee who is set back to a lower paid job because of mechanization, technological change or automation will receive the rate of his regular job at the time of the set-back for a period of six (6) months, and for a further period of six (6) months he will be paid an adjusted rate which will be midway between the rate of his regular job at the time of the set-back and the rate of his new regular job. At the end of this twelve (12) month period, the rate of his new regular job will apply. However, such employee will have the option of terminating his employment and accepting severance pay as outlined in Section 6(a) below, provided he exercises this option within the initial six (6) month period referred to above.

(c) An employee assigned to an equal or higher rated job because of mechanization, technological change or automation will have the option of terminating his employment and accepting severance pay as outlined in Section 6(a) below if the job should be proved to be unsuitable, provided he exercises his option within six (6) months of starting on the job.

In case of a dispute concerning suitability of the job, the employee may process a grievance.

Section 6: Severance Allowance

(a) An employee with one (1) or more years of continuous service for whom no job is available because of mechanization, technological change or automation will, upon termination, receive a severance allowance calculated by one of the two following methods based on his last period of continuous service, it being the choice of the affected employee as to which of such methods of calculation is used:

| Years of Employment | Severance Allowance | |
|------------------------------------|----------------------------------|----------------------|
| | Weeks per year of service | % of earnings |
| 1st Twenty (20) Years | 2 | 4% |
| Subsequent Years | 1 | 2% |
| Maximum Severance Allowance | 52 Weeks * | 2080 Hours |

*Computed on the basis of forty (40) straight time hours at the employee's regular rate.

For employees with a minimum of one (1) years' employment during their last period of continuous service, severance allowance shall not be less than four (4) weeks pay.

At the time of separation, an employee shall have the option of receiving the severance allowance on termination, or may elect to have the severance allowance held in abeyance for up to one (1) year from the date of termination. The employee may apply in writing at any time during the year, at which time the full severance allowance will be paid forthwith.

Where the employee elects the right of recall and seniority retention under Article XXI, the severance allowance will be held in abeyance for the duration of the recall rights, at which time the employee will be terminated and their severance allowance paid forthwith.

Where the employee renounces the right of recall during this period, the employee will be terminated and his/her severance allowance paid forthwith, with all seniority and recall rights being forfeited.

Employees will have their welfare coverage continued for the current month plus two (2) additional months from their date of termination.

No payment will be made under this section in cases where an employee has already qualified under Article XXIII - Permanent Mill Closure, Section 2, or under Article XXIV - Job Elimination, Section 5.

(b) Such employees for whom no employment is available will be given at least thirty (30) days notice of separation.

Section 7: Training

The Company agrees to participate in a program of training or retraining for another job within the operation for those employees who are displaced under the circumstances set forth herein.

ARTICLE XXIII - PERMANENT MILL CLOSURE

Section 1: Notice

An employee terminated as a result of a permanent planned closure of the mill shall be given a minimum of sixty (60) days notice of the closure.

Section 2: Severance Allowance

Such employees shall be entitled to a severance allowance of two (2) weeks per year of service to a maximum of sixty (60) weeks based on the employee's years of employment during the employee's last period of continuous service computed on the basis of forty (40) straight time hours per week at the employee's regular rate.

For employees with a minimum of one (1) years' employment during their last period of continuous service, severance allowance shall not be less than four (4) weeks pay.

Employees will have their welfare coverage continued for the current month plus two (2) additional months from their date of termination.

No payment will be made under this section in cases where the employee has already qualified under Article XXII, Section 6, Job Security, or under Article XXIV, Section 5, Job Elimination.

ARTICLE XXIV - JOB ELIMINATION

Section 1: Definition

Job elimination means permanent loss of employment as the result of Company decisions to eliminate positions, excluding those in Section 2.

Section 2: Exclusions

No payment will be made under Section 5 in cases:

- (a) Of curtailments of a temporary or indefinite duration.
- (b) Of employees hired for work of known or temporary duration.
- (c) Where the employee has already qualified under technological change or permanent mill closure provisions.

Section 3: Notice

The Company will advise the Standing Committee at least forty-five (45) days prior to such job elimination. Crew reduction will be in accordance with Article XXI - Seniority.

Section 4: Elimination Options

An employee who qualifies under Section 1 above may elect one of the following options:

- (1) Recall and seniority retention as per Article XXI - Seniority, or;
- (2) Severance allowance as per Section 5 below.

Such employee must elect his option within thirty (30) days of notification that his loss of employment is permanent. If Option (2) is selected, the employee will be deemed to have terminated effective the last day worked. Where a temporary curtailment becomes permanent, severance eligibility will be determined by the status of the employee at the time of the temporary curtailment.

Section 5: Severance Allowance

Severance allowance will be calculated by one of the two following methods based on the last period of continuous service, it being the choice of the affected employee as to which of such methods of calculation is used:

| Years of Employment | Severance Allowance | |
|------------------------------------|----------------------------------|----------------------|
| | Weeks per year of service | % of earnings |
| 1st Twenty (20) Years | 2 | 4% |
| Subsequent Years | 1 | 2% |
| Maximum Severance Allowance | 52 Weeks * | 2080 Hours |

*Computed on the basis of forty (40) straight time hours at the employee's regular rate.

For employees with a minimum of one (1) years' employment during their last period of continuous service, severance allowance shall not be less than four (4) weeks pay.

Employees will have their welfare coverage continued for the current month plus two (2) additional months from their date of termination.

The severance allowance will not be more than the employee would normally receive if he remained at work at forty (40) hours per week to his normal retirement date.

At the time of separation the employee shall have the option of receiving his severance allowance on termination, or he may elect to have his severance allowance held in abeyance for up to one (1) year from the date of termination. He may apply in writing at any time during the year, at which time his full severance allowance will be paid forthwith.

ARTICLE XXV – CONTRACTING

(a) The Company will notify the Union of their intention to have work performed by contractors in the mill and will, emergencies excepted, afford the Union the opportunity to review it with the Company prior to a final decision being made. For this purpose, a Joint Contracting Committee will be established and it will be used as a forum to discuss the Company's contracting decisions.

In keeping with a joint commitment of the Company and the Union to provide as much maintenance and repair work as possible to the regular maintenance workforce, the Committee will also meet quarterly to make recommendations regarding the utilization of the mill maintenance workforce to minimize the use of contractors, both inside and out of the mill.

- (b) The Company will not bring a contractor into the mill:
 - (i) which directly results in the layoff of employees, or
 - (ii) to do the job of employees on layoff, or
 - (iii) to do the job of a displaced employee working outside his job category.
 - (c) It is not the intent of the Company to replace its regular work force through the use of contract firms.
- For greater clarity it is agreed that:
- (d) The changes which provide that it is not the intent of the company to replace its regular work force through the use of contract firms will not set aside existing external work arrangements and practices.
 - (e) Working under the flexible work practice provisions does not mean that an employee has been displaced and is working outside his job category.

ARTICLE XXVI – APPRENTICESHIP TRAINING PROGRAM

Section 1: Training Program

It is agreed that there shall be an Apprenticeship Training Program, the provisions of which are set forth in Exhibit “D”, which is attached hereto and forms part of this Agreement.

Section 2: Apprenticeship Act

It is understood, however, that the grievance procedure as set forth in Article XXXI – Adjustment of Complaints, shall not be applicable to those matters covered by the Apprenticeship and

Tradesmen's Qualification Act which, by said Act, are deemed to be outside the jurisdiction of the Union.

ARTICLE XXVII – COMPRESSED WORK WEEK

The Company and Union recognize the concept of the compressed work week. It is further understood that the compressed work week conditions will apply only to those departments that are on the compressed work week.

ARTICLE XXVIII – SAFETY AND OCCUPATIONAL HEALTH

Section 1: Principle

Employees and the Company are to comply with established safety rules as amended by the Joint Safety Committees from time to time. Employees will not be expected to operate with unsafe equipment or under unsafe working conditions. Employees are expected to report immediately any unsafe equipment. An employee who has reasonable cause to believe that an unsafe condition exists may refuse to work under such conditions without being subject to discipline.

Section 2: Joint Safety Committee

- (a) The Union and the Company shall cooperate in selecting one or more Safety Committees, which will meet at least once a month to consider all safety and occupational health problems.
- (b) The local Joint Safety Committee shall consist of equal representation from Company and Union. This Committee shall meet at least once a month to consider all safety and occupational health problems.

Section 3: Safety Education

The Union undertakes to promote safety and occupational health education among its members in an effort to overcome accidents and occupational health problems.

The Company undertakes to promote safety and occupational health education among all its employees in an effort to overcome accidents and occupational health problems.

Section 4: Joint Labour/Management Safety Conference

(1) A Joint Labour/Management Safety Conference of two (2) days will be held annually.

(2) It shall be the basic principle of this Conference to assist the delegates in the development of an effective safety program through the promotion and implementation of best practices for an effective safety program in each mill.

(3) To accomplish the implementation of an effective safety program in the mill, each Local Union shall have two (2) delegates in attendance at their safety conference. The two (2) delegates shall be compensated by their respective employer for any loss of wages. Travel and hotel expenses of the delegates shall not be paid by their respective employers.

(4) A senior management representative shall attend the conference. Senior Company officials and representatives of WorkSafe BC will be encouraged to attend. Additional delegates of either labour or management will be permitted to attend on an observer basis.

(5) The agenda shall address issues that will promote occupational health and safety in their respective workplaces. Agenda items shall be submitted to the respective representative no later than November 30th prior to the conference.

(6) The Planning Committee shall initially meet no later than one hundred and eighty (180) days prior to the established date of

the conference and then schedule follow up meetings in accordance as required by the planning committee.

(7) This Planning Committee shall be comprised of the following members:

- (a) One (1) CEP Local Union member.
- (b) One (1) PPWC Local Union member.
- (c) One (1) CEP representative from the Regional Office.
- (d) One (1) PPWC representative from the National Office
- (e) One (1) Employer representative from the employer group.
- (f) One (1) Industry representative..
- (g) One (1) Conference Facilitator.

The Occupational Health and Safety Conference shall be funded on the basis of an industry contribution of three cents (\$.03) per employee per hour worked into a Jointly Trusteed Occupational Health and Safety Conference Fund.

The funding shall provide that when the monies in the Joint Trusteed occupational health and Safety Conference Fund reach two hundred thousand dollars (\$200,000.00), the funding will be discontinued until the fund has been reduced to fifty thousand dollars (\$50,000.00).

The Jointly Trusteed Fund will be used for the payment of wage loss for Local Union planning committee attendees and conference expenses.

ARTICLE XXIX – ENVIRONMENTAL PROTECTION

If the Union requests, a Joint Environmental Protection Committee will be established.

The purpose of the Committee will be to receive information, review problem areas and make appropriate suggestions regarding compliance including challenges related to climate change.

ARTICLE XXX – DISCIPLINARY ACTION

The Company has the right to discipline or discharge employees for just and reasonable cause.

The disciplinary record of an employee, including letters of reprimand or warnings, shall not be used against him/her at any time after twelve (12) months.

In cases involving suspension, the disciplinary notice will remain on the employee's file for twenty-four (24) months and not used after that period provided no other discipline has occurred during that time.

The presence of a Shop Steward is mandatory at any meeting during which the employee is disciplined or any meeting leading to discipline.

This clause pertains to formal meetings between a supervisor and his/her employee. This clause does not pertain to normal interaction between a supervisor and his/her employee with respect to job instruction, questions relating to work performance or other matters that will not be used as part of the disciplinary process.

ARTICLE XXXI – ADJUSTMENT OF COMPLAINTS

Preamble

It is mutually desired and intended by the parties that any dispute or complaint arising out of the interpretation of this agreement will be communicated by the employee to his/her supervisor in order to provide an opportunity for discussion and timely resolution, prior to the issue becoming a grievance.

If an employee is not satisfied with the resolution offered by his/her immediate supervisor, he/she may then initiate a grievance.

Where a grievance arises from the discharge of an employee, the Union may elect, in writing, to utilize the procedure outlined in Section 5 below as an alternative to the grievance procedure set out in Article XXXI at any point during the grievance process.

Section 1: Grievance Procedure

Step One -- In the event that a written grievance is submitted arising out of the operation of this Agreement, except in the cases of discharge or suspension, the employee shall continue to work as per the conditions existing prior to the time that the grievance arose, and any formal meeting to discuss the grievance shall be held in the presence of the shop steward.

Step Two -- If there is no satisfactory resolution at first step, then the union may within seven (7) days, advise the department supervisor that the employee intends to proceed with the grievance. The department supervisor and chief shop steward will then have fourteen (14) days from the date of notification to deal with, and answer the grievance. Grievances other than those of individual employees may be initiated at Step Two by either party.

Step Three -- If there is no satisfactory resolution at second step then either party may, within seven (7) days, refer the question to the Standing Committees by advising the chairmen of the Standing Committees of the intention to proceed with the grievance. The Standing Committees will then have thirty (30) days to deal with, and answer the grievance.

Step Four -- If there is no satisfactory resolution at third step then the question may, within seven (7) days upon written request of either Standing Committee be referred to the President of the Local and the Senior Mill Manager (or designate) will then have thirty (30) days to deal with, and answer the grievance. Either party may elect to involve outside help at this step such as a regional Union representative and/or a Management representative.

Step Five -- If there is no satisfactory resolution at fourth step then the matter may, within thirty (30) days, be referred to an Arbitrator.

Where a grievance arising from the discharge of an employee progresses to arbitration, either party may elect, in writing, to utilize the procedure outlined in Section 5 below as an alternative to the arbitration procedure set out in Section 4.

Section 2: National Officer

It is understood that in all discussions concerning grievances, any National Officer may accompany the Union Standing Committee in their meetings and the National Officer may call upon members of the Union Standing Committee or any other employee to accompany them in their meetings with Company officials.

Section 3: Time Limit

(a) In the event a grievance has not advanced to the next step within the time limit set forth in Section 1, then the grievance shall be deemed to be abandoned and all rights of recourse to the Adjustment of Complaints under this Agreement in respect of this grievance shall be at an end.

(b) The time limit between steps may be extended by mutual consent.

Section 4: Arbitration Procedure

(a) The Company and the Union will endeavour to agree upon the selection of the Arbitrator. In the event the Company and the Union are unable to agree upon the selection of the Arbitrator, they will apply, within the thirty (30) day period, to have the Arbitrator appointed under the provisions of Section 86 of the Labour Relations Code of British Columbia.

(b) After the Arbitrator has been chosen he shall meet and hear evidence of both sides and render a decision within fifteen (15) days after he has concluded his hearings, said decision to be final and binding upon all parties to this Agreement.

(c) The parties shall bear in equal portions the fees and expenses of the Arbitrator and rental of any premises used for the hearing.

(d) The Arbitrator shall be restricted to interpreting and applying the provisions of this Agreement and shall have no authority to alter, modify, subtract from or supplement them in any way.

(e) In the case of discharge or suspension which the Arbitrator has determined to have been unjust the Arbitrator shall order the reinstatement of the employee and shall award him back pay. In the case of back pay, should there be any doubt in the opinion of the Arbitrator, the Arbitrator may order all or part back pay as he deems fit.

Section 5: Expedited Arbitration

(a) A panel of six (6) arbitrators, each of whom shall be appointed for a two (2) year term, shall be selected by mutual agreement of the Pulp and Paper Employee Relations Forum on behalf of its member companies and the Communications, Energy and Paperworkers' Union on behalf of its local unions. Grievances processed under this section shall be assigned to the Arbitrators on a rotational basis.

(b) An Arbitrator must meet and hear the evidence of both parties within fifteen (15) days after assignment. If an Arbitrator is unable to commit himself to do so, the grievance shall immediately be assigned to the next Arbitrator in order of rotation.

(c) The unavailability of counsel shall not be a reason to delay an arbitration under this section.

(d) The parties will endeavour to agree on a statement of material facts which may be submitted to the Arbitrator in advance of the hearing.

(d) The Arbitrator will give his decision and his written reasons within one week after the hearing. The reasons need not accompany the decision. Neither the decision nor the reasons will form precedent.

(e) The provisions of Sections 4(b), (c), (d) and (e) as it applies to discharge, shall apply to this section.

Article XXXII –FLEXIBLE WORK PRACTICES

Flexible work practices will be implemented consistent with the Letter of Understanding attached to this Agreement.

ARTICLE XXXIII – DURATION AND AMENDING PROCEDURE

Section 1: Term of Agreement

This Agreement shall be in effect from midnight April 30, 2008 to midnight April 30, 2012, and thereafter from year to year subject to the conditions as set out in Sections 2 to 5 which follow hereunder.

Section 2: Labour Relations Code

The parties agree that the operation of Section 50(2) of the Labour Relations Code of British Columbia is hereby excluded.

Section 3: Notice of Re-opening

This Agreement may be opened for collective bargaining as to changes as follows:

Either party desiring any change shall mail to other party notice in writing, by registered mail, on or after January 1, 2012 but in any event no later than midnight April 30, 2012, that any change is desired, and if no such notice is given by either party on or after the said January 1 and before the said April 30, the earliest time at which such notice may be given by either party is the corresponding period in the following year.

All notices given under the provisions herein on behalf of the Union shall be given by the Union (or its representative) and similarly notices on behalf of the Company shall be given by the President of the Company (or his representative).

Section 4: Collective Bargaining

If notice of desire for changes has been given in accordance with Section 3 above, the parties shall, as soon as agreeable to the parties following such date of notice, meet for collective

bargaining, the Company being represented in such negotiations by a Bargaining Committee appointed by the Company, and the Union being represented by a Bargaining Committee selected by said Union. Any agreement on changes arrived at and approved in such negotiations shall be binding upon the parties to this Agreement. If such negotiations cannot be completed prior to the May 1 following the date on which such notice was given, any changes in compensation to employees shall nevertheless be retroactive to the said May 1.

Section 5: Termination

In case negotiations conducted in accordance with Section 4 above break down, either party may terminate this Agreement upon the expiration of ten (10) days notice in writing mailed by registered mail to the other party.

SCOPE OF AGREEMENT

The Company agrees to provide a Letter of Understanding for the term of the agreement in the event of a separation of businesses the master agreement shall be applied as a master agreement to each business except in respect to permanent vacancies and layoffs.

Further, in the event of a change in common employer status, employees directly impacted by a permanent layoff will be allowed to exercise their seniority rights to transfer between the different legal entities.

EXHIBIT “A” 298

JOB CATEGORIES AND WAGE RATES

It is agreed that the schedule of rates listed below will be considered as part of this agreement, and that all persons hired, transferred or promoted to any job, excluding Mechanics jobs, will receive the rate of such jobs on the dates so specified.

| MECHANICS | May 1/08 | May 1/09 | May 1/10 | May 1/11 |
|--|-------------|-------------|-------------|-------------|
| Journeyman | 34.390 | 35.250 | 36.130 | 37.215 |
| APPRENTICES | | | | |
| 5th Year Apprentice | 34.390 | 35.250 | 36.130 | 37.215 |
| 4th Year Apprentice | 31.880 | 32.675 | 33.490 | 34.495 |
| 3rd Year Apprentice | 29.290 | 30.020 | 30.770 | 31.695 |
| 2nd Year Apprentice | 28.075 | 28.775 | 29.495 | 30.380 |
| 1st Year Apprentice | 27.600 | 28.290 | 28.995 | 29.865 |
| LABOUR RATE | 25.445 | 26.080 | 26.730 | 27.530 |
| MISCELLANEOUS | | | | |
| Lubrication Mechanic | 31.880 | 32.675 | 33.490 | 34.495 |
| (17) Lubrication Inspector | 29.335 | E 30.070 | E 30.820 | E 31.745 |
| Roll Grinder will receive a premium of \$0.15 per hour over the Journeyman rate. | | | | |
| (10) Tool Crib Attendant: - Over 18 months | 27.680 | E 28.370 | E 29.080 | E 29.950 |
| (8) - 13 - 18 months | 27.215 | E 27.895 | E 28.590 | E 29.450 |
| (7) - 0 - 12 months | 26.995 | E 27.670 | E 28.360 | E 29.210 |
| PULP MILL | | | | |
| (48) Pulping Operator | 36.660 | E 37.575 | E 38.515 | E 39.670 |
| (24) Kraft Assistant Operator | 30.995 | E 31.770 | E 32.565 | E 33.540 |
| (23) CMP Operator | 30.745 | H 31.515 | H 32.305 | H 33.275 |
| (15) Pulping Field Assistant III | 28.875 | E 29.595 | E 30.335 | E 31.245 |
| (11) Pulping Field Assistant II | 27.935 | E 28.635 | E 29.350 | E 30.230 |
| (6) Pulping Field Assistant I | 26.755 | E 27.425 | E 28.110 | E 28.955 |
| (1) Shift Utility | 25.645 | E 26.285 | E 26.940 | E 27.750 |
| “Employees holding a Pulp and Paper Technology Certificate or recognized equivalent will receive | | | | |

ten (10) cents an hour over their job rate.”

| STEAM & RECOVERY | May 1/08 | | May 1/09 | | May 1/10 | | May 1/11 | |
|----------------------------------|---------------------|---|---------------------|---|---------------------|---|---------------------|---|
| (45) Assistant Shift Engineer | 35.955 | E | 36.855 | E | 37.775 | E | 38.910 | E |
| (37) Steam Plant Engineer | 34.060 | H | 34.910 | H | 35.785 | H | 36.860 | H |
| (21) Asst. Steam & Recovery Eng. | 30.295 | H | 31.050 | H | 31.825 | H | 32.780 | H |
| (13) Recovery Fireman | 28.390 | E | 29.100 | E | 29.830 | E | 30.725 | E |
| (12) Field Engineer | 28.165 | T | 28.870 | T | 29.590 | T | 30.480 | T |
| (6) Power Boiler Fireman | 26.755 | E | 27.425 | E | 28.110 | E | 28.955 | E |
| (2) Shift Utility | 25.855 | E | 26.500 | E | 27.165 | E | 27.980 | E |

TICKET BONUS SYSTEM

1. Employees holding a 4th class ticket, where no ticket is required, will receive thirty-five (\$.35) cents per hour over their job rate.
2. Employees holding a 3rd class ticket, where a 4th class ticket is required, will receive fifty (\$.50) cents per hour over their job rate.
3. Employees holding a 2nd class ticket, where a 3rd class ticket is required, will receive fifty-five (\$.55) cents per hour over their job rate.
4. Employees holding a 1st class ticket, where a 2nd class ticket is required, will receive sixty-five (\$.65) cents per hour over their job rate.

Note: Only one of the bonuses is applicable – no stacking

| RAW MATERIALS/YARD SERVICES | May 1/08 | | May 1/09 | | May 1/10 | | May 1/11 | |
|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|
| (A) Truck Line/Equipment Line | | | | | | | | |
| (12) Product Truck Driver | 28.165 | E | 28.870 | E | 29.590 | E | 30.480 | E |
| (11) General Equipment Operator | 27.935 | E | 28.635 | E | 29.350 | E | 30.230 | E |
| (B) Raw Materials Line | | | | | | | | |
| (12) Chip Pile Dozer Operator | 28.165 | E | 28.870 | E | 29.590 | E | 30.480 | E |
| (9) Hog Pile Dozer Operator | 27.450 | E | 28.135 | E | 28.840 | E | 29.705 | E |
| (9) Purchase Chip Unloading | 27.450 | E | 28.135 | E | 28.840 | E | 29.705 | E |
| (c) Locomotive Line | | | | | | | | |
| (13) Locomotive Operator | 28.390 | E | 29.100 | E | 29.830 | E | 30.725 | E |
| | May | | May | | May | | May | |

| | 1/08 | | 1/09 | | 1/10 | | 1/11 | |
|--|--------|---|--------|---|--------|---|--------|---|
| (C) Locomotive Line (Cont'd) | | | | | | | | |
| (10) Conductor | 27.680 | E | 28.370 | E | 29.080 | E | 29.950 | E |
| (5) Railway Switchman | 26.510 | E | 27.175 | E | 27.855 | E | 28.690 | E |
| (D) Terminal Operations | | | | | | | | |
| (14) Checker/Power Lift Operator (Terminal) | 28.640 | E | 29.355 | E | 30.090 | E | 30.995 | E |
| (10) Power Lift Operator (Terminal) | 27.680 | E | 28.370 | E | 29.080 | E | 29.950 | E |
| (9) Lift Truck Operator (2 day warehouse) | 27.450 | E | 28.135 | E | 28.840 | E | 29.705 | E |
| (E) Chip Screening | | | | | | | | |
| (7) Chip Screen Operator | 26.995 | E | 27.670 | E | 28.360 | E | 29.210 | E |
| Chip Supply Relief | 25.445 | | 26.080 | | 26.730 | | 27.530 | |
| (F) Miscellaneous | | | | | | | | |
| (11) Yard Tool Crib Attendant : - over 18 months | 27.935 | E | 27.635 | E | 29.350 | E | 30.230 | E |
| (9) - 13 – 18 months | 27.450 | E | 28.135 | E | 28.840 | E | 29.705 | E |
| (5) - 7 - 12 months | 26.510 | E | 27.175 | E | 27.855 | E | 28.690 | E |
| (1) - 0 - 6 months | 25.645 | E | 26.285 | E | 26.940 | E | 27.750 | E |
| (5) 3-ton Fork Lift | 26.510 | E | 27.175 | E | 27.855 | E | 28.690 | E |
| (3) Jackhammerman | 26.060 | E | 26.710 | E | 27.380 | E | 28.200 | E |
| (4) ½-ton Truck | 26.280 | E | 26.935 | E | 27.610 | E | 28.440 | E |
| (1) Rail Track Servicing | 25.645 | E | 26.285 | E | 26.940 | E | 27.750 | E |
| (1) Labourers (when rigging) | 25.645 | E | 26.285 | E | 26.940 | E | 27.750 | E |
| (6) Gear Locker Man (Terminal) | 26.755 | E | 27.425 | E | 28.110 | E | 28.955 | E |
| Yard Labourer | 25.445 | | 26.080 | | 26.730 | | 27.530 | |
| Janitor | 25.445 | | 26.080 | | 26.730 | | 27.530 | |
| MILLSTORES | | | | | | | | |
| (13) Shipper/Receiver | 28.390 | E | 29.100 | E | 29.830 | E | 30.725 | E |
| (8) Stores Counterperson: - Over 12 months | 27.215 | E | 27.895 | E | 28.590 | E | 29.450 | E |
| (5) - 7 – 12 months | 26.510 | E | 27.175 | E | 27.855 | E | 28.690 | E |
| (3) - 0 - 6 months | 26.060 | E | 26.710 | E | 27.380 | E | 28.200 | E |
| (4) Materials Handler | 26.280 | E | 26.935 | E | 27.610 | E | 28.440 | E |
| FIRST AID | | | | | | | | |
| (12) First Aid Attendant Level III Unrestricted | 28.165 | E | 28.870 | E | 29.590 | E | 30.480 | E |
| (11) First Aid Attendant Level III Restricted | 27.935 | E | 28.635 | E | 29.350 | E | 30.230 | E |

| SHIP AND BARGE LOADING- DEEP SEA | May 1/08 | May 1/09 | May 1/10 | May 1/11 |
|---|---------------------|---------------------|---------------------|---------------------|
| <hr/> | | | | |
| (A) Bulk Carriers (Munck) | | | | |
| Loading Leadhand | 32.430 | 33.240 | 34.070 | 35.090 |
| Gantry Crane Operator | 31.315 | 32.100 | 32.905 | 33.890 |
| Utility Man | 29.700 | 30.445 | 31.205 | 32.140 |
| Power Lift Operator to Ship Side | 28.150 | 28.855 | 29.575 | 30.460 |
| Spare Utility (Lumber) | 27.145 | 27.825 | 28.520 | 29.375 |
| (B) Open Hatch (Hagelund) | | | | |
| Loading Leadhand | 32.430 | 33.240 | 34.070 | 35.090 |
| Winch Operator (double) | 30.700 | 31.465 | 32.250 | 33.220 |
| Winch Operator (single) | 30.150 | 30.905 | 31.680 | 32.630 |
| Hold Man | 29.700 | 30.445 | 31.205 | 32.140 |
| Sling Man | 29.200 | 29.930 | 30.680 | 31.600 |
| Power Lift Operator to Ship Side | 28.150 | 28.855 | 29.575 | 30.460 |
| Spare Utility (Lumber) | 27.145 | 27.825 | 28.520 | 29.375 |
| © Conventional | | | | |
| Loading Leadhand | 30.950 | 31.725 | 32.520 | 33.495 |
| Winch Operator (double) | 30.700 | 31.465 | 32.250 | 33.220 |
| Winch Operator (single) | 30.150 | 30.905 | 31.680 | 32.630 |
| Hatch Tender | 30.150 | 30.905 | 31.680 | 32.630 |
| Power Lift in Hold | 30.150 | 30.905 | 31.680 | 32.630 |
| Hold Man | 29.700 | 30.445 | 31.205 | 32.140 |
| Sling Man | 29.200 | 29.930 | 30.680 | 31.600 |
| Power Lift Operator to Ship Side | 28.150 | 28.855 | 29.575 | 30.460 |
| Spare Utility (Lumber) | 27.145 | 27.825 | 28.520 | 29.375 |
| (D) Barge Loading – Coastal | | | | |
| (19) Leadhand | 29.805 | E 30.550 | E 31.315 | E 32.255 |
| (10) Power Lift Operator | 27.680 | E 28.370 | E 29.080 | E 29.950 |
| (9) Lift Truck Operator | 27.450 | E 28.135 | E 28.840 | E 29.705 |
| (6) Tractor Operator | 26.755 | E 27.425 | E 28.110 | E 28.955 |
| (3) Utility | 26.060 | E 26.710 | E 27.380 | E 28.200 |
| (E) Chip Barge Loading – | May 1/08 | May 1/09 | May 1/10 | May 1/11 |
| | <hr/> | | | |

Coastal

| | | | | | | | | |
|---------------------------------------|--------|---|--------|---|--------|---|--------|---|
| (14) Lead Hand (Chip Loading) | 28.640 | E | 29.355 | E | 30.090 | E | 30.995 | E |
| (11) Loader Operator (Chip Loading) | 27.935 | E | 28.635 | E | 29.350 | E | 30.230 | E |
| (9) Equipment Operator (Chip Loading) | 27.450 | E | 28.135 | E | 28.840 | E | 29.705 | E |

(F) Chip Barge Loading – Deep Sea

| | | | | |
|--------------------------|--------|--------|--------|--------|
| Lead Hand (Chip Loading) | 29.355 | 30.090 | 30.840 | 31.765 |
| Loader Operator | 28.620 | 29.335 | 30.070 | 30.970 |
| Equipment Operator | 28.150 | 28.855 | 29.575 | 30.460 |

GENERAL PROVISIONS

- 1. Time and one-half shall be paid to deep-sea ship loading crews for work performed after 4:00 p.m. and on Saturdays.
- 2. A deep-sea barge within the meaning of the agreement, shall be defined as any scow or barge which, in the course of its current voyage from the mill to a foreign port, crosses a line drawn from Cape Flattery to Lat. 50°00’ N., Long. 130°00’ W., to Lat. 56°00’ N., Long. 138°00’ W., to Cape Spencer.

Deep-sea loading rates and conditions will also apply for the barge and container loading of pulp and paper destined for foreign ports by water beyond the above defined line which, in the course of the voyage, is trans-shipped through another port within the above-defined line.

- 3. A special adjustment of twenty-five (\$.25) cents per hour will apply to all deep-sea ship and barge loading categories. This adjustment is reflected in the rates indicated above.
- 4. Categories set out below will be included with deep-sea ship and barge loading (Longshore) jobs and will be eligible for existing working conditions which currently apply to deep-sea ship and barge loading (Longshore) crews. The categories specified will also receive the twenty-five (\$.25) cents special adjustment which will include any deep-sea ship loading premium now being paid.

Squeeze Truck Operator to Ship Sling.
Tractor Trailer Operator to Ship Sling.
Truck Operator to Ship Sling.

- 5. A differential of fifteen (\$.15) cents per hour shall be paid to Hold Tenders actually loading cargo by hand in a confined space when there is less than six feet of head room at the lowest point of coaming.

JOB EVALUATION PLAN CONVERSION STEP TABLE

| STEP | MAY 01/08 | MAY 01/09 | MAY 01/10 | MAY 01/11 |
|------|--------------|--------------|--------------|--------------|
| BASE | 25.445 | 26.080 | 26.730 | 27.530 |
| ½ | 25.520 | 26.160 | 26.815 | 27.620 |
| 1 | 25.645 | 26.285 | 26.940 | 27.750 |
| 2 | 25.855 | 26.500 | 27.165 | 27.980 |
| 3 | 26.060 | 26.710 | 27.380 | 28.200 |
| 4 | 26.280 | 26.935 | 27.610 | 28.440 |
| 5 | 26.510 | 27.175 | 27.855 | 28.690 |
| 6 | 26.755 | 27.425 | 28.110 | 28.955 |
| 7 | 26.995 | 27.670 | 28.360 | 29.210 |
| 8 | 27.215 | 27.895 | 28.590 | 29.450 |
| 9 | 27.450 | 28.135 | 28.840 | 29.705 |
| 10 | 27.680 | 28.370 | 29.080 | 29.950 |
| 11 | 27.935 | 28.635 | 29.350 | 30.230 |
| 12 | 28.165 | 28.870 | 29.590 | 30.480 |
| 13 | 28.390 | 29.100 | 29.830 | 30.725 |
| 14 | 28.640 | 29.355 | 30.090 | 30.995 |
| 15 | 28.875 | 29.595 | 30.335 | 31.245 |
| 16 | 29.115 | 29.845 | 30.590 | 31.510 |
| 17 | 29.335 | 30.070 | 30.820 | 31.745 |
| 18 | 29.575 | 30.315 | 31.075 | 32.005 |
| 19 | 29.805 | 30.550 | 31.315 | 32.255 |
| 20 | 30.045 | 30.795 | 31.565 | 32.510 |
| 21 | 30.295 | 31.050 | 31.825 | 32.780 |
| 22 | 30.520 | 31.285 | 32.065 | 33.025 |
| 23 | 30.745 | 31.515 | 32.305 | 33.275 |
| 24 | 30.995 | 31.770 | 32.565 | 33.540 |
| 25 | 31.240 | 32.020 | 32.820 | 33.805 |

| STEP | MAY 01/08 | MAY 01/09 | MAY 01/10 | MAY 01/11 |
|-------------|----------------------|----------------------|----------------------|----------------------|
| 26 | 31.475 | 32.260 | 33.065 | 34.055 |
| 27 | 31.690 | 32.480 | 33.290 | 34.290 |
| 28 | 31.925 | 32.725 | 33.545 | 34.550 |
| 29 | 32.170 | 32.975 | 33.800 | 34.815 |
| 30 | 32.425 | 33.235 | 34.065 | 35.085 |
| 31 | 32.655 | 33.470 | 34.305 | 35.335 |
| 32 | 32.885 | 33.705 | 34.550 | 35.585 |
| 33 | 33.120 | 33.950 | 34.800 | 35.845 |
| 34 | 33.360 | 34.195 | 35.050 | 36.100 |
| 35 | 33.590 | 34.430 | 35.290 | 36.350 |
| 36 | 33.845 | 34.690 | 35.555 | 36.620 |
| 37 | 34.060 | 34.910 | 35.785 | 36.860 |
| 38 | 34.290 | 35.145 | 36.025 | 37.105 |
| 39 | 34.540 | 35.405 | 36.290 | 37.380 |
| 40 | 34.780 | 35.650 | 36.540 | 37.635 |
| 41 | 35.010 | 35.885 | 36.780 | 37.885 |
| 42 | 35.250 | 36.130 | 37.035 | 38.145 |
| 43 | 35.480 | 36.365 | 37.275 | 38.395 |
| 44 | 35.715 | 36.610 | 37.525 | 38.650 |
| 45 | 35.955 | 36.855 | 37.775 | 38.910 |
| 46 | 36.200 | 37.105 | 38.035 | 39.175 |
| 47 | 36.420 | 37.330 | 38.265 | 39.415 |
| 48 | 36.660 | 37.575 | 38.515 | 39.670 |
| 49 | 36.895 | 37.815 | 38.760 | 39.925 |
| 50 | 37.130 | 38.060 | 39.010 | 40.180 |
| 51 | 37.375 | 38.310 | 39.270 | 40.450 |
| 52 | 37.595 | 38.535 | 39.500 | 40.685 |
| 53 | 37.835 | 38.780 | 39.750 | 40.945 |
| 54 | 38.085 | 39.035 | 40.010 | 41.210 |
| 55 | 38.305 | 39.265 | 40.245 | 41.450 |

| STEP | MAY 01/08 | MAY 01/09 | MAY 01/10 | MAY 01/11 |
|-------------|----------------------|----------------------|----------------------|----------------------|
| 56 | 38.550 | 39.515 | 40.505 | 41.720 |
| 57 | 38.780 | 39.750 | 40.745 | 41.965 |
| 58 | 39.015 | 39.990 | 40.990 | 42.220 |
| 59 | 39.250 | 40.230 | 41.235 | 42.470 |
| 60 | 39.500 | 40.485 | 41.495 | 42.740 |
| 61 | 39.740 | 40.735 | 41.755 | 43.010 |
| 62 | 39.970 | 40.970 | 41.995 | 43.255 |
| 63 | 40.205 | 41.210 | 42.240 | 43.505 |
| 64 | 40.435 | 41.445 | 42.480 | 43.755 |
| 65 | 40.655 | 41.670 | 42.710 | 43.990 |
| 66 | 40.895 | 41.915 | 42.965 | 44.255 |

EXHIBIT “B”

JOB EVALUATION PLAN

1. The Job Evaluation Plan

The Job Evaluation Plan is a plan developed for the purpose of uniformly evaluating and appraising jobs according to the skill, working conditions and responsibility factors required by and contained in each job, thereby resulting in the establishment of a uniform method of wage rate determination.

2. The Scope and Limitations of the Plan

(a) The Job Evaluation Plan shall not be applied to the following job fields covered by Exhibit “A” of the Labour Agreement:

- (i) Mechanical Trades (See Exhibit “B-1” attached for definition).
- (ii) Longshoring.
- (iii) Saw Filers and Saw Fitters.
- (iv) Jobs on Newsprint Machines.

(b) Except as provided in Section 2(a) above, all jobs covered by the Labour Agreement shall be considered eligible for evaluation when presented in the manner prescribed herein to the Joint Job Evaluation Board hereinafter provided for.

3. Administration and Procedure

(a) Job Evaluation Directors

- (i) The Job Evaluation Directors shall be composed of one (1) representative of the Communications, Energy and Paperworkers Union of Canada and one (1) representative of the Pulp and Paper Employee Relations Forum.
- (ii) It shall be the duty of the Job Evaluation Directors:

- a) to direct and supervise the functioning of the Job Evaluation Plan in accordance with the policies and procedures adopted by the parties to the Labour Agreement through an Administrative Committee comprised of the Job Evaluation Directors, three (3) designated representatives from the local unions and three (3) designated representatives of the companies using the plan.
- b) to receive reports from Plant Evaluation Committees and to recommend improvements where necessary in the procedure of the Committees.
- c) to review cases of evaluation upon request of either Union or Company members of the Plant Evaluation Committees.
- d) to review the general operation of the Joint Job Evaluation Board as to methods, factors, procedures, delays, and to order such reviews or surveys of job fields as necessary. It shall also be the duty of the Job Evaluation Directors to adjudicate any disagreement which might arise in the functioning of the Plan.
- e) to direct the Joint Job Evaluation Board as to changes in methods which do not constitute basic changes. The Directors shall neither negotiate rates nor exercise any of the collective bargaining functions of the National Union or the Company.
- f) to recommend improvements in the Job Evaluation Plan to an Administrative Committee for consideration. Only with the Administrative Committee is vested the power to amend, add to, or subtract from, the Plan.
- g) when the Directors are unable to resolve, within sixty (60) days, matters referred to them under © or (d) above, the matter may be referred by either Director or

the Union or Company members of the Plant Evaluation Committees to the Independent Review Officer as provided for under paragraph 3(d) below.

(b) Joint Job Evaluation Board

(i) The Joint Job Evaluation Board shall consist of one (1) representative of the National Union and one (1) representative of Pulp and Paper Employee Relations Forum.

(ii) It shall be the duty of the Joint Job Evaluation Board to evaluate and set the rate for any job presented for evaluation in accordance with this Plan. It shall also be the duty of the Board to develop, revise and maintain in an up-to-date manner the tables necessary to the functioning of the Job Evaluation Plan. All decisions of the Joint Job Evaluation Board must be agreed to by both members of the Board before becoming official.

(c) Plant Evaluation Committee

(i) The Mill Manager and the Union shall create a Plant Evaluation Committee which shall consist of not less than two (2) nor more than three (3) members representing the Union involved and not less than two (2) nor more than three (3) members representing the Company.

- (ii) It shall be the duty of the Plant Evaluation Committee:
- a) to act upon all requests for job evaluation, within the scope and limitations of the Plan as stipulated in Section 2 above, which may arise if, in their opinion, such evaluation would result in a rate change. Any decision to submit a job to the Joint Job Evaluation Board for evaluation must be unanimously agreed upon by all members of the Plant Evaluation Committee representing both the Company and the Union.
 - b) to make investigations of jobs to be submitted for evaluation, prepare job descriptions, arrange schedule of interviews required, determine and arrange for the attendance of those job representatives who desire to be present at the explanation of the evaluation computations, as provided in Section 4(d) and to assist in pointing out factual and pertinent information relative to the job to the Joint Job Evaluation Board at the time of evaluation.
 - c) to make a written report to the Job Evaluation Directors of the jobs on which the Union and the Company members of the Committee have been unable to agree as to whether an evaluation should be made, with a statement of the facts on which the disagreement was based.
- (iii) Either the Union or the Company members of the Plant Evaluation Committee may request a review by the Job Evaluation Directors of any case of evaluation where, in their opinion, proper application of the job evaluation standards has not been accomplished.

(d) Independent Review Officer

(i) The Communications, Energy and Paperworkers Union of Canada and the Pulp and Paper Employee Relations Forum shall appoint an Independent Review Officer for the term of the Collective Agreement.

(ii) The Independent Review Officer shall neither be an employee of the Union, Company, nor their agencies.

(iii) The Independent Review Officer shall have the authority to render decisions on matters that have been referred to him which are appropriate under the Plan.

(iv) The Pulp and Paper Employee Relations Forum and the Communications, Energy and Paperworkers Union of Canada shall each pay one-half of the fees and expenses of the Independent Review Officer incurred in the adjudication of disputes.

4. General Policies

(a) The evaluated job rate arrived at through official evaluation by the Joint Job Evaluation Board will be final and binding upon both parties to the Labour Agreement unless review has been requested as provided in Section 3(a)(ii)(c) or 3(a)(ii)(g). In case of such review the decision of the Job Evaluation Directors or, where appropriate the Independent Review Officer shall be final and binding upon both parties. Where a number of appeals indicate a problem within a job field, the Directors shall refer such problems to the Administrative Committee for final determination.

(b) Where an official evaluation indicates an upward adjustment in the rate for a job the adjustment will be retroactive to the date agreed upon by the Plant Evaluation Committee which is entered on, and a part of, the application for evaluation provided for in Section 3(c)(ii)(a) setting forth the duties of the Plant Evaluation Committee.

(c) Where a new job has been created, the Plant Evaluation Committee of the mill will make application to the Joint Job Evaluation Board for a temporary rate for the new job. An evaluated rate will be established by the Job Evaluation Board before a period of twelve (12) months has expired following the start of the new job except in those cases where a specific request is made by the Plant Evaluation Committee to the Job Evaluation Directors to retain the temporary rate beyond twelve (12) months, and the request is approved by the Directors. It will be the duty of the Plant Evaluation Committee to agree on a date on which the job became sufficiently stabilized to permit evaluation, and any increase resulting from the evaluated rate will be paid retroactively to the agreed-upon start-up date of the new equipment or the commencement of the job.

(d) The Joint Job Evaluation Board will complete its evaluation of all jobs at the particular mill involved. The Joint Job Evaluation Board will explain in detail the evaluation computations to the Plant Evaluation Committee and to those job representatives present, before leaving the mill. In those cases where it is not possible to complete the evaluation at the mill, the Joint Job Evaluation Board will return to the mill and explain the evaluation computations before making the results official.

(e) The Joint Job Evaluation Board shall furnish to the Plant Evaluation Committee a copy of the job description and evaluation computation forms pertaining to jobs that have been evaluated. Copies of the forms furnished are to be retained in the files at a suitable place, and will be open to members of the Plant Evaluation Committee for study or review.

NOTE: It is understood that the Plant Evaluation Committee files referred to in this sub-section are to be available at all times to the members of that Committee for study and review. It will be left to the Plant Evaluation Committee at each mill to determine the most suitable place in which to locate these files.

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

(g) When a survey or Job Field Study is authorized by the Directors, a projected completion date will be established. The completion date will also be used as a guide in determining the date for implementation of changes that result from the study.

(h) A Local Union may opt out of the Job Evaluation Plan during the thirty (30) days following ratification of the Memorandum for renewal of the Agreement. The effective date of any opting out will be the last day of the expiring Agreement.

EXHIBIT “B-1”

DEFINITION OF MECHANICAL TRADES

Any employee whose work is primarily in any one or more than one of the trades listed hereunder shall be classed as a “MECHANIC”.

- | | |
|-------------------------|-------------------------|
| Machinists | Tinsmiths |
| Millwrights | Heavy Duty Mechanics |
| Carpenters | Painters/Masons |
| Electricians | Roll Grinders |
| Pipefitters | Instrument Mechanics |
| Welders | Heat & Frost Insulators |
| Refrigeration Mechanics | |

EXHIBIT “C”

WELFARE PLAN

This Exhibit “C” sets forth the respective coverages, benefits, rights and obligations of the Company and its employees under the Welfare Plan established pursuant to Article XIX of this Agreement.

1. Compliance

- (a) The Company signatory to the Labour Agreement will comply with the terms and conditions set forth in this Exhibit “C”, and provide the coverages required therein.
- (b) The coverages shall be subject to the limitations in the contracts of the selected carrier or carriers.

2. Coverages and Benefits

(a) Group Term Life Insurance

The Welfare Plan will include Group Term Life Insurance in accordance with the following Table of Hourly Job Rate Brackets and corresponding coverages. Benefits will be payable as a result of death from any cause on a twenty-four (24) hour coverage basis.

(b) Accidental Death or Dismemberment Insurance

In addition to the above Group Term Life Insurance coverage the Welfare Plan will include Accidental Death Insurance as out-lined in the Table on a twenty-four (24) hour coverage basis. Coverage for quadriplegia, Paraplegia and Hemiplegia will be 200% of the amount of the Accident Death Insurance.

Dismemberment and paralysis insurance benefits of the Welfare Plan will be in accordance with the schedules offered by the particular carrier involved, such coverage to be on a twenty-four (24) hour basis.

(c) **Non-occupational Accident and Sickness Insurance**

- (i) The Welfare Plan will include Non-occupational Accident and Sickness Insurance that will provide a benefit of sixty percent (60%) of the employee’s regular job rate to the maximums in the following table.

| Maximum Weekly Indemnity Benefits Payable | |
|--|------------------------|
| Effective Date | Benefit Maximum |
| Date of Ratification | \$750.00 per week |
| May 1, 2009 | \$800.00 per week |
| May 1, 2010 | \$820.00 per week |
| May 1, 2011 | \$845.00 per week |

Note: The increases effective May 1, 2010 and May 1, 2011 reflect the May 1, 2009 benefit being increased in accordance with the general wage increases effective on those dates.

Weekly Indemnity benefits will be payable beginning with the first day of disability caused by non-occupational accident and beginning with the fourth day of disability caused by non-occupational sickness, except that in those cases of non-occupational sickness, which results in the claimant being hospitalized as a bed patient, and in those cases where surgery is performed which necessitates loss of time from work, the said Weekly Indemnity benefits will be payable beginning with the first day of sickness. Benefits will be payable for a maximum of fifty-two (52) weeks during any one period of disability.

Only one (1) waiting period will be required for serious illnesses which require kidney dialysis,

chemotherapy, radiation or other similar recurring treatments. This will provide benefits, after the initial waiting period, for any subsequent lost time.

(ii) Weekly indemnity benefits which begin prior to age sixty-five (65) will continue until the employee has received at least 15 weeks of benefits, or until the employee is no longer disabled or retires, whichever comes first. Where the employee recovers an amount from a liable third party for loss of income as a result of the same accident or illness, they must reimburse the Plan once they receive 100% of their gross wages lost.

(d) Medical-Surgical Coverage

The Welfare Plan will include Medical-Surgical coverage as required by the B.C. Medical Commission. An Extended Health Benefit Plan with coverage as per the M.S.A. Pulp and Paper Industry brochure dated May 1, 1993, including Vision Care coverage for employees and eligible dependents will also form part of this Agreement.

Effective May 1, 2008, the Extended Health Benefits Plan Lifetime Maximum has been increased to \$200,000.00.

Effective July 1, 1984, the co-insurance rate for hospitalization will be incorporated into the Extended Health Benefit coverage to a maximum of \$8.50 per day.

(e) Dental Care Plan

The Welfare Plan will include a Dental Care Plan which will reimburse members for expenses incurred in respect of the coverages summarized in Appendix "1". The Plan will not duplicate benefits provided now or which may be provided in the future by any government program.

(f) Long Term Disability Plan

The Welfare Plan will include a Long Term Disability Plan summarized in Appendix “2”.

(g) Table of Hourly Job Rate Brackets and Corresponding Coverages

| Maximum Insurance Benefits Payable | | |
|------------------------------------|-----------------|----------|
| Effective Date | Group Term Life | AD&D |
| Date of Ratification | \$91,000 | \$91,000 |
| May 1, 2009 | \$93,300 | \$93,300 |
| May 1, 2010 | \$95,600 | \$95,600 |
| May 1, 2011 | \$98,500 | \$98,500 |

(h) Joint Trusteed Health and Welfare Plan

The parties agree to form a committee to investigate the feasibility of a Jointly Trusteed Health and Welfare Plan. This committee will communicate its findings during the term of the renewed labour agreement.

(i) Costs for Weekly Indemnity/Long Term Disability Forms

The Weekly Indemnity and Long Term Disability Plans will assume all costs for completion of forms required by the carrier.

(j) Medical Forms Required by the Company

Where the Company requires forms to be completed by a medical doctor, the Company will pay the cost of the forms.

(k) The Welfare Plan will include an Out-of-Province Travel Plan, as follows:

When in the opinion of the attending physician and attending specialist a medical procedure is required that is not available in B.C., and is one for which the Medical Services Plan of B.C. will accept financial responsibility, the cost of travel and accommodation to the limits specified below will be paid for by the Plan. Where the attending physician specifies that an attendant is required, the travel and accommodation expenses for such person will be paid to the limit specified. The maximum limit under any one claim will be the return economy airfare or equivalent for patient and attendant, plus accommodation expenses up to a maximum of \$1,500. Receipts will be required and forwarded on the claim form prescribed by the Carrier.

This benefit will not stack on top of or duplicate existing provisions under local Medical Travel Benefit or government plans.

3. Waiting Period

All full-time employees who are actively working and have completed thirty (30) days service shall be enrolled for the coverages and benefits set forth in this Exhibit as a condition of employment.

4. Joint Welfare Board

A Joint Welfare Board shall be established comprised of three (3) members appointed by the National Union and three (3) members appointed by the Pulp and Paper Employee Relations

Forum. The function of the Board will be to review the operations of the Plan. It will formulate and review uniform statistical reports to be supplied by the Company for the purpose of ensuring compliance with Exhibit "C". The Company agrees to furnish to the Board such statistical reports as the Board may require.

5. Union Welfare Committee - Management Welfare Committee

The Union Welfare Committee shall be appointed and shall meet with a Management Welfare Committee with respect to questions which may arise concerning the operations of the Welfare Plan. If there is only one Union in the mill, the Union Welfare Committee shall consist of not less than two (2) and not more than three (3) members and if there are two Unions in the mill it shall consist of not less than three (3) nor more than five (5) members, it being agreed such committee members shall be selected by the Union or Unions concerned from participating employees who are working in the mill at the time of appointment to and while serving on such Committee. The Company shall appoint a Management Welfare Committee consisting of not less than two (2) members and not more than the aggregate number of members of the Union Welfare Committee.

6. Changes in Classification

The regular wage rate of the employee, in effect on May 1 and November 1, will determine their entitlement to Group Life and Accidental Death and Dismemberment and Weekly Indemnity coverages as outlined in the schedule contained in Exhibit "C". Where an employee's regular duties consist of more than one job, their regular rate shall be deemed to be the average of the rates applicable to such jobs.

7. Costs

Net costs of the coverages and benefits made available to participating employees under the Welfare Plan will be shared between the Company and the said employees in accordance with the following:

| Group Term Life Insurance; Accidental Death or Dismemberment Insurance; Medical-Surgical Coverage; Extended Health Benefit and Dental Plan | |
|---|------|
| Company | 100% |
| Employee | Nil |

| Non-occupational Accident and Sickness Insurance; Long Term Disability Plan | |
|--|-----|
| Company | 70% |
| Employee | 30% |

8. Reporting Period

The report shall cover the twelve (12) month period ending November 30. Such reports will be submitted to the Joint Welfare Board not later than March 1 of each year. The Board shall distribute copies of the reports to the Local Union concerned.

9. Changes in Premiums and Employee Contribution

It is understood that any change in respect of either the premium rate charged by the carrier or the basis of the employer-employee sharing thereof may only be made effective as of May 1 in any year.

10. Distribution of Surplus

It is understood that surplus accumulations, if any, will be used only for the purpose of reducing premium costs.

Surplus accumulations must be disposed of within reasonable time limits. Questions in this respect will be referred to the Joint Welfare Board for decision.

11. Optional Payments under Life Insurance

In any case where the existing Company plan provides optional methods of payment to the beneficiary under the Life Insurance program, such policy provisions will remain in effect.

12. Disputes

No dispute arising out of the operation, administration or interpretation of any coverage contract between the Company and the carrier shall be subject to the Adjustment of Complaints procedure of the Labour Agreement. Any such dispute shall be adjudicated under the terms of the following dispute resolution process.

1. Where the insurance carrier has denied an employee Weekly Indemnity or Long Term Disability benefits, the issue shall be referred to a Joint Union-Management Committee.

To assist in the appeal of the denial of benefits, in addition to a standard Weekly Indemnity or Long Term Disability claim form from the employee's physician, the Employer shall, within seven days, confirm the following documentation has been forwarded to the carrier (with copies to the Union committee):

- a) A complete job description.
- b) A physical demands analysis which indicates in detail the demands of the particular occupation.

From these documents an evaluation is made to identify the essential and peripheral elements of the particular occupation. With input from the Employer, these evaluations will ensure an appropriate identification of the key or essential elements of a particular occupation.

2. In the event the employee's claim is further denied and the employee wishes to further appeal the decision of the carrier, the claimant may, within fourteen days, refer the denial of benefit to the Joint Union Management Committee. If the Committee is unable to resolve the disputed claim, the issue will, within fourteen days, be referred to a third party for resolution.
3. The mutually agreed upon third party shall have the right to review the claim file, require further examinations or testing of the claimant by a specialist. Costs incurred for the medical examination or specialist testing shall be borne by the carrier. The costs of the third party shall be borne equally by the Union and the Employer.
4. The Third party will endeavour to complete the assessment and reach a decision on the issue under appeal within fourteen days of referral.
5. The decision of the third party shall be binding upon the parties and the carrier.

13. Disputed Workers' Compensation Board Weekly Indemnity Claims

If an employee covered by the Welfare Plan suffers a disability, payment for which is in dispute with the Workers' Compensation Board, Weekly Indemnity payments under the Welfare Plan will be paid retroactively as set forth in this Exhibit if requested by the employee and provided he has been off work for at least two (2) weeks due to the disability without the Workers' Compensation Board having accepted the claim.

If the Workers' Compensation Board claim is subsequently established the employee will then repay the weekly disability payment received to the appropriate fund or insurance company.

14. Change in Benefits

In the case of an employee who is on active claim arising from a disability which occurred before a negotiated change in benefits and which continues thereafter, the said employee shall, as from the effective date of the negotiated change, be paid the changed Weekly Indemnity benefit, be covered for the changed Group Term Life Insurance and Accidental Death and Dismemberment Insurance, and make the changed contributions.

15. Coverage During Leave of Absence

The following coverage will be provided up to a total of three (3) months in any one calendar year:

- (a) The Welfare Plan for employees on authorized leave of absence on Local Union business.
- (b) Group Term Life Insurance, Accidental Death and Dismemberment Insurance, and Medical-Surgical coverage for employees on authorized leave of absence for extended vacation purposes.

16. Surviving Spouse and Dependent Coverage

Where a surviving spouse and dependents of a deceased employee are not covered by such plans by reason of their own employment, the Company will extend the coverage under Medical-Surgical Plan, the Extended Health Benefit Plan and the Dental Plan for a period of twelve (12) months, commencing on the first of the month following the month in which the death occurs.

APPENDIX "1"

DENTAL CARE PLAN

A. Benefits

(i) Diagnostic Services

All necessary procedures to assist the dentist in evaluating the existing conditions to determine the required dental treatment, including:

- Oral examinations
- Consultations
- X-rays (complete mouth X-rays will be covered only once in a three (3) year period)

(ii) Preventive Services

All necessary procedures to prevent the occurrence of oral disease, including:

- Cleaning and scaling
- Topical application of fluoride
- Space maintainers

(iii) Surgical Services

All necessary procedures for extractions and other surgical procedures normally performed by a dentist.

(iv) Restorative Services

All necessary procedures for filling teeth with amalgam, synthetic porcelain, and stainless steel crowns. Gold inlays or onlays will be provided as a filling material only when teeth, in the professional opinion of a dentist, cannot be restored with any of the above materials. Gold foil will be provided only in cases of repair to pre-existing gold restorations.

(v) Prosthetic Repairs

All necessary procedures required to repair or reline fixed or removable appliances.

(vi) Endodontics

All necessary procedures required for pulpal therapy and root canal filling.

(vii) Periodontics

All necessary procedures for the treatment of tissues supporting the teeth.

(viii) Prosthetic Appliances and Crown and Bridge Procedures

- (a) Crowns and bridges.
- (b) Partial and/or complete dentures, but not more than once in five (5) years.

(ix) Orthodontics

The services of a certified Orthodontist registered as such by the College of Dental Surgeons of British Columbia only after the patient has been covered continuously for twelve (12) months. Appliances lost, broken or stolen will not be replaced.

The maximum lifetime benefit is three thousand five hundred dollars (\$3,500) per person for all services provided by an Orthodontist.

B. Co-Insurance

In respect of Benefits (i) to (vii), the Plan will provide reimbursement of 90% of eligible expenses.

Benefits (viii) and (ix) will be subject to 50% co-insurance.

APPENDIX "2"

PULP AND PAPER INDUSTRY LONG TERM DISABILITY PLAN SUMMARY

1. Eligibility

- (a) All hourly employees who are working full time for full pay will be eligible for coverage. Minimum hours worked must be no less than thirty (30) per week.
- (b) Coverage will commence after thirty (30) days of service.
- (c) Employees must be actively at work, full-time and for full pay on the date coverage commences.

2. Level of Benefits

50% of regular weekly earnings calculated at forty (40) times the disabled employee's hourly straight time job rate at the date of onset of disability plus any negotiated increases to that hourly straight time job rate which would take place during the elimination period.

3. Elimination Period

Benefits commence after the employee has been totally and continuously disabled for fifty-two (52) weeks or has exhausted his weekly indemnity benefits whichever occurs last.

4. L.T.D. Benefit Payments

(a) There will be a minimum of sixty (60) months of benefit payment for persons with sixty (60) or less months of service.

(b) Additional benefits will be paid on the basis of one (1) month for each two (2) months of continuous service beyond the sixty (60) months service with the member pulp and paper company up to the date of onset of disability.

(c) For those who are either on W.I. or L.T.D. effective July 1, 1988, and continue to be disabled, benefits will be paid to age sixty (60) as a minimum if the employee does not have sufficient service to carry him further under (b) above. At the point that he runs out of L.T.D. benefit, he can elect to either retire early or go on disability pension benefit until age sixty-five (65), at which time he will retire.

(d) For new claims that commence after July 1, 1988, benefits will be paid to age sixty (60) as a minimum if the employee does not have sufficient service to carry him further under (b) above. At the point when he runs out of L.T.D. benefit, he will retire.

Benefit payment will not be paid beyond age sixty-five (65) and in all cases, will cease on recovery.

5. Definition of Total Disability

(a) The disabled employee's inability to perform the duties of his own occupation for the first eighteen (18) months of L.T.D. disability payments and thereafter his inability to perform the duties of any occupation for which he is qualified by education, training or experience.

(b) During a period of disability the disabled employee must be under the regular care and attention of a medical doctor, or in cases of disability arising from a mental or nervous condition, a psychiatrist.

6. Integration with Other Disability Income

(a) The benefit from this plan combined with all other disability income to which the disabled employee is entitled will not exceed 80% of the employee's regular wage at the date of disability.

All other disability income will include: C.P.P./Q.P.P. primary disability pension benefits, Workers' Compensation, disability income from a group or association plan, disability income arising out of any law or legislation, and wage continuation or pension plan of any employer including the Pulp and Paper Industry Pension Plan. Private or individual disability plan benefits of the disabled employee will not reduce the benefit from this plan.

In the event that all other disability income reduces the payment from this plan below \$25.00 per month, this plan will nevertheless pay a minimum of \$25.00 per month from the date disability income commences.

(b) Increases in C.P.P./Q.P.P. disability pensions or Workers' Compensation disability pensions that result from increases in the Canadian Consumer Price Index and which occur after the date disability payments from this plan commence will not further reduce the benefits from this plan.

7. Rehabilitative Employment

(a) During a period of total disability under this plan, a disabled employee may engage in rehabilitative employment in which case the benefit from this plan will be reduced by 50% of the

employee's rehabilitative employment income that exceeds \$50 per month. The benefit from this plan will be further reduced by the amount that remuneration from rehabilitative employment plus the benefit from the L.T.D. plan exceeds 75% of the employee's basic wage at date of disability.

(b) Rehabilitative employment shall mean any occupation or employment for wage or profit or any course or training that entitles the disabled employee to an allowance, provided such rehabilitative employment has the approval of the employee, and his doctor in consultation with the underwriter of the L.T.D. plan.

(c) Rehabilitative employment will be deemed to continue until such time as the employee's earnings from rehabilitative employment exceed 75% of his straight time earnings at date of disability but in no event for more than twenty-four (24) months from the date rehabilitative employment commences.

8. Exclusions

Disabilities resulting from the following are not covered:

- (a) War, insurrection, rebellion or service in the armed forces of any country.
- (b) Participation in a riot or civil commotion.
- (c) Intentionally self-inflicted injuries.
- (d) Pregnancy, childbirth, miscarriage or abortion. Severe complications following termination of pregnancy will however be covered.

9. Pre-Existing Conditions

A disability that results from an accident, illness, mental or nervous disorder for which the employee received treatment or

medical supplies within the ninety (90) day period prior to joining the plan will not be covered unless the employee has completed twelve (12) consecutive months of employment during which he was not absent from work from the aforementioned accident, sickness or mental disorder.

10. Successive Disabilities

A subsequent disability that is related to a previous disability and occurs within six (6) months of an employee's return to work will be considered a continuation of the previous L.T.D. disability and the employee will not be eligible for weekly indemnity benefits. The employee under these circumstances will be eligible to receive benefits without the necessity of completing another elimination period.

11. Terminations

Coverage will cease:

- (a) On termination of employment.
- (b) On a date fifty-two (52) weeks prior to an employee's 65th birthdate.
- (c) On the date leave of absence commences except as provided for in the Collective Agreement.
- (d) On the date an employee is laid off except when an employee has requested continuation of coverage in accordance with section 6 of Article XXI of the Labour Agreement, in which case coverage under the plan will continue only for the periods specified in the aforementioned sections of the Agreements. In the event an employee becomes totally disabled while covered by this plan under this provision, the elimination period will commence on the date such an employee is scheduled to return to active full-time employment.

Employees who have sufficient seniority and who request continuation of coverage under this plan during a period of lay off will be required to pay their portion of the plan premium.

12. Contribution Waiver

Contributions are to be waived when an employee is in receipt of L.T.D. payments.

13. Letter of Understanding - Long Term Disability

Employees who are under 60 years of age will have their future disability benefit recalculated by applying the contractual wage increases that were applied in each year, during the period of their disability, to their long term disability

The recalculated weekly benefit when combined with all other disability income to which the disabled employee is receiving will not exceed 80% of 40 hours multiplied by the regular wage rate in effect at the time of the recalculation.

CONDITIONS FOR IMPLEMENTING THE PLAN

(1) The Long Term Disability Plan is payment in kind of the employee's share of the reduction in the Unemployment Insurance Premium resulting from the qualification of the Weekly Indemnity Plan under the Unemployment Insurance Regulations. The full U.I.C. premium reduction including the employee 5/12th's share will be retained by the employer.

(2) When an employee becomes totally disabled under this plan, they shall have the option of taking all outstanding earned time off with pay, such as vacations, supplementary vacations, statutory holidays, special (personal) floating holidays and any half-time portion of banked overtime.

- (3) Upon commencement of L.T.D. benefits all terms and conditions of the Collective Agreement will become inoperative except where provided for in Article 4 (b), (c) and (d) below.
- (4) (a) Negotiated wage increases will apply as per Article 2 of the Plan Summary but subsequent increases in plan benefits will not affect employees on L.T.D. benefits.
- (b) Employees in receipt of L.T.D. benefits from this plan will continue to accrue credit under the Pulp and Paper Industry Pension Plan provided such employees are not in receipt of a disability pension under the Pulp and Paper Industry Pension Plan.
- (c) Employees in receipt of disability payments from this plan will continue to be covered under his employer's medical, extended health and dental plans. Coverage under the employer's group life and A.D. & D. plans will also continue in accordance with the conditions of those plans.
- (d) An employee returning to work from an L.T.D. claim will return to a job his seniority, qualifications and ability to perform the work properly entitle him to.
- (e) Active claims as referred to in Section 14 of Exhibit "C" of the Labour Agreement will be defined as that period of time during which an employee is in receipt of weekly indemnity payments only.

EXHIBIT "D"

APPRENTICESHIP TRAINING PROGRAM

- 1. The purpose of the Program is to provide tradesmen of the highest calibre.
- 2. The Apprenticeship Training Program will cover the trade where applicable for the mills concerned, as set forth below:

| | |
|--------------------------|---------------|
| Carpenter | Millwright |
| Electrician | Painter/Mason |
| Heat and Frost Insulator | Pipefitter |
| Heavy Duty Mechanic | Machinist |
| Instrument Mechanic | Tinsmith |
| Refrigeration Mechanic | Welder |

General Principles

- 3. The period of Apprenticeship Training will be as defined by the Apprenticeship Branch for each trade. The Apprentice will receive the Journeyman rate on successful completion of his Apprenticeship or after successful completion of four (4) years, whichever happens sooner, only on the understanding that he completes his full term of training. If the Apprentice refuses to continue his training, he will be removed from the Program with no standing as a Journeyman in his trade.
- 4. Training syllabus for each trade to be designed to meet the requirements of the particular trade involved.
- 5. All provisions of the appropriate labour Agreements in effect at the Mill concerned shall be applicable to Apprentices in the Program.

6. Apprentices hired with previous training may be placed into the training program at a level determined by the Joint Apprenticeship Committee, with advice from the Apprenticeship Branch.

7. Under the Program, Apprentices will receive rates as per Exhibit "A" of the Collective Agreement.

Progression through the schedule of rates is subject to successful completion of prescribed theoretical training, practical training and tests. The schedule of rates applies on date of qualification or as otherwise provided for in Item 12.

Joint Union-Management Apprenticeship Committee

8. This Committee will be comprised of an equal number of Union and Management representatives not to exceed, in total, three (3) from each group.

The purpose of the Committee will be to develop and supervise the procedures required to carry out the intent of the Program as agreed to. The Committee will also carry out the following duties:

(a) The Company to establish in-plant training programs to support the training syllabus as developed by the Apprenticeship Branch of the Department of Labour for each trade involved. Supervision of the established Program shall be the responsibility of the Joint Committee.

(b) Set standards for entry into the Apprenticeship Program that are not inconsistent with the standards recommended by the Apprenticeship Branch.

(c) Carry out periodic reviews of the training programs at intervals of not more than three (3) months.

- (d) See that the required practical tests are carried out in cooperation with the Apprenticeship Branch.
- (e) Determine the tool requirements by years of training.
- (f) Joint Committee to review any case of lost time from the Program because of sickness, accident, etc. and to determine the amount of additional time necessary before an employee meets his requirements of time served.

Central Advisory Committee

9. There shall be established a Central Advisory Committee of representatives of Labour and Management, for the purpose of considering policy questions and possible necessary amendments from time to time. This Committee to be composed of equal representation from Labour and Management not to exceed, in total, three (3) from each group.

Entry to Program - New Apprentices

10. Selection for entry into the Program of persons who have no previous training in the trade will be made by the Company provided that the standards for acceptance established by the Joint Union/Management Apprenticeship Committee and the Apprenticeship Branch are applied and that first consideration is given to mill employees.

Schedule of Training for Apprentices

11. Upon completion of each period of training in an approved Vocational School an Apprentice will be required to pass examinations set by the Apprenticeship Branch. Practical examinations shall be confined to the area of training received. In the event of failure to pass examinations, the Apprentice shall be

required to undergo a period of re-training on subject material specified by the Apprenticeship Branch authorities and will be required to be re-examined within twelve (12) months. Failure to pass the second examination will result in a review of his position by the Joint Apprenticeship Committee and could result in his removal from the Program. Employees who are removed from the Program will be offered an entry job in keeping with their plant seniority.

12. (a) Successful applicants will be assigned to a specific trade as a probationer for a two (2) month period. During the probationary period he shall receive the first year apprentice rate.
- (b) During each year of Apprenticeship, he shall work at the trade and attend Vocational School as required by the regulations pursuant to the Apprenticeship Act.
- (c) Upon the successful completion of his term of Apprenticeship and receipt of his certificate of Apprenticeship, issued by the Provincial Apprenticeship Committee, the Apprentice shall be designated as a certified Journeyman at the regular hourly rate for "A" Mechanics.
- (d) If any of the aforementioned work periods are exceeded due to the unavailability of Vocational School facilities, such extra time will be credited to the Apprentice in succeeding training requirements. Also, the Apprentice's rate shall be adjusted retroactively to the commencement of the scheduled year providing he successfully passes the examinations. Retroactivity will not apply where re-testing is necessary.
- (e) For trades exceeding four (4) years, the following shall be in addition to the above. On successful completion of the fourth period of training at the Vocational School, and having spent twelve (12) months as a fourth year apprentice,

he shall be reclassified and paid the fifth year Apprentice rate which is equivalent to the "A" Mechanic rate for the following twelve (12) months. On completion of the final period at the Vocational School the fifth year apprentice shall write his final examination set by the Apprenticeship Branch and, upon becoming certified, shall be designated as a certified Journeyman at the regular hourly rate for "A" Mechanics.

13. Wherever reference is made to a year (or twelve (12) months) as an apprentice, it shall mean a period of not less than 1600 hours worked, the said period to include time spent at the Vocational School.

Cost of Books

14. The Company will pay 100% of the cost of textbooks specified by the Apprenticeship Branch. The apprentice will keep these books as his personal property.

Allowances and Wage Make-Up

15. While attending an approved Vocational School the Apprentice will receive from the Government, allowances and school expenses in accordance with the Government's schedule of grants pertaining to Apprenticeship Training. In addition, the employee shall receive from his employer, an allowance comprised of the difference between his regular straight time rate, based on a forty (40) hour week, and the weekly living allowance granted by the appropriate government authorities. Allowances provided by the employer shall not apply to any periods of retraining as specified in Item 11.

General

16. (a) The Company agrees to develop and provide a program of on-the-job training for each trade, which shall include doing jobs of gradually increasing skills consistent with the apprentice's training and ability.
- (b) Apprentices will be required to acquire and build a kit of tools progressively throughout the Program, as specified by the Apprenticeship Branch and the Joint Union/Management Apprenticeship Committee.
- (c) A category known as "Trade Utility" may be established in the Mechanical Department and complement for such category will be determined at plant level.

Employees in this category will be employed to assist tradesmen and apprentices with labour and similar work but will not be used in a manner that will interfere with the application of the training program (see item 7(iv) of Memorandum of Agreement dated April 20, 1964). Trade Utility rates will be paid in accordance with Exhibit "A".

Certification of Present "A" and "A+" Tradesmen

17. Testing of existing "A" and "A+" Mechanics for a certificate of competency shall be at the employee's option. Failure to have obtained a Trade Qualification Certificate shall not prejudice the status of a Journeyman within the Pulp and Paper Industry. Should he desire to enter the Program, it will be for the purpose of additional training only, without reduction in rate of pay.

The first time an existing "A" or "A+" Mechanic elects to take the test for a Tradesmen's Qualification Certificate he shall receive pay, not to exceed four (4) hours, for time lost from work, if he is required to take the test during his regular work schedule. The Company will pay the fee cost of this first Tradesmen's Qualification Certification examination.

EXHIBIT "E"

STEAM PLANT VOCATIONAL LEAVE

1. Fourth Class Certificate

Upon successful completion of the Department of Education Correspondence Course for a FOURTH CLASS STATIONARY STEAM ENGINEERING CERTIFICATE, or possessing equivalent qualifications acceptable to the Vocational School authorities, employees shall be granted three (3) weeks leave of absence with pay to attend an approved Vocational School to complete the course and write the examination for the Fourth Class Stationary Steam Engineering Certificate.

During his first week at the School the employee will be evaluated by the school authorities to determine his knowledge of the subject, and if the evaluation is favourable he will continue his studies at the school during the two weeks and write the prescribed examination. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted three (3) weeks leave of absence, two (2) weeks with pay and one (1) without, to return to the Vocational School to complete the course and write the prescribed Fourth Class Certificate examination.

2. Third Class Certificate

Upon successful completion of the Department of Education Correspondence Course for a THIRD CLASS STATIONARY STEAM ENGINEERING CERTIFICATE, or possessing

equivalent qualifications acceptable to the Vocational School authorities, employees shall be granted six (6) weeks leave of absence with pay to attend an approved Vocational School to complete the course and write the examination for the Third Class Stationary Steam Engineering Certificate.

During his first week at the school the employee will be evaluated by the school authorities to determine his knowledge of the subject, and if the evaluation is favourable he will continue his studies at the school during the following four weeks and write the prescribed examination. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted five (5) weeks leave of absence, four (4) weeks with pay and one (1) without, to return to the Vocational School to complete the course and write the prescribed Third Class Certificate examination.

3. Second Class Certificate

Upon successful completion of the Department of Education Correspondence Course for a SECOND CLASS STATIONARY STEAM ENGINEERING CERTIFICATE, or possessing equivalent qualifications acceptable to the Vocational School authorities, employees shall be granted ten (10) weeks leave of absence with pay, on the basis set forth hereunder, to attend an approved Vocational School to complete the two-part course and write the examination for the Second Class Stationary Steam Engineering Certificate:

- (i) Five (5) weeks leave of absence with pay to complete Part "A" (Mathematics & Physics).
- (ii) Five (5) weeks leave of absence with pay to complete Part "B" (Basic Engineering).

During his first week at the school in each of the above mentioned cases (i) and (ii) the employee will be evaluated by the school authorities to determine his knowledge of the subject, and if the evaluation is favourable he will continue his studies at the school during the following four (4) weeks and write the examination prescribed for Part "A" or "B", whichever is applicable. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted five (5) weeks leave of absence, four (4) weeks with pay and one (1) without, to return to the Vocational School to complete the course and write the examination prescribed for Part "A" or "B", whichever is applicable.

4. Basis of Pay

One (1) week's pay shall be equal to forty (40) hours at the straight time hourly rate of the employee's regular job.

5. Additional Leave

Leaves of absence with pay will be granted to Steam Plant personnel on the basis as set forth in 1, 2 and 3 above. Any further Vocational Training required to pass each respective certificate shall be at the employee's expense and such additional leave of absence will be granted.

6. Books

The Company will pay 100% of the cost of textbooks specified by the Vocational Training School as required for those writing for Stationary Engineering Certificates. The employee will keep these books as his personal property.

7. Examination and Tuition Fees

The Company will bear the cost of the prescribed Examination and Tuition Fees, if any, required of candidates writing for Stationary Engineering Certificates.

8. Transportation Allowance

The Company will grant transportation allowance to Steam Plant personnel attending Vocational School on the same basis that transportation allowance is being granted at the time by the Apprenticeship Branch to apprentices attending an approved Vocational School.

9. Timing of Leave

Leaves of Absence will be granted at a time suitable to the Company, bearing in mind the Vocational School curriculum.

10. Number on Leave

Normally it will not be possible to grant leave of absence to more than one Steam Plant employee at a time. However, if relief is available this limit may, at the discretion of the Company, be exceeded.

11. Government Allowances

If at any time provision is made whereby transportation and/or other allowances are granted by the government to Steam Plant personnel attending an approved Vocational School to write for Stationary Engineering certificates, the provisions set forth above will then be amended to take into account such Government allowances.

12. Living Out Allowance

While an employee is attending Vocational School on the basis set forth in 1, 2 and 3 above, his employer will pay him a living out allowance which, combined with any Government living out allowance to which he may be entitled, is equal to the living out allowance he would receive from the appropriate Government authorities as an Apprentice, pursuant to Section 15 of Exhibit "D".

STATEMENTS OF POLICY
1945 - 2003
LABOUR AGREEMENT

Taken from the Transcripts of
Negotiations for Contract Years

1945 - 1952 inclusive

and from Memoranda issued during
subsequent Wage Conferences

COMMUNICATIONS, ENERGY AND PAPERWORKERS
UNION OF CANADA
Local 298 and Local 1127

EUROCAN PULP & PAPER CO.

FOREWORD

During the 1946 Labour Conference it was jointly agreed that the Companies and the Union would each appoint a Committee of two (2) to select from the verbatim transcripts of the 1945-46 and the 1946-47 Joint Conferences "Statements of Policy" which were then to be approved by the International Officers of the Union and by representatives of the Companies and thereafter printed in a booklet to be entitled "Statements of Policy". (See 1946 Transcript, page 80 and page 159). This policy has been re-adopted at subsequent Labour Conferences.

The Statements of Policy contained in this booklet have been reworded for the sake of brevity and clarity, and have been agreed to by both Union and Company representatives. They are intended as a supplemental guide in the interpretation of the contract on the points which they cover.

STATEMENTS OF POLICY

Article II - Definitions

(a) **Definition of "Supervision"**. (Memorandum of Agreement dated January 30, 1958)

The Union and the Company recognize that supervisors are excluded from the provisions of the Labour Agreement and accordingly it is improper for supervisors normally to do the kind of work which is done by those defined as employees in the Agreement.

It is also recognized that for the practical and efficient operation of the mills there are occasions when a supervisor must help. Such occasions must be temporary in nature and must not result in the displacement or exclusion of employees under the Agreement.

(b) **Definition of "Him"**. (Page 98, 1946 Transcript)

Wherever the word "him" appears in the contract it will be taken as referring to a male or female employee as the case may be.

(c) **Definition of "Engineering"**. (Page 35, 1947 Transcript)

The word "engineering" as used in this section does not refer to steam operating engineers.

Article V - Standing Committee

Payment of Representatives on Union Standing Committee. (Pages 109 - 110, 1950 Transcript)

(i) The general principle to be followed is that no employee's normal earnings shall be reduced by virtue of his attendance at a Standing Committee meeting.

(ii) Employees attending meetings called while they are on duty will be paid for the time in attendance providing a meeting does not extend past the end of a shift.

If it does extend past the end of the shift, no allowance is made for such additional time.

(iii) Employees attending meetings during their time off will not be paid.

(iv) Where it is necessary to relieve an employee attending a meeting, the relief man will be paid at straight time except for any time in excess of eight (8) hours in the day which will be paid for at time and one-half.

(v) The time of the meeting shall be determined by mutual agreement. At the written request of the President of the Union, the meeting will occur within 5 days of the request.

Article VI - Hours of Work

(a) Section 2: Overtime

It is hereby agreed:

(i) The hours worked on Sundays and on the recognized paid Statutory Holidays provided for in the Labour Agreement will be used in the computation of the forty (40) hour work week.

(ii) The foregoing arrangement applies only to Sunday and recognized paid Statutory Holiday hours and no other hours on which time and one-half has been paid, nor hours paid for Call Time, may be used for the purpose of calculating the forty (40) hour week.

(iii) For the purpose of calculating overtime, the basic forty (40) hour work week shall be reduced by eight (8) hours in any week in which a recognized paid Statutory Holiday occurs. Should more than one (1) recognized paid Statutory Holiday occur in any week, the basic forty (40) hour work week shall that week be reduced by eight (8) hours for each such recognized paid Statutory Holiday. For example, in a week in which one recognized paid Statutory Holiday occurs, overtime will be paid for hours worked in excess of thirty-two (32). Should it happen that two (2) recognized paid Statutory Holidays occur in one (1) week, then overtime will be paid for hours worked in excess of twenty-four (24) that particular week.

The work week shall start at 8:00 a.m. (or at the regular hour of changing shifts nearest to 8:00 a.m.) Sunday.

The foregoing is to be considered as supplementary to Article VI, Section 2 - Overtime, of the Labour Agreement and supersedes all existing local agreements in respect of the computation of overtime for Sunday and Holiday work.

(b) Section 2: Overtime, (1) Day Workers

Clarification of Overtime to Day Workers. (Page 90, 1949 Transcript)

The employee's designated day off is Tuesday. He is given less than forty-eight (48) hours notice that it is to be changed to Friday. He is then paid as follows:

| | | |
|-----------|----|----------------|
| Sunday | -- | 8 hours plus 4 |
| Monday | -- | 8 hours |
| Tuesday | -- | 8 hours plus 4 |
| Wednesday | -- | 8 hours |
| Thursday | -- | 8 hours |
| Friday | -- | off |
| Saturday | -- | 4 hours |

If he is called back at 1 p.m. Saturday to work four (4) hours in the afternoon, is he entitled to time and one-half? The answer is "no" for the reason that the contract stipulates that overtime will only be paid on the one basis. In other words, we cannot pay overtime twice on the same time. However, in the letter of October 18, 1946, Powell River Company Limited and Pacific Mills Limited did agree to include Sunday time and designated holidays time in the forty-four (44) hour week (amended to forty (40) hours 1952-53), even though time and one-half had been paid on it. They did not agree to include any other time on which time and one-half had been paid and there is no intention of broadening it at this time. On this principle, therefore, in the case above, the hours the employee worked on Tuesday, his designated day off, are eliminated from inclusion in the forty-four (44) hour week (amended to 40 hours 1952-53).

(c) Section 2: Overtime, (2) Tour Workers

Clarification of Payment of Overtime to Tour Workers.
(Page 270, 1948 Transcript)

Where a Tour Worker works an extra shift due to the absence of his mate who has given proper notice and the overtime worked by the Tour Worker extends into another day, he will still be paid at the rate of time and one-half.

Relief of Mates (Page 328, 1950 Transcript)

The Company will do everything in it's power to relieve employees within twelve (12) hours for an eight (8) hour shift and sixteen (16) hours for a twelve (12) hour shift when these employees are working due to the absence of a mate.

Section 3: Days Off and Schedule of Shifts

(a) Scheduling of Days Off. (Memorandum, 1953 Wage Conference)

The Manufacturers agree that the scheduling of days off shall be on a consecutive basis wherever practicable.

**Section 4: Starting and Stopping Work (b) Day Workers
Clarification of "Starting".** (Page 260, 1948 Transcript)

When a Day Worker is established on a job that is some distance from his shop he shall be on that job ready to begin work at the time his pay starts and shall not cease work in advance of the time his pay stops. If the worker's time clock is not located close to the route he must travel to his job, he may, at the discretion of the Company, report directly to the job without punching his time card and his foreman shall be responsible for having his time recorded.

Article IX - Allowance for Failure to Provide Work

(a) Clarification of the Word "Accident". (Page 60, 1945 Transcript)

The word "accident" as used in this section means a mishap occurring to an individual resulting in a shutdown. In other words, the occasion involves the human element as distinguished from the mechanical.

(b) Clarification of "Employee's Regular Job". (Page 61 et seq., 1945 Transcript)

In the application of this section it is considered that the allowance is due to an employee only in the case where he is reporting for his regular duties and then no work is provided. If the employee's regular duties consist of ship loading and bull gang work, he may be transferred from one regular assignment to another without penalty providing he obtains work on either job. However, while working on ships he will receive the ship rate and while working in the yard he will receive the bull gang rate. In the case of an employee, whose regular duties consist of one specified

job, and who reports for work and finds no work available, if such employee then transfers to a job carrying a lower rate, at his election, he shall nevertheless receive the rate paid him on his regular job.

(c) **Clarification of "Breakdown".** (Page 258, 1948 Transcript)

A breakdown in one department which compels the closing down of one or more additional departments is a breakdown within the meaning of this section, providing the Company uses its discretion in handling the case and where there is no loss of time unjustly caused to an employee.

Article X - Call Time

(a) **Applicability of Section in Specific Instances.** (Page 157, 1946 Transcript)

(i) When a Day Worker whose shift is from 8:00 a.m. to 5:00 p.m. is told to go home at 12:00 noon and return at 4:00 p.m. for work, he will receive two (2) hours Call Time because the shift was designated at 12:00 noon.

(b) **Definition of "Regular Scheduled Shift".** (Page 65, 1949 Transcript)

A regular scheduled shift is the work defined for an employee by the Company.

(c) **Applicability of Section in Specific Instances.** (Questions and answers - report of Call Time Committee, 1949 Transcript)

(i) In Section 2(a) relating to the payment of Call Time to Tour Workers, the phrase "after he has completed his regular shift" shall be considered to mean at that point when his pay stops upon being relieved by a mate.

(ii) A Day Worker is called in on his designated day off reporting for work at 8:00 a.m. and working until 10:00 a.m.

for which he received four (4) hours pay as the minimum allowance for an employee who starts work. If notification had not been given during his last shift preceding the work involved, he would qualify for Call Time and would also qualify under the provisions of Section 3(a) wherein a minimum of four (4) hours pay will be paid for each call when work has actually commenced both to Tour Workers and Day Workers.

In the above case the worker worked two (2) hours at the overtime rate plus a two (2) hour call which would entitle him to five (5) hours pay, thereby meeting the requirements of Section 3. It should be made clear that an employee under these circumstances will not receive four (4) hours minimum pay plus Call Time, if any, but that the four (4) hours minimum pay includes the Call Time payment.

(iii) A Day Worker normally working the 8-5 or 8-4 shift is ordered to go home at 12:00 noon and report back for work at 4:00 p.m. or 12:00 p.m. The employee in question is entitled to Call Time since his designated shift terminated at 12:00 noon and more than two (2) hours elapsed between his designated shift and his return to work.

Article XVII - Statutory Holidays

(a) Work to be Performed. (Page 238, 1948 Transcript)

Employees who are required to work on designated holidays are expected to perform regular maintenance and routine duties normally assigned to them.

(b) Clarification of Section 5. (Page 265, 1948 Transcript)

(i) In the calculation of the forty-two (42) hour work week (amended to forty (40) hours 1952-53) the payment of holiday pay will not be used unless the employee actually worked.

(ii) It is understood that an employee's vacation shall be exclusive of a paid holiday as recognized by the Labour Agreement. Therefore, if one or more such holidays fall within the employee's vacation period, he will be required to take the comparable number of additional days off. The employee shall only receive the pay for such recognized paid holidays falling within his vacation period when he takes the required additional time off.

(iii) Where an employee, after having agreed to do so, fails or refuses to work on a holiday, on account of sickness, or other bona-fide reason, the Company reserves the right to investigate the absence of the employee to decide whether or not he is entitled to holiday pay.

(iv) The sixty (60) day qualifying period referred to in Clause (a) refers to "calendar" days.

(c) Clarification of Section 5(c). (Page 105, 1950 Transcript)

Employees absent on the "scheduled work day before and/or the scheduled work day after a recognized holiday" are excused from their regular scheduled shifts in instances of sickness, or of sickness in the family, and are, therefore, entitled to holiday pay. The question of the validity of the excuse of sickness can be determined by the Company in each mill in each case.

Article XXVIII - Safety and Occupational Health

Unsafe Working Conditions. (Page 136, 1947 Transcript)

It is not the policy of the Company to require an employee to work under unsafe conditions. It is admitted by the Union and the Company that it is impossible to draw a hard and fast line as to what is safe and unsafe. Being a factual question, each case must be decided on its merits, but in general an employee who justifiably refuses to work under unsafe conditions would not be subject to discipline.

Article XXX - Disciplinary Action

(a) Notification of Union Standing Committee by Employer. (Page 70 et seq., and Page 126, 1945 Transcript)

Wherever practical, the Company will notify the Union Standing Committee of its intention to discharge an employee. Under certain well-recognized circumstances where no premeditation is involved, it is permissible for the Company to discharge an employee immediately without recourse to the Standing Committee. The employee still has the right to present his case to the Standing Committee for consideration and if deemed proper the Standing Committee may follow the usual grievance procedure.

Article XXXI - Adjustment of Complaints

Standing Committee Can Call in Members for Discussion of Grievances with the Company. (Page 261, 1946 Transcript)

It is agreed that the Union Standing Committee may call in any other employee to accompany them in their meetings with Company officials.

Exhibit "A"

Clarification. (Memorandum No. 6, 1952 Wage Conference)

"An employee shall be considered as having been promoted to a higher rate job when he has taken over the duties and responsibilities of that job, without the guidance of the employee who is breaking him in. He shall then receive the higher rate. During the period the employee is being broken in and another employee is on the job and carrying the responsibility for it, the employee being broken in shall receive the hourly rate of his previous regular job."

Miscellaneous

(a) Status of Employees Refusing to Work in Excess of 8 Hours Per Day or Scheduled Hours Per Week. (Page 91, 1949 Transcript)

If an employee is requested to work in excess of eight (8) hours in any one day or in excess of his scheduled work week hours in any one week, the employee has the right to come in or not to come in and no penalty can be imposed by the employer for the failure of the employee to come in. It is understood, however, that the Company is entitled to look for reasonable co-operation from their employees.

(b) Conflict Between Labour Agreement and Transcript. (Pages 46-7, 1951 Transcript)

Whenever there is a conflict between the Labour Agreement and the Transcript, the Agreement will prevail.

LETTER OF UNDERSTANDING
Re: Apprenticeship Expenses

On successful completion of the required period of vocational school training, the Company will reimburse out-of-town expenses to a maximum of two (2) hours pay at the first year apprentice rate per day on a seven (7) day basis while in attendance at school. This reimbursement will also apply to Steam Plant personnel.

It will be paid after the employee's return to work and when verification of vocational school attendance is received from the appropriate agency.

Yours very truly,

O. Kent Elliott
Director, Human Resources

LETTER OF UNDERSTANDING
Re: Rehiring

The following practice will be observed during the 2008 – 2012 contract.

When hiring new employees, preference will be given to laid off former employees in order of their previous mill seniority, providing:

- a) their recall rights under Section 3 of Article XXI - Seniority have expired;
- b) they have a current application on file;
- c) they have the qualifications and ability to perform the work properly.

Application must be made within thirty (30) days of the expiry of recall rights and will remain in effect for three (3) months unless renewed. An application or renewal may be extended for a period of three (3) months at any time during the third month of its currency. Normal job qualifications must be met.

A former employee will no longer have preference if he fails to accept an offered position. Those hired under this practice will be new employees.

Yours very truly,

O. Kent Elliott
Director, Human Resources

December 15, 1998

Mr. Bill Whitty
President, Local 298
Communications, Energy and
Paperworkers' Union of Canada
Kitimat, B.C.
V8C 2E5

Dear Bill:

LETTER OF INTENT
Re: Sending Equipment Out of the Mill

For the term of the renewed Collective Agreement, the Company will not send equipment out of the mill for repair which directly results in the layoff of tradesmen or apprentices.

Yours very truly,

O. Kent Elliott
Director, Human Resources

LETTER OF UNDERSTANDING
Re: Rehabilitation and Re-Integration Program

The Company and the Union agree to the establishment of a Joint Union - Management Rehabilitation/Re-integration Committee.

The Committee shall be comprised of up to three (3) representatives each from the Company and the Union.

The purpose of the Committee will be to investigate and make recommendations on the implementation of an effective Rehabilitation/Re-integration Program during the term of this agreement.

The goal of the Program will be to assist workers injured either on or off the job to return to the mainstream of employment at the mill.

Yours very truly,

O. Kent Elliott
Director, Human Resources

LETTER OF UNDERSTANDING

Flexible Work Practices

1. The introduction of flexible work practices is designed to improve productivity, improve product quality, reduce downtime and lower costs while ensuring that the work is completed in a safe manner. The efficiencies that result from flexible work practices are also intended to assist in fulfilling the intention of Article XXV of the Collective Agreement.
2. The parties agree that this letter on flexible work practices recognizes that the primary responsibility for the operation of the mill will remain with operators and the primary responsibility for maintaining the mill will remain with trades persons and steam plant maintenance employees.
3. It is understood that the intent of this letter will supersede local practices, and verbal and written agreements which would impair the implementation of flexible work practices.
4. All work will be performed in a manner consistent with safety articles of the collective agreement as well as the company's safety rules and the regulations issued by the Workers' Compensation Board of B.C. It is recognized that some tasks can only be performed by employees who possess certain government certifications and in that instance, the work will only be performed by employees who possess the required government certificate.
5. The intent of this agreement is to provide that all employees will safely utilize all of their existing skills and maximize their productivity and learn and use new skills to enhance their effectiveness.

6. The Company and the unions will meet to discuss a module based training program that will enhance the existing skills of employees. They will also discuss the option of using trainers from the bargaining unit to assist in the design and delivery of the training modules. The Company will design and introduce new training programs to facilitate the implementation of and evolution of flexible work practices.
7. All employees will be required to complete training programs as prescribed by the Company and utilize new skills acquired as a result of training. Training will be consistent for all employees in each job classification.
8. The parties recognize that the acquisition of new skills that facilitate the implementation of flexible work practices is an ongoing process and will continue over time to support the changing needs of the business.
9. **Note:** Effective April 30, 2003, all flexible work practice payments will be rolled into the wage rates.
10. Training programs implemented under point (6) are not intended to force qualification in another trade.
11. The Company agrees that no employee will lose their employment with the Company as a direct result of the implementation of flexibility initiatives under this letter. This provision applies to only those employees employed at the date of ratification of this agreement.
12. No trades person or apprentice will be involuntarily displaced from their respective trade on a permanent basis as a result of the implementation of flexible work practices.
13. It is not intended that flexible work practices shall result in a trades person being assigned to a non trades classification when someone outside of his trade is performing his trade core duties.

14. The Company agrees that no employee's regular job rate will be reduced when he is assigned to perform work under this work place flexibility agreement. This does not apply to an employee who is laid off or whose job is temporarily curtailed and is recalled or works in a different job category on the basis of mill seniority.
15. The Company commits to maintain apprenticeship agreements.
16. For the term of the renewed Collective Agreement, the Company and the Union agree to establish and participate in a Joint Committee, which will meet quarterly to discuss issues related to productivity, morale, profitability, work opportunities, market conditions, any alleged discrimination, the ongoing effectiveness of flexible work practices and any other problems related to flexible work practices.
17. The Committee shall consist of:
 - the President of each Local Union
 - the Wage Delegates of each Local Union
 - the General Manager and designated members of Mill Management
 - the CEP National Representative.
18. The parties agree that disputes relating to the implementation of this letter shall be reviewed by the Joint Committee which will make every effort to resolve these disputes in accordance with the spirit and terms of this letter.
19. With respect to the implementation of flexible work practices, the parties agree that they will consult with respect to ways and means to avoid jurisdictional difficulties between the unions.

LETTER OF UNDERSTANDING

RE: FLEXIBILITY

OCTOBER 8, 1998

The parties met October 6 - 8 and discussed the intent of Flexibility. Both parties acknowledge that the Letter of Understanding - Flexible Work Practices is a statement of full flexibility limited only by the provisions as outlined in the Letter of Understanding - Flexible Work Practices. notes of the discussions form part of the record of 1998 negotiations.

The Company commits to utilize flexibility in a common sense, good business practice context and agrees that work will be assigned using these principles; however, the company will not use the “stick in your eye” approach.

The Union commits to participate fully in the implementation of flexibility in the spirit and intent as outlined in the Letter of Understanding - Flexible Work practices and as discussed during the negotiation process.

Dennis Urbanowski

Rick Campbell

Doug Petersen

Bill Whitty

Ed DaCosta

Ian Blaikie

Jack MacNeill

Bob Leachman

Randy Dobson

Murray Newlove

Jack Tewnion

CEP Local 298

CEP Local 1127

Lowell Butler

Eurocan Pulp & Paper

LETTER OF UNDERSTANDING

RE: Commitment to Employment

March 7, 2003

David Coles
Vice President
Communications, Energy and Paperworkers' Union
#540 – 1199 West Pender Street
Vancouver, B.C.
V6E 2R1

Commitment To Employment

Protecting and enhancing employment in the pulp and paper industry is a joint commitment of the Company and Union. The Company and Union agree stable employment must be based upon economically viable operations, a high level of labour productivity and quality production.

To this end, the parties will continue to discuss means to preserve and enhance employment during the term of the Agreement.

1. The Company and Union will establish a joint committee on employment opportunities. The joint committee will be made up of Local Union representatives, mill management representatives, representatives of the CEP National office and Eurocan Pulp & Paper Co.
2. The joint committee will examine ways to enhance employment opportunities through new work arrangements, including reduced overtime and working time alternatives. The company agrees to provide the joint committee with relevant information to ensure an informed discussion of the issues.
3. The joint committee will make recommendations to the parties on enhanced employment.
4. Both parties undertake to give active consideration to all recommendations and vigorously work towards implementation of recommendations where agreement is reached.

Yours truly,

O. Kent Elliott
Director, Human Resources

December 15, 1998

Communications, Energy & Paperworkers'
Union of Canada
623 Enterprise Avenue
Kitimat, B.C.
V8C 2E5

Attention: Mr. Bill Whitty, President, Local 298
and Mr. Rick Campbell, President, Local 1127

Dear Bill and Rick:

RE: Letter of Understanding
Job Security And Job Elimination

In the event that downsizing occurs under the Job Security and Job Elimination articles of the Labour Agreement, the Company undertakes to discuss the application of the severance pay provisions with the Unions.

Yours truly,

EUROCAN PULP & PAPER CO.

O. Kent Elliott
Director, Human Resources

OKE/pr

LETTER OF UNDERSTANDING

Apprentices And Government Support

The Company agrees to the establishment of a committee composed of management representatives from the Company and appropriate representatives of the Union to explore the possibility of working with government and community colleges with a view to enhancing apprenticeship opportunities within the province.

The parties understand that such a program would be based on the principle of cost neutrality to the Company and there would be a requirement for joint representation to Government to access funds for this purpose.

This committee will be established within three months from the date of ratification of the new labour agreement.

**Letter From The President of Eurocan Pulp & Paper Co.
Re: COMMITMENT REGARDING CONTRACTORS
COMING ONTO MILL SITE**

This is to confirm the agreement between the Company and the Union respecting the conditions that would apply to contractors coming onto the mill site to perform construction work or perform maintenance and repair work of a nature normally performed by employees in the bargaining unit. This agreement will prevail for the duration of the Collective Agreement. In entering into this agreement, the union acknowledges that, subject to ARTICLE XXV - CONTRACTING, the Company retains the right to select contractors as it deems appropriate.

No aspect of this policy applies to contractors which are certified to a union recognized by the Local Union, it being clearly understood that a union's affiliation to the Canadian Labour Congress, the B.C. Federation of Labour or the Confederation of Canadian Unions warrants such recognition.

Any other contractor who comes onto the mill site to perform construction work or perform maintenance and repair work which is of a nature normally performed by employees in the bargaining unit shall abide by the following Code of Ethics. This Code defines the terms and conditions under which these contractors and their employees will be governed during the term of their contract.

1. Minimum Wages

The contractor's straight time hourly rate of pay for a journeyman will not be less than the straight time hourly rate for the equivalent mill journeyman. The contractor's straight time hourly rate of pay for all other employees shall not be less than the straight time hourly base rate for the mill.

2. Contributions to the Pulp and Paper Industry Pension Plan

Subject to the approval of the plan trustees and the appropriate regulatory authorities, the Company shall remit annually to the Pulp and Paper Industry Pension Plan the following:

a) For contractors performing maintenance and repair work of a nature normally performed by employees in the bargaining unit - the equivalent contributions.

b) For contractors performing construction work - one-half the equivalent contributions.

3. Remittance to the Local Union

One percent (1%) of all wages earned calculated on the basis of straight time hours worked shall be remitted to the Local Union on a monthly basis.

4. Adherence to Safety Regulations

Contractors performing construction work are responsible for ensuring that their employees comply with the health and safety regulations and policies applicable to the work being performed. When the contractors' employees are performing maintenance and repair work which is of a nature normally performed by employees in the bargaining unit, the contractors and their employees shall adhere to the established health and safety regulations and policies in force at the mill site. Management commits to deal promptly with any violations brought to its attention by the Joint Health and Safety Committee.

5. Honouring of Picket Lines

Contractors' employees shall honour all legal picket lines at the mill site. Failure to do so shall result in disqualification from future access to the mill site for the term of the contract. A contractor will not be allowed on the mill site if it has a current demonstrated practice of crossing legal picket lines.

The Company will honour the commitments made in this letter for the duration of the Collective Agreement and will ensure that a copy of this letter is provided to any contractor participating in the contract bidding process.

LETTER OF UNDERSTANDING
Local 298
RE: Scope Of Agreement

The Company agrees for the time of the 2003-2008 agreement that in the event of a separation of business the master agreement shall be applied as a master agreement to each business except in respect to permanent vacancies and layoffs.

Further, in the event of a change in common employee status, employees directly impacted by a permanent layoff will be allowed to exercise their seniority rights to transfer between the different legal entities.

March 7, 2003

Letter of Understanding – Trades Qualifications

C.E.P. and Eurocan both clearly recognize the critical nature of apprenticeship training and certified trades qualifications mechanisms. It is no secret that British Columbia is facing a skills shortage and the pulp and paper industry is not exempt from the impending crisis.

The parties agree to work co-operatively on the issues of workplace and trades training. The union and the company agree that closer co-operation will help protect them against any changes that could negatively impact the skill levels and portability of trades persons in B.C.

The parties agree to the establishment of a committee comprised of management representatives of Eurocan Pulp & paper Co. and appropriate representatives of CEP to develop a strategy of maintaining the principles of certified trades training for British Columbia and the opportunity for workers to participate in inter-provincial qualifications examinations.

The parties agree to approach other like-minded employers to extend an invitation to join in the efforts of the committee as outlined above. The parties also agree that recommendations from this committee will be communicated collectively to the provincial government.

The committee will be established within one month from the date of this letter.

David Coles
Western Region Vice-President
C.E.P.

O. Kent Elliott
Director, Human Resources

April 23, 2003

Mr. Peter King
C.E.P. Local 298
623 Enterprise Avenue
Kitimat, B.C.

Re: Union Position #55 – Steam Plant 3rd Class Ticket Requirements

In response to this request the Company will grandfather the three effected employees who were incumbents at the time the change was announced in October 2000. These employees are Angus MacLeod and Randy Dobson.

Yours truly,

O. Kent Elliott
Director of Human Resources

May 14, 2003

Mr. Peter King
C.E.P. Local 298
623 Enterprise Avenue
Kitimat, B.C.
V8C 2E5

Dear Peter,

Re: Apprenticeship

Further to the items you raise on apprenticeship and the discussion on April 30, 2003, the Company makes the following commitment. During the term of the 2003 – 2008 Collective Agreement the Company commits to ten apprenticeships.

Yours truly,

O. Kent Elliott
Director, Human Resources

September 8, 2003

LETTER OF UNDERSTANDING

BETWEEN

EUROCAN PULP & PAPER CO.

AND

C.E.P. LOCAL 298

The parties agree to jointly approach the trustees of the Pulp and Paper Industry Pension Plan and request the following:

- 1) That any Local 298 member who retires prior to December 31, 2003 have hours updated (back filled) to retirement date as they would have been at the end of the year.
- 2) Provide the same minimum pension guarantee that was provided in 1997-98 for Fletcher Challenge employees.

For C.E.P. Local 298

For Eurocan Pulp & Paper Co.

Peter King

Kent Elliott

Frank Verde

Doug Petersen

Don Klie

Heather Wuensche

Dennis Urbanowski

Jack McCamy

Mary Murphy

Jim Dixon

NOTES OF DISCUSSIONS ON FLEXIBILITY
HELD OCTOBER 6-8, 1998
WHICH FORM PART OF THE RECORD
OF 1998 NEGOTIATIONS.

| | | | |
|----------------|----|-------------------|----|
| Randy Billow | RB | Rick Campbell | RC |
| Kent Elliott | KE | Bill Whitty | BW |
| Ed Dacosta | ED | Doug Petersen | DP |
| Murray Newlove | MN | Bob Leachman | BL |
| Randy Dobson | RD | Jack Tewnion | JT |
| Ian Blaikie | IB | Jack MacNeill | JM |
| Lowell Butler | LB | Dennis Urbanowski | DU |

1. *The introduction of flexible work practices is designed to improve productivity, improve product quality, reduce down time and lower costs while ensuring that the work is completed in a safe manner. The efficiencies that result from flexible work practices are also intended to assist in fulfilling the intention of Article 25 of the Collective Agreement.*

RB In No. 1 is flexibility tied to the issue of job creation and contracting out? For example, people increase their skills and responsibility which will make workers more efficient and allow employees to pick up work which is now being done by contractors.

KE Flexibility will increase the productivity of current employees which will result in more capability to do work that is currently contracted; not on an hour by hour basis, nor on a job by job basis. It won't mean contracting will disappear, but as we improve, it will make more sense to do more jobs with our crews.

DU Our fear is that contracting out won't go down but crew sizes will decrease by attrition.

KE When it makes good business sense to do work with our crews we will do it. It doesn't mean maintenance crews won't decrease, they might, but as we become more productive we'll see more work being done by our crews.

BW You say as our people become more productive we will pick up work. You don't say you won't reduce crews. You haven't said maintenance will increase its crews. Flexibility is a hard sell, we would like the opportunity to increase manning.

KE The second sentence says that efficiencies that result from flexible work practices are also intended to assist in fulfilling the intention of article XXV of the collective agreement. Flexibility will make us more productive and that will enable us to do more work that is currently contracted. This clause does not say there will be more jobs.

BW Nor does it say, fewer jobs.

KE There is no obligation to increase the size of the crew.

RC How do you see this working with operations?

KE With flexibility there will be less downtime and lower costs, which is the aim of this.

2. *The parties agree that this letter on flexible work practices recognizes that the primary responsibility for the operation of the mill will remain with operators and the primary responsibility for maintaining the mill will remain with trades persons and steam plant maintenance employees.*

- RB Item 2 deals with the primary responsibility of workers. Is it the primary responsibility of maintenance workers to maintain and the primary responsibility of operators to operate?
- KE Yes, this item is self explanatory. Primary means we are not going to totally turn operators into maintenance employees, and we are not going to totally turn maintenance employees into operators. Operators can do maintenance functions and maintenance employees can do operating functions, but not as their primary responsibility.
- MN How far are you going to go with operators doing maintenance work in the paper mill?
- KE We are going to do what makes sense. For example they may be assigned to assist tradesmen on line shutdowns.
- MN What about when we are running?
- KE There may be adjustments which make sense, things that you have the skills to do and are able to do. For example, you may be adjusting packing, you may work in maintenance for training purposes, or for machine optimization. As well, basic maintenance can be a part of it.
- RD What would a maintenance employee be doing in operations.
- KE They may be testing equipment, repositioning equipment, helping operators, at times running some equipment. Things which would not change their primary function.
- ED What makes something primary, is it a percentage of time?

- KE We are not interested in percentages. If a person is an operator and is no longer responsible for operating a machine but rather is only maintaining it, then their primary role would have changed.
- RD If I work in my job in the steam plant, are you now saying I would have to assist the tradesmen while my equipment is running?
- KE If it fits, yes, we don't see a problem with that. We want to see your equipment running and we don't see a problem with you assisting trades people.
- BW You say it is not your intent to change roles and you will do things that make sense. It has to make sense for everyone to make this work. To do something just because you have the right doesn't make sense.
- KE You are imploring us as a company to do things which make sense. We agree. But just because something happened a certain way in the past doesn't mean it makes sense.
- BW There are things in the past which were done a certain way and that is still the right way. There needs to be a lot of education on this.
- RB People on both sides have good ideas. We need to get away from "I'm the boss, you're the worker". When the workers bring forward good ideas management must look at them and listen. If they are good they must be implemented.
- RD I have my regular duties in the steam plant, but the Foreman says don't do your regular duties, do other things. Are you saying we have to do that?

- KE If it makes sense in the circumstances which are present at that time, then there would be no reason for this not to happen.
- RD The sense may be because a Foreman told me so. I am afraid I will be pulled off my regular job and have to assist tradesmen.
- KE As RB said there should be a reason which makes sense. There may be something more important that needs doing. There should be logic and sensibility in what you're doing.
- RB If the company is playing silly bugger I hope this will be brought up to the committee. It will happen. These issues will have to be dealt with.
- RB There are two forms of flexibility. One when operating and one when you are down. Should you ask the third hand to help a millwright when his machine is running and the other people have to do his work. Flexibility has gone too far when an employee is taken out of his line to help with maintenance.
- KE There can and will be things operators do that will be part of a maintenance basic function, which were previously a maintenance function. There will be times flexibility will be used while the persons' equipment is operating and they will be required to work with maintenance; there will be times when the person is working flexibly with other operators. We don't see this as changing the person's primary role.
3. *It is understood that the intent of this letter will supersede local practices, and verbal and written agreements which would impair the implementation of flexible work practices.*

RB Re No. 3 does the letter on flex supersede local agreements and where it does, have these areas been identified?

KE It clearly supersedes local practices and verbal and written agreements. We have not identified all, it's impossible. A partial list that is certainly not all encompassing would include the welding and painting statement of policy. The first aid agreement impairs the implementation of flexibility. There are other things, ship loading issues including what jobs shiploaders can perform when not ship loading, job safety breakdowns, ISO documents, lockout procedures. In the paper mill the senior winderman guideline. Other items that are on our agenda are the role grinding, jurisdictional issues between the two locals. There is no intention to imperil the certification of the locals, but where the implementation of flex is impaired by jurisdictional issues, that is a restriction.

DU What would imperil the locals?

KE If local 298 positions were filled by local 1127 members on a full-time basis.

RD The company has a contract with 1127 and 298. Flexibility has no bearing on this. If I do work in the jurisdiction of 1127 and have a problem, who deals with this and represents me?

KE An arbitrary line saying somebody from one local can't work in the other local's area impairs implementation of flexibility.

RD While our equipment is running you can ask us to work in the paper mill?

KE We don't see that as a probability.

BW You say assigning shiploaders into 1127 jurisdiction should not imperil certification? Gathering garbage in the paper mill is a 298 function, could you see paper mill people doing this?

KE I'm not sure, I need to know more about the facts.

BW I read a letter saying the yard crew would be doing less, is this part of that?

KE There is a position of janitor. We cannot say it is now an 1127 job. We may say to provide extra help would be okay. We are not talking about moving jobs between jurisdictions.

RC You brought up the senior winderman position, what do you plan to do there?

KE There is a guideline which restricts the senior winderman from doing certain things.

RC Are you saying he could move down?

KE Yes. This guideline would be superseded by the implementation of flex.

MN If we have a down day, do you plan to move people to the pulp mill?

KE If that made sense we might do it.

ED Would a line of progression impede flexibility?

KE No. This is not about overturning progression lines.

BW How about bypassing in the line of progression?

KE I don't see this as being an issue.

MN Are our job descriptions going to change?

KE If there are limitations in the Job Description or impediments to flex implementation they might change.

BW Why would job safety breakdowns change?

KE If they included specific categories of people, they may need to be changed.

RD The jurisdictional issues, having two locals is not an agreement or a local practice. It's a contract with the company. If it was the IWA or a nonunion shop, am I supposed to go work there? I'm not going to work there.

RB You listed examples. I want it clearly understood that flex does not give employers the right to combine jobs. You have that right now providing the agreement does not prohibit that. The 1976 letter prohibits you from doing this with first aiders. Flexibility does not give the right to change the primary role.

KE I raised the issue because the 1976 letter impairs the introduction of flexibility as it relates to the duties a first aid attendant can perform.

RB We hope this item can be resolved.

BW The 1976 letter impedes flexibility, but flexibility does not allow you to start a new job.

KE The first aid letter prevents us from doing things, it inhibits flexibility.

BW On No. 3 you said that you haven't identified all the items which may impede flex. Some examples you have were the first aid agreement, painting, ISO and lockout. Where does the lockout impede flexibility?

KE There may have been some lockout procedures developed when there were strict guidelines on who does what. Some things not related to safety may impede flex.

BW Are you saying that where presently there is a requirement for two competent people to perform a lockout so maintenance can lockout, are you suggesting that is an impediment? Are you saying that maintenance or anybody would do a lockout?

JM I put lockout in as an example. Electricians now are not allowed to lockout a machine they are fully qualified to do until an operator who is busy elsewhere comes down and hangs a yellow tag on the switch. That does not make sense.

LB Would you require an operator to hang a tag on a switch when this does not make sense. Could not a tradesman and an operator lockout together?

BW There will have to be a revamping of the lockout procedures in the mill.

KE The reason this was included was as an example.

JT Tradesmen could assist lockouts by closing valves for operators. Now this is considered operators work.

RD What do you want operators to do? When people work on my equipment, who is responsible for it when it comes time to operate it?

BW Is it the company's intention to provide where lockout procedures need amending that the necessary committees will look at the changes?

KE I don't see why not.

4. All work will be performed in a manner consistent with safety articles of the collective agreement as well as the Company's safety rules and the regulations issued by the Workers' Compensation Board of B.C. It is recognized that some tasks can only be performed by employees who possess certain government certifications and in that instance, the work will only be performed by employees who possess the required government certificate.

RB Item 4. Would you ask another tradesman to work in another trade which is a compulsory trade?

KE The statement from item 4 is a statement of the law. It says some tasks. We don't believe there are many restrictions. The name of a trade in itself does not impose a limitation. Work that in the past has been done by a certain trade does not imply that the work must continue to be done by that trade.

RD Is there a check sheet: Are you aware of the penalty?

KE I'm not aware of a penalty. There are some instances where government certificates are required, and we will follow them.

RB The main concern is the compulsory trade issue.

RD Wouldn't you say that the law would require a person to have a ticket to work within a compulsory trade? Who will determine the rules?

KE Those who know the job. We will live within the law. If the law says a task must have a certificate then the person who does the work must have that certification.

BW We have three compulsory trades: pipefitters, electricians, and tinsmiths. We could get into what part of the trade a person can do. It's clear that tinsmiths should do tinsmiths work. You have to be certified to be a tinsmith.

KE I'm not going to respond at this time.

DU We need to clarify what is legal. We can determine this if you want.

KE There will be questions on what work needs certification and we will have to look at this. Just because a certain trade has a name does not mean only employees of that trade can do work that in the past has been done by that trade.

BW The way you answered the question is satisfactory. It is incumbent on us to find out what type of jobs require certification. We will do what we have to do to be within the law. What work can be done by others in mandatory trades needs to be answered.

5. *The intent of this agreement is to provide that all employees will safely utilize all of their existing skills and maximize their productivity and learn and use new skills to enhance their effectiveness.*

RB No. 5. This item is pretty clear. If you have somebody, like an operator who has trades experience, would you let this person utilize their existing skills in a core trades situation?

KE Yes.

RB When?

KE When it makes sense. For example if a shiploader has the skills, we could see utilizing the skills when the person is not ship loading. We also see using the skills to enhance the operation of a person's job. We would also use them when their operation was down.

RB Primarily, you would use them when the machine is down?

KE That is one time, but also if it could enhance their job while operating.

RB What if the person had left for physical reasons, mental health, etc. I would hope you wouldn't force somebody who for all the right reasons didn't want to do the job?

KE We would exercise care and look at all the circumstances. We would not want to be silly, but don't want people to be silly and hide behind, saying no.

RD What about the person who doesn't want to do it anymore but still has the skills?

KE The question is similar to the previous one and the answer is the same. If someone has equipment which is not working and has the skills to correct the problem but won't do it, that would be a problem. If they can advance their job by using their skills without going back into the trade then they should use them.

BW I'm a shiploader and working in the mill. If there is a shortage in the lubrication department are you going to assign me there?

KE I would see that as a possibility.

BW Would you change the posting to accommodate that?

- KE No. We don't want these things to impede flexibility.
- RD How do you find out if I have an existing skill?
- KE You would tell us or make us aware of them. I hope people don't play silly bugger with this. You should use all the existing skills safely that you have. We may want you to learn new skills.
- IB You would have to demonstrate the ability to do a task safely.
- BW What would the people who possess maintenance skills be paid?
- KE That depends on the level they have and to what extent they use them. For example, if an ex-tradesman works during a shutdown using his trade he should be paid a tradesman's rate. If they are assigned to do something lesser skilled they should maintain their rate.
- ED What if a person is qualified but doesn't have a ticket, what are their chances of ever getting the ticket?
- KE We would not change their primary roles. A person could not become a tradesman without getting an apprenticeship.

6. *The Company and the Unions will meet to discuss a module based training program that will enhance the existing skills of employees. They will also discuss the option of using trainers from the bargaining unit to assist in the design and delivery of the training modules. The Company will design and introduce new training programs to facilitate the implementation of and evolution of flexible work practices.*

RB Item No. 6. It is our opinion that flex assignments that exceed existing skills will not happen until the training is complete.

KE We don't agree. We see being able to train people on the spot by having someone instruct them on how the task can be done safely. We see this as being separate from the module training and acceptable.

RB We see using the existing workforce people to develop the modules and to be used as trainers.

KE We have done some initial development and we welcome input from the union. We would look at using trainers from the bargaining unit. They would have to demonstrate their ability to be trainers. They must also be available to train.

RB We would like a commitment from you to discuss these issues and consider using people from the bargaining unit as trainers.

KE We will consider using trainers. In the end it is our responsibility to design and implement the training. We don't see the need for joint agreement on modules before we can proceed.

RB You have a wealth of knowledge on the floor. You should tap into their skills and knowledge and use their ideas.

DU I hope the level of training is higher than some we have taken. If the training is not adequate then our members will refuse work on the grounds of safety.

KE We will do what we think is the right thing in terms of time and resources.

DU We could give you the same response.

BW The first sentence concerns me. My understanding is that the module based training is already in the works and we have not been consulted. You're creating your own modules. How can this comply with the first sentence. As far as trainers, we have a committee that is ready to go. We are intent on using this committee.

KE We have been getting prepared for this. We will meet and discuss these items with you and will seek input.

Flexibility starts when we get an agreement. People will be required to use their existing skills. If some people have deficiencies and are unable to do a job, we won't wait for a module to train them. It is perfectly proper to train them at the time of the assignment. All training is not necessarily flex training.

RB Until someone has module training they should not be using new skills.

KE If someone has a new piece of equipment and someone is assigned to train them, that is okay. We want to get on the modules as quick as we can.

BW Is it safe to assume that modules are being assembled at the skills center.

KE The Skills Center is assisting us in finding materials we can use. We are also working with others. We are using the skills center as a resource but we have not made a firm commitment yet.

BW We are not involved in designing these modules. Our people may say these modules are not workable.

RB We are asking for a commitment that upon ratification the company will meet with the locals and will consult with us to develop these modules.

KE If you are asking that we not put a module in without the consent of the union, then the answer is no. If you are asking us to consult then the answer is yes.

7. All employees will be required to complete training programs as prescribed by the Company and utilize new skills acquired as a result of training. Training will be consistent for all employees in each job classification.

RB Item no. 7. Our opinion is that all training is to be equal. Is the training going to be consistent in each area?

KE All employees in the same category will get the same module training. Some employees may already have previous training and there will have to be consideration for that.

KE We would not be opposed to getting input from the union right away. If you give names to Jack MacNeill we will start with them as soon as possible.

BW Item no. 7. This training does not involve testing. A person would say take four weeks training and then would be finished.

- KE We see it differently. There needs to be either a written test or demonstrated competency. There would also need to be a sign off as having completed the module.
- BW We will acknowledge that training has been completed. I would not want to write a test at the end of the training. If there is a test and the person doesn't pass, what then?
- KE We would have to work with them. For some people a written test might not be right, for them there may have to be some other form of testing.
- RB There would be no grading on the test would there? You would not be saying the pass mark is 75%? Some people who get great grades cannot do the practical work. Some people who can do the practical work have a hard time with grades.
- KE That is why we used the phrase "demonstrated ability". There has to be something at the end of the day to demonstrate their ability. In some cases it may have to be a verbal demonstration. I personally do not want to see grading.
- RD How are the sessions going to be arranged?
- KE We don't know all that yet. Some may be on the job, some may be on the plant site, some may be off the plant site.

8. *The parties recognize that the acquisition of new skills that facilitate the implementation of flexible work practices is an ongoing process and will continue over time to support the changing needs of the business.*

RB Item No. 8. We see flexibility as an evolving process. We see it as going beyond the term of this agreement.

KE We also see it as an evolving process.

9. *The following payments will be made for flexible work practices:*

| | |
|------------------------------|-----------------------|
| <i>Maintenance employees</i> | <i>\$.95 per hour</i> |
| <i>Operations employees</i> | <i>\$.40 per hour</i> |

to be implemented as follows:

- *Upon ratification of the collective agreement \$.45 per hour for Maintenance employees and \$.20 for Operating employees.*
- *Immediate utilization of existing skills that may not have been previously used due to restrictive work practices.*
- *employees assisting each other regardless of department or occupation.*
- *\$.25 per hour for Maintenance employees and \$.20 per hour for Operators upon successful completion of each modular training program and utilization of skills acquired as a result of this training. There will be two training modules for Maintenance employees and one training module for Operations employees.*

- *Apprentices will be paid the maintenance premiums in the usual proportion.*
- *The same delineation which defines who is an operator and who is a maintenance employee shall apply to the payment of premiums. Maintenance employees will include all journeypersons as identified under Exhibit 1 - Definition of Mechanical Trades - of the Collective Agreement and roll balancers, lubrication mechanics and sawfilers.*
- *The parties agree that there will be no pyramiding of credits under the job evaluation plan for duties that are being compensated for under the flexible work practices agreement, unless the changes constitute new regular job duties added to their classification as defined by the job evaluation plan. These new regular job duties must result from either new or changed procedures/equipment or from the permanent reassignment of duties from another job classification.*

RB Item No. 9. How do you visualize the payment? For example, if a group of millwrights pass the training, let's say 10 complete the training, when do the rest of the workers get trained?

KE Are you asking how soon we will be completed?

RB We would like to see that when the first group has completed their training everyone gets paid.

KE We see paying after successful completion of the module training. We see immediate payment of the first premium for the use of existing skills.

- RB There has been some concern expressed regarding fears that some companies may drag their feet in order not to pay the second and third installments by delaying the training process. It seems unfair that if people get trained in groups of ten that some people may have to wait for a year before they get trained. A difference in pay results which could go through a contract year and further magnify the problem.
- KE We have no incentive to not get on with this. It makes people more effective to have these skills. We want to get it done and will not hold up the process.
- BW We are going to have the time frame. If we can't meet this time frame then we would have to look at retroactive pay. It should be a reasonable time frame.
- KE We don't see the first module taking a year.
- BW We need a time frame agreed upon before we vote on this. It might be ten months but not a year. We will make a recommendation.
- KE We will stick with pay upon successful completion.
- RB Once the modules are ready and the training is in place, we want this fast tracked.
- KE We will do the very best we can.
- RD How will a person know what somebody's existing skills are? There is due diligence involved and I don't want somebody getting hurt because they are doing something they cannot do safely.

- KE We don't want anybody getting hurt, we do not want anybody telling us that we did not practice due diligence. We will have to pay close attention to this item. We know we have a responsibility to insure work is done safely.
- RD Are you saying the employee must help regardless of the department or occupation?
- KE This is straight forward. If you are able to assist someone and it doesn't take you away from your primary function then it's okay. It could be a different department, a different occupation, you may have to postpone your duties in order to assist in maintenance or even in the pulp line. We will keep in mind that you have your own primary function.
- BW Common sense and business sense must go hand in hand. They must be married together. Decisions that are made with common sense and business sense together will be okay.
- KE Most business decisions are also common sense decisions.
- RD You keep bringing up jurisdictional items. Will somebody be telling us to go work in the paper mill?
- KE It is assisting getting something done. If there is a large problem in the paper mill and other people are available to assist, it makes sense to go over there and help.
- RD It doesn't make sense to go over to the paper mill. We have two union locals here.
- KE We are not suggesting anything here that would imperial either certification.

DU The language says between departments and occupations, not jurisdictions.

KE We see it differently. The person running the guillotine may at times not be able to have his line fed. What is wrong with that operator getting a clamp truck and going to get a role of cull so he can continue working. We want it to be fed the way it is now but when difficulties arise the operators should be able to get their own paper. We see areas where assisting each other should not be a problem and will help out the operation.

RD There are two locals. The paper mill is not a department of local 298.

MN Does this mean if we have extra people at the bottom of the line, they have to go to the pulp mill.

KE In some cases there may be logical reasons to use them in different areas.

DU What do you have in mind for ship loading?

KE We could see shiploaders being assigned to assist in the paper mill.

DU Assigned as 1127.

KE Doing what they can do there.

BW Would you see the paper mill as being classified as a department?

KE We would see that as a potential.

BW You would throw an operator into filling his deck by operating the machine. You have a right to do these things but only on an emergency basis.

KE The spirit of this thing is people assisting each other without arbitrary barriers. The line between the pulp mill and the paper mill is an arbitrary line. It is not consistent with the flexibility agreement. Flexibility is not about emergencies. It is about getting the job done efficiently. This is a business item.

DU You say there is no line. There is a line. It is a certification. If you think you can assign a shiploader to work in the paper mill you are kidding yourself because that line is there and it is not going to happen.

RB We will do some research on this issue.

10. Training programs implemented under point (6) are not intended to force qualifications in another trade.

RB Item No. 10. We think this item is straight forward.

KE We agree.

11. The Company agrees that no employee will lose their employment with the Company as a direct result of the implementation of flexibility initiatives under this letter. This provision applies to only those employees employed at the date of ratification of the agreement.

RB Item No. 11. We do not see loss of employment or any downsizing because of the implementation of flexibility. We would like a snapshot of both locals workers prior to ratification of the agreement.

KE If what you want is a snapshot of the current employees and they are the ones covered, then we are okay. This item

protects the individual and not the job position. This does not limit the company's ability to reduce because of technological change or market conditions.

BW As long as flex doesn't allow the tech change to happen.

BW No. 11 protects people from being laid off. It does not give protection for when people quit or retire. There is nothing to protect the number of jobs. You say there will be less people.

KE No. 11 does not place restrictions with respect to replacing people who quit or retire.

RD Are you telling us that under No. 1 that when people quit or retire you won't replace them?

KE Over time there will be reductions. In some cases people will be replaced and in some cases they will not be replaced. It will be looked at on an individual basis, circumstance by circumstance. Flexibility is here to improve productivity and reduce costs. That may mean fewer people but the current people are protected.

12. No trades person or apprentice will be involuntarily displaced from their respective trade on a permanent basis as a result of the implementation of flexible work practices.

RB Item No. 12. The key on this is displacement and what constitutes permanent.

KE With displacement, seniority is involved. This is pretty clear.

13. It is not intended that flexible work practices shall result in a trades person being assigned to a non trades

classification when someone outside of his trade is performing his trade core duties.

RB Item No. 13. What if you assign a person duties outside their trade and another person performs their duties?

KE This item is talking about a trades person being assigned to a non-trades classification.

RB Example: a millwright doing cleanup while a pipefitter does his job.

KE If you take a machinist who has been assigned work in the trades but outside of his trade and a millwright uses machining equipment as part of his assignment then that is okay. But if the machinist is placed in a job classification outside of the trades, and someone is doing machining, that is not okay.

RD If a person is assigned to do work outside of his job, say doing planning or projects then we should not be doing his job.

KE Planning is seen as being part of his job as a tradesman and is now being done by some people. Project work is also seen as being part of the tradesman's job and part of his trade.

RD Planning is not part of a trade.

KE We see it as being part of a trade.

RD I don't.

KE When we established the project crew they were set up to do their own planning and to work independently.

BW For clarification, you used trades for an example. It goes beyond trades doing the work of the trade. If a non-tradesman has qualifications in a trade they should not be able to fill in while the tradesman is not being used in a trade.

KE If an operator is acting as a tradesman and being paid as a tradesman that should be okay. If a non-tradesman is doing trades work and you have a tradesman doing cleanup then this would not be okay. This is not on an hour to hour basis.

14. The Company agrees that no employees regular job rate will be reduced when he is assigned to perform work under this work place flexibility agreement. This does not apply to an employee who is laid off or whose job is temporarily curtailed and is recalled or works in a different job category on the basis of mill seniority.

RB Item No. 14. The intent in this is no downs except for the case of layoff.

KE This is straight forward.

15. The Company commits to maintain apprenticeship agreements.

RB Item No. 15. We feel this is straight forward. Randy discussed the value of apprenticeships and encouraged the company to have more apprentices.

16. For the term of the renewed Collective Agreement, the Company and the Union agree to establish and participate in a Joint Committee, which will meet quarterly to discuss issues related to productivity, morale, profitability, work opportunities, market conditions, any alleged discrimination, the ongoing effectiveness of flexible work practices and any other problems related to flexible work practices.

RB Item No. 16. Straight forward.

KE Yes.

BW We view your proposal of putting shiploaders into the paper mill as scheduling. Item no. 16. We would like to amend this to read "in the first year the committee will meet when requested with proper notice given. During the rest of the contract the committee will meet quarterly." We would like to deal with issues immediately, not let them fester.

KE The fundamental thing is to work these issues out through the grievance procedure. We agreed to a joint fact finding clause which has significant time commitments.

KE We will make some comments about one of your concerns--an operator being pulled away from his equipment while it is running. In many cases it is unlikely to happen. In some cases it might happen.

KE Item No. 16. We prepared a letter answering your concerns.

BW In the letter, year means the first 12 months after ratification?

KE Yes

17. The Committee shall consist of:

- *the President of the Local Union*
- *the Mill Manager*
- *Members of the Local Union as designated by the Union*
- *Members of Mill management as designated by the employer*
- *the CEP National Representative*

BW Item No. 17. The union would like to caucus on this item before discussing.

RB Items 16 and 17 still need discussion. We also need to work on the jurisdictional issue.

RB No. 17. We see having one committee representing both locals. We see three members from each local and each president.

KE Is there going to be a national representative?

RB The language allows for that option.

KE This should be a high level committee.

RB We want to revisit items 16 and 17. We want things to go smoother. We have a commitment to try to make it work. Some people don't like it, but it is there.

BW We see it being sensible to have a meeting when requested by either side for the first year. If the meeting is requested there needs to be a bona fide reason to have a meeting and that does not include because someone doesn't like a job. It would have to be a substantial reason.

No. 17. We would like to have the wage delegates as the committee. We feel they should be the committee because they know what is going on. In local 298 it would be a president and the wage delegates.

KE The current wage delegates would be the committee but the president could change?

BW Yes.

KE Would that be the same for 1127?

RC We will get back to you.

KE Item No. 17. We are okay with your suggestion. Are we going to name this committee now? We accept your logic that the people here should be on the committee.

BW The numbers won't change.

KE What you are saying is that the people won't change except for the president?

BW Yes.

RC Yes.

18. The parties agree that disputes relating to the implementation of this letter shall be reviewed by the joint Committee which will make every effort to resolve these disputes in accordance with the spirit and terms of this letter.

RB Item No. 18. It should be clear that every one of the 17 points is grievable.

KE No disagreement with that. We would expect employees to work now and grieve later unless the issue is safety.

KE In discussion of item No. 18 you said everything is grievable. We would expect everything to be resolved there. This committee (No. 16) is not for individual dispute resolution. The grievance procedure should be used. Only issues that cannot be resolved through the grievance procedure should be brought to this committee.

RB With regard to jurisdictional issues, at Crofton and Elk Falls they agreed to a letter in their collective agreement. It is on page 8 of the Fletcher memorandum, we can agree to that.

You brought up scheduling shiploaders into 1127 jurisdiction. Our contacts say the company gave the unions a letter saying they will not schedule a person into another jurisdiction.

General Discussion on Flexibility

KE We still need to deal with the roll grinder and shiploaders relating to what work they can perform when in the mill.

The jurisdictional issue is on the table. We will respond on Items 16 and 17 and have further comments generally with respect to flex.

RB We would like the joint committee to consist of three from each local including the president.

We feel roll grinding is not related to flex but in order to progress we are willing to amend the bull session agreement.

BW We will amend to read "class A machinist and/or designated millwrights shall receive roll grinder rate for the time actually spent while roll grinding."

KE If the current person retires, he could be replaced by either a millwright or a machinist.

BW We haven't given any thought to when he retires.

KE When the current person disappears, is it okay to appoint a millwright.

BW Now a machinist does it. We are saying either/or in the future.

RB If the machinist is busy, is it okay for millwright to do it?

KE The question is, either/or without restrictions? I'm hearing you say, either a Machinist or a Millwright can replace the person.

BW We have a concern. We haven't replaced the last two machinists and probably will not replace the next one. This gives the company the opportunity to have millwrights doing this work all the time. I'm making a plea to the company and asking the company to look at manning and to not let a trade be depleted by flex. It's not beneficial as people will be doing things they don't want to do.

KE We have had many discussions on this item. We gave you our views on core trades. We have made this very plain to you.

BW I know what you told us. I'm clear on what you said about core trades.

RB Before we can respond on shiploading we want to know what your intentions are going to be.

KE This is plain. We expect a shiploader to do what he is qualified and capable of doing in the area in which he is

working, without arbitrary restrictions. We discussed working with trades, operating equipment, they could fill in for vacancies.

RB Are you talking about mobile equipment?

KE Yes. Fork lifts, loaders, clamp trucks. They are capable of all types of work. They are guaranteed 40 hours work per week and we need to make the best use of this. They would fill in for absences. There would be no arbitrary restrictions on what they can do. If the person was a control room operator previously we would not put him operating in the control room, but in raw materials where machine work needs to be done he should be able to do that. That is what we mean.

BW Is it your intention to use the shiploaders to fill vacancies. If somebody is sick, or doesn't show up, or takes a floater you will slide shiploaders in to cover?

KE Yes, at the bottom of the line.

BW Somebody retires in raw materials, would we see no posting go up and have you slide somebody in?

KE You have to plan further ahead than that. But if someone was off sick for two or three weeks there would be nothing wrong with having a shiploader fill in. If someone takes a floater etc. they could be used to cover.

BW We have shiploader who used to work in the Steam Plant. Would you use him to fill in?

KE If he is capable of the bottom job, no problem. We will not flip people in, up the line of progression. Also if a shiploader learns the job he could fill in.

DU Do you see shiploaders getting a different level of training than other people?

- KE If training is required to make the person competent then we will give it. We won't train shiploaders more than others. We may train to a basic utility level but will not give unnecessary training.
- RD How long would you have a person out of a department and still bring them into work in their old department? I have safety concerns where a person has been out for six or twelve months.
- KE It depends on the circumstances and the job. The supervisor will have to make a decision.
- RD With due diligence, I worry about my responsibilities for that person.
- KE We are not interested in putting anybody on a job until we are satisfied they can do it safely.
- BW Do you see using shiploaders at the dock when there is no ship in or during weather delays being used for vacation relief in the warehouse?
- KE We see people who are assigned to the dock doing any function they have the skills and ability to do.
- BW You said shiploaders could be used for bottom positions. We have a shiploader who is from the Steam Plant. You would expect him to work there? There are other shiploaders assigned to the steam plant as well. Would you give them additional training to do the bottom job?
- KE In time they will learn the job and have opportunities to fill in.
- BW You are saying that over time shiploaders in the steam plant will have training to allow them to be used in the bottom position?

KE We don't want any arbitrary rule which says they cannot do a function. If they are capable of doing a task they should do it. When you commented that they should be used for labour in jobs, that is the key reason why this issue is here. It does not make sense to use make-work projects when someone is assigned to an alternative job. We want people to use the skills they have.

KE On the Roll Grinder, whether this issue is addressed under flexibility or our agenda we do not see why it should be a journeyman machinist. We think the word machinist could be replaced with mechanic.

On the jurisdictional issue, we are prepared to go with the Fletcher language. We want to say we have a clear expectation that employees will respond. At Fletcher people from the ground wood mill assisted with a felt change. This is the kind of thing we see being done.

RC There were special circumstances there.

MN Are you saying that could happen here?

KE Yes.

BW If you insist on doing that here there will be no operation. That was a start-up and the other people could not work if that did not happen.

KE It does not make sense that an employee does not cross an arbitrary line to help out. This is not on a permanent basis and only to help out.

RD How many times a year does it have to happen before it is permanent?

KE This is not going to imperil any certification. There is no reason why you cannot cross lines to help. This was

discussed during the Fletcher agreement and there was no argument. We are not talking about permanent placements.

BW You are prepared to accept the letter from Fletcher, but you are not prepared to say you won't schedule shiploaders in the paper mill.

KE We are prepared to look at your position on scheduling. We are talking about non-scheduled events.

BW Can we expect to see people from the paper mill help with wire changes in the pulp mill?

KE We have not thought about that one.

RB Are you, under a pulp spill scenario, going to direct people to go to another area, or are you going to ask them to go?

KE What is the acceptance of the spirit of this thing? I have a problem if the spirit of this is not going to be lived with. All the people in this room are going to have to provide leadership in the spirit of this agreement. Do we have to direct, or do we request and it is seen as making sense?

RD Will you show me where in a contract the person from a progression line is required to go somewhere else?

KE Where somebody can assist in an area for a period of time.

ED If you pull someone out of a job, will others have to pick up his work?

KE A comparison may be where one person from one machine can assist a person from another machine. The person would be able to do this.

ED The contract says it takes three people to run a winder.

JT It does not take three people to run a winder at all times.

BW We will show leadership, but won't lead people into an ambush. (BW read through the points of understanding from the Powell River notes.)
Will you sit down and make a list?

KE We are not prepared to make a list.

BW You want a person on the guillotine to move upstairs to assist in the paper mill and then you will want a shiploader to do his job?

KE Some of that may happen and some may not.

RB (Gave DP a copy of the Powell River notes)
I would like to read the Powell River agreement.

KE We are at a critical point here. We are not prepared to respond. We will caucus on this issue. If you want to introduce the Powell River discussions then we will want to introduce discussions from other locations.

Caucus.

KE We have yet to answer on assignment of shiploaders to the paper mill.

We need a reply from you on roll grinding.

DU Do you envision pipefitters main responsibility being pipefitting work, and millwrights work being mainly millwrights work?

KE The primary responsibility for the operation of the mill will remain with the operators and the primary responsibility for maintaining the mill will remain with trades persons. You are trying to take this a step further. It would be foolish not to recognize a tradesman's skills. We would see a pipefitter using all the skills and abilities they possess. The assignment of work would revolve around these abilities. We would have them do things they have not done in the past.

DU Is the pipefitter's main duty going to be pipefitting work?

KE If I say yes and don't qualify it then when I assign work you will say that is not part of my primary duties. Are we going to assign pipefitters mainly pipefitting work? Probably yes. Are we going to ask them to do more than they have in the past? Yes.

DU What if there is no pipefitting work available?

KE Then we will assign them to work they have the skills for.

DU Can you envision the time when there will be no carpenters, machinists and tinsmiths?

KE The future is difficult to predict. We would look at each time some one left and make a decision then.

DU We need to feel comfortable to reassure our members that we are getting the same deal that Fletcher got. We are not getting straight answers.

KE You will find the same answers at Fletcher.

DU There seems to be a game plan in place for the machinists, and I find it hard to believe you do not know what it is.

KE We don't have a game plan. We have mentioned our plan on core trades to you several times. They have been discussed at Standing Committee and at Bull Sessions. To say we would never replace a carpenter or a machinist would depend on the conditions at the time.

RC JT, how do you feel about the implementation of flex, specifically the senior winderman?

JT I would see him doing anything he is capable of doing including operating the guillotine.

RC What about moving down?

JT We can do that now.

RC What about the rest of flex?

JT I see it is working across machines. This doesn't happen as often as it should. Other people can help on different jobs more often. There could be conditions where a re-pulper was plugged in the pulp mill. What would be wrong with shutting down a winder and having those people help unplug the re-pulper so the paper mill could get stock for our machines? This wouldn't happen often and it is only an example.

MN Are you saying you would take a winder crew to the pulp mill? What about a break on the paper machine?

JT The other crew could do that.

MN Then both winders would be down.

RC You talk about taking one person off the winder.

JT I don't have any intention of taking a guy off permanently.

RC I could see taking a person off to open a valve.

JT We do not intend to disrupt the progression line. With core handling, we will not need three people on the winder.

ED We understand that. We saw the video. We help out now on the other machines.

JT I know, but sometimes you don't.

MN You talk about taking three guys off the winder crew.

JT I gave you an extreme example. They may only need a utility person.

ED Our fear is we would have an over zealous supervisor.

JT Mine too. Our primary goal is to make paper. Why would I send people over without knowing the pulp mill had taken every care to use people from their area first?

ED We reach agreements at standing committee and when we go back to work the supervisors do whatever they want.

BW For us to think there will be no flexibility is for us to think it won't get dark tonight. We have to put something in place and it will take both of us to make it work. We will have fights. We need comfort to show what is being done has common sense and business sense. In 1994 you probably ended up with less flex than you had when you started.

BW With the Ship loading issue where you want meaningful work to be anything they are capable of doing, is unnecessary. Meaningful work should do the trick for you. Where we have a problem with shiploaders is where, for long-term vacancies, you want them to fill in. We don't feel this is something we can live with. This will disrupt the department, somebody could do this work on overtime or people could be rescheduled. We have to have some comfort here.

KE I can make a commitment. If you like, we would be prepared to have you be part of a joint presentation made to both supervisors and workers. You will hear what we say and can comment on it. We would be prepared to do this.

RB That would show a commitment to work through the problems.

KE It would be a joint committee doing presentations to both management and the employees.

You asked us about assigning shiploaders to the paper mill as being another department they are assigned to. The inclusion of assigning shiploaders to the paper as a department is not going to happen. We heard what you had to say about that and have changed our position. However, if a shiploader is attached to the pulp mill and there is a way for him to help in the paper mill this would not be precluded. We see this as not regularly assigning them to the paper mill. Flexibility should encompass people responding to needs as they arise.

ED If a shiploader is assigned to the pulp mill and there is a spill in the paper mill, if the shiploader is being under worked in the pulp mill we may see him in the paper mill?

KE Yes.

BW From JT's example of the pulper, he would insure that all avenues in the pulp mill for them to use their own people had been tried first?

KE We are not into assigning people to prove that we have the right to assign them.

RB We gave you a position on the roll grinder. Our offer makes sense even if you trained 10 millwrights and three machinists you would still end up with the same people doing it.

KE We don't feel any other qualifications other than the journeyman are necessary. We will consider.

BW Dealing with the shiploaders we feel “meaningful work” gets you what you need. The 1994 letter was limited flex, the 1998 letter is unlimited. Meaningful work covers what you need within the spirit of the agreement.

KE If we left the wording and somebody who is a shiploader is working in raw materials operating equipment and somebody wants a floater and the shiploader has the skills to do the job, could the shiploader do the job?

BW That is different from meaningful work. If the company’s interpretation or intention there is to do this, we would say yes. If you have people scheduled off then he would be covered. If we agree you can use them wherever you want them, the words “meaningful work” make no difference. When we do a whole bunch of word smithing we can cause problems.

KE I’m hearing you say meaningful work does not have the same restrictions as it did in the 1994 agreement?

BW That is what I’m saying.

KE Is your concern that it may go farther than the flex agreement?

BW I have the feeling they may be used to cover for two tours. Somebody calls in sick for a day, that is okay. It is meaningful work, we can’t agree to use them to fill in the vacancies over a long period of time.

KE If there is no ship in for two weeks and a shiploader tells Harry I’m here, it is okay to use the shiploader to cover. It won’t make sense to schedule time off for somebody using shiploaders to fill in when you don’t know if they will be there.

BW Shiploaders are going to be used for an in house spare board.

KE They will still be assigned to a department.

BW It is possible that assigned shiploaders don't have experience on equipment and may be moved to an area where they have experience.

LB There are cases where you want a third loader. The person assigned could be trained to do that. As for assigning them to a bulldozer the impracticality speaks for itself.

RB Do we go two weeks without a ship?

KE It can happen, especially now with fewer lumber ships.

LB It is the shiploaders choice to come to work in the mill. We would be hard pressed to get someone to cover a tour when the person is not required to be there.

BW You will ask whoever and ask them if they want to work the tours. They will either commit or not.

KE We could ask "are you available?" He may say no, or I'm available for part of it, or they may say they are available for all of it. The restrictions that were there under meaningful work are not longer there.

BW I would like to see something in writing saying it is not your intention to assign someone to other work just because you have the right to. You said it has to make sense. We need something that captures the spirit of the agreement.

RB I will quote Doug Daniels “we are not going to use the stick in the eye approach”.

KE I’ve heard what you have said. We also have concerns that must be addressed as well. We hope we don’t get into trouble by having people dig in their heels as well as those of everyone else around them. We need some comfort that if this happens, all of you across the table will say that this is not what we agreed to. If we have the comfort that you will explain the agreement we will try to work out something which will give you some comfort.

RB Temporary trades. How will flex money apply to them?

KE If the temporary tradesman has not taken the modules we would not pay them the flexibility premium. If we assess them and they have the skills whether they are temporary or permanent, we would pay them the bonus. Regardless, they would be paid the trades rate with the flexibility premium.

RB We want to get on with the modules as expediently as possible from the date of ratification. We would like to see the first module complete in six months and the second one in 12 months.

KE It is a little tight. We think the first one by May 1, 1999 and the second one by May 1, 2000.

RB If the training is not completed within the guidelines, then employees who have not taken the training will be paid flex money. Seniority should be the order in which people are trained. We are aware of the shift scheduling, vacations and other problems associated with this.

KE We need to discuss.

DU The agreement on flex is not intended to give multi- or dual trading. Will pipefitters have pipefitting as their core duty? I understand that on any day a pipefitter may be spending more than 50% of his time in another trade. If I'm not doing work as a pipefitter and there is pipefitting work to do, that is not right. I know I won't be doing pipefitting all of the time.

RB We have to respect the core trades.

KE Our intention I don't think is going to be much different than what you think should happen. I want to be careful how I answer your question.

DU I have a problem with people doing something because they can. It has to make sense. If a millwright is doing my job and I am doing his then I will have a reaction.

KE We would like you to be in the room when we talk to the supervisors.

RD How does seniority play into moving people within flex?

KE Logic will tell you who is to go. Logic will frequently say it is the low person but that will not always be the case. Sometimes someone, because of availability or skills may be the person. If we were to say that seniority always goes first, that may not always be logical. The utility may be up to his ass in alligators while someone higher up may be available.

RD We talked about safety. If a bottom person doesn't have the knowledge and the senior person does, it would make sense to send the senior person. I'm afraid of the stick in the eye approach.

KE It should be based on the logical thing to do.

RC From the example you used where a paper mill winder crew went over to the pulp mill, you would try the raw materials crew and the yard crew before you would send paper mill people over?

KE We would take care and be sensitive about these assignments.

ED There has to be care, especially between the locals.

MN You talked about taking senior people when utilities could have done the job.

JT With a machine down, we do not assist by seniority. When I was in the bargaining unit I used to want to know how certain things worked, for example a piston pump. If it was limited to using the junior people, I wouldn't have had an opportunity to learn these things.

KE Your concern is having paper mill people being asked to help out in 298's area. You want care that logic is applied to these assignments?

ED There are times that this makes sense. Your example of having winder crew hose up in the pulp mill when junior people could have done doesn't seem to make sense.

KE We want to avoid the case where people say "don't take me, take the junior guy", even though it doesn't make sense.

We don't want you to think that paper mill people will be spending all their time in the pulp mill.

BL Let's not get hung up on low probability examples.

ED Winder crews have already shut their winders down to help hose up in the paper mill.

- LB There could also be examples of where pulp mill crews would work in the paper mill. If someone has to spend hours on the phone when someone else is readily available we would want to use the readily available person.
- RC What about leaving jobs vacant? For example the control room operator, or the fourth hand on the winder?
- JT If someone could leave for 15 minutes, I could see that happening. His priority is to keep that machine running with all the proper consistencies and trims. I have seen it happen but not on a routine basis.
- RC Is flex module training going to prohibit people from moving up the progression line because of lack of skills?
- KE No. We said if a person has problems we would have to go back and work with them. Our intention is to cover the material and see that people understand it.
- BW When we talk about the first module, are we talking about encompassing both maintenance and operations?
- KE The first one means everybody including operations. Our aim is that everyone will have finished one module by May 1, 1999.
- RB We still require a response for item no. 16, 17, roll grinding, shiploaders, and a response on module training. We need some comfort on Dennis' question and Bill's point about "stick in your eye attitude". If we do this we are close to finishing the main agenda. If we finish then we should try to resolve the issues which caused the unions to take a strike vote.
- KE On the Roll Grinder, we are okay with what you said, and we will need to produce the language.

On Shiploaders, we will leave meaningful work in the language on the basis that you have acknowledged that flexibility applies to shiploaders and the 1994 restrictions no longer apply. We are happy to leave the language based on that.

On module training, the first one to be completed May 1, 1999, the second one to be completed May 1, 2000. We will pay people the bonus after that time if they have not completed as long as the individuals involved were available for training. They will still have to complete the training as quickly as possible.

As for training by seniority, we will do the best we can bearing in mind the availability of the crews and of the way crews are set up. We have talked about the spread between the time the first group finishes and the last group and think it may be possible to limit the spread by the manner in which groups are put through the modules. We will try not to have a large disparity between the groups.

On Temporary Trades, the answer I gave you is the right answer. They will get the premium for existing skills. If in hiring it is determined they have what is in the first of second modules, we will pay for that knowledge. If we hire permanently, we will assess as well. We will not pay temporary tradesmen the module rates until our people have had the opportunity to complete the modules.

BW The full maintenance rate with both modules won't be paid to temporary workers until we get the opportunity for the rate?

KE Correct.

The “Stick in your eye” concern. You want comfort. We may be able to pursue a letter of understanding that we understand this agreement is full flexibility limited only by the flex agreement. The company will commit that it will not practice the “because we can” attitude when assigning work. This relates to the paper makers concerns. For both Bill and Dennis’ situation it would recognize that common sense is a principal we practice. We want the union to commit not to have unreasonable attempts by workers to hide behind safety and training issues when they are not real issues.

RB I think it is a good idea. It is similar to the one they had in the Powell River letter.

DU I hope you don’t want a person to give up his rights to refuse a job on the grounds of safety?

KE Absolutely not. We do not want people to do a job which is unsafe. We are only talking about people using safety and training as a ruse. We do not want to compromise the safety issue one bit. It would also be against the law. If the people really believe it is a safety issue there is a process to use. Just like you know we will have people who have to use common sense, there will be people who will want to put sand in the gears.

Dennis, the more comfort we give you regarding your job duties, the more restrictions we put on and we do not want to do that. It is logical to apply the skills a person has to the needs of a job requirement. Item No. 13 covers you when you are working outside the trades, but when you are working in the trades No. 13 does not apply. You may be working in the paper mill, maybe doing millwright work while someone in the steam plant is doing pipefitting work. That will happen. As someone on our committee has said, the probability is that you will be doing the majority of

your work as a pipefitter. In terms of your basic skills, you are a pipefitter. Could you be assigned to work with millwrights while millwrights in other parts of the plant are doing pipefitting work? Yes, it can happen.

DU The way you explain it, it gives me comfort.

RB We have to respond to the proposal for a joint committee which will explain this agreement to management as well as hourly.

BW Yes. We will participate.

RC We will participate as well.

RB No. 16, 17, roll grinding, shiploaders, module training dates, pay and method, and temporary tradesman rate agreed to.

KE Presented letter of understanding for union to review.

RB Letter should say "Letter of Understanding regarding Flexibility" and should go in the back of the contract book.

KE Agree.

RB This concludes the main agenda.

BW We would like to review the minutes before the main agenda is completed.

IN WITNESS WHEREOF, the undersigned have hereunto set
our signatures this _____ day of _____, 2009.

EUROCAN PULP & PAPER CO.

Kitimat. B.C.

by:

Dennis Clare

Doug Petersen

Heather Wuensche

COMMUNICATIONS, ENERGY AND PAPERWORKERS

UNION OF CANADA

Local 298

by:

Mary Murphy

Randy R. Dobson

Danny Belleville

Richard Wittmann

The Communications, Energy And Paperworkers Union Of
Canada hereby sanctions and approves this Agreement and
recognizes that the said Agreement is made between the Union
and the Company and hereby agrees to carry out all of the duties
imposed upon the National by the Company and the Union.

COMMUNICATIONS, ENERGY AND PAPERWORKERS'

UNION OF CANADA

by:

Scott Doherty

298 Bull Session Agreement

The following is a list of Bull Session items of a continuing nature, which have been agreed to by the Company and the Union and are currently in effect.

1. SENIORITY

Seniority will be based on the following:

a) **Plant**

Date of hire for both operations and maintenance.

b) **Department**

Date of startup of department or division thereof, as established by the Company, for operations. For maintenance, date of hire. The Standing Committee will be notified by the Company of the startup date.

c) **Job**

Common job seniority forty-five (45) operating days after department startup, and as referred to in (b) above, to determine positioning in job category.

d) **Apprentice**

For the purpose of layoff, departmental seniority will be established as the day the apprentice entered the Apprenticeship Programme. For the purpose of promotions, the Apprentice will be granted two (2) years seniority upon attaining Journeyman status.

In the event of reductions of the maintenance crews, Apprentices indentured in first, second or third year will

be removed from the trade first, in order of department seniority. Apprentices who have commenced their last year of training (i.e. have successfully completed their previous year's practical and technical requirements) and Journeymen, will then apply their department seniority to maintain a job in their trade.

e) **Alphabetical**

“When employees have the same Company seniority date, alphabetical ordering at date of hire will be used to determine seniority. When employees have the same department seniority date, Company seniority will be used to determine the most senior. When employees have the same job seniority date, department seniority will be used to determine the most senior.”

2. RELIEF OF MATE

This procedure is to be covered by:

- a) Move up b) Same category c) Move down

3. MILL CREW MOVE UPS (TOUR)

Seniority move ups will normally occur within three (3) weeks of notification of a permanent vacancy or a temporary vacancy of four (4) or more tours due to any reason (sickness, injury, leave of absence, etc.).

Senior qualified employees will be moved up subject to the following:

- a) Employees must be consecutively available for four (4) complete tours.
- b) Vacation and other approved leave will be rescheduled subject to (a) if necessary.

- c) Senior moves will not normally take place between June 1st and Labour Day, or one week before and one week after Christmas and Easter holidays, unless crew changes can be arranged without disruptions to previously approved vacations or leave.

Management will discuss with the Union any exceptions to these guidelines. This article replaces any previous departmental practices.

4. WASH UP TIME

A wash up period of five (5) minutes before lunchtime and before quitting time will be permitted to non-tour personnel only. This is not to be construed as lunchtime and quitting time commencing five (5) minutes prior to the established times.

5. COFFEE BREAKS

A ten (10) minute break period at a predetermined time during the first half and the second half of the shift will be permitted to non-tour workers only, subject to the following conditions:

- a) The privilege will not be abused.
- b) Under emergency conditions, the break may be taken at an earlier or later period, at the discretion of the Supervisor concerned.
- c) The break period to be taken in the area where the employee is working at the time the break period commences, but if working in a non-smoking area, or where personal discomfort (heat, cold, etc.) makes this undesirable, the employee may proceed to the nearest lunchroom.

6. JOB FREEZING

Waiver of advancement in progression lines can only be made upon written application and approval by the Company and the Union. When a request is made to freeze in a line of progression as a result of medical restrictions the Rehabilitation and Reintegration Committee will meet. The Committee will meet to review the medical information (as waived by the employee) and make recommendation to Standing Committee. Revocation of the waiver must also be made by written application.

7. CONTRACTING OUT

The Company's policy is to avoid, wherever possible, contracting out of work or repairs normally done by and within the capacity of the Maintenance crew.

When a project requiring an outside contractor arises, it is the Company's intention to notify the Union in writing through the Contracting Out Committee and invite its views and recommendations prior to the decision to award the Contract. Minutes of these meetings will be posted.

Should the Contractor be required to utilize Sub-Contractors, the Company will notify the Union of the Sub-Contractors.

8. MAINTENANCE CALL IN

Maintenance employees called in to take care of emergency situations will be informed by the Supervisor of the nature of the job and the estimated duration.

9. SHIFT TRADESMEN

The Company agrees that four maintenance vacancies will be filled voluntarily by seniority. When no volunteers are available, the junior man will be assigned on a rotational basis for a maximum of 3 months. At the request of any employee of the crew, the Company will re-canvas every three months. New employees will not be expected to undertake shift duties, until completing the following period of employment at the plant site:

- a) Electricians and Instrument Mechanics - one (1) year.
- b) All other trades - six (6) months.

10. EARLY CALL FOR TRADESMEN

A tradesman called in on a job prior to one (1) hour before the start of the shift will remain on the job at time and one-half until the job is completed, subject to the Company having the option of removing him from the job. If the Company removes him from the job, rate of pay will remain at time and one-half until such time as the job is completed or the tradesman completes his regularly scheduled shift. If the tradesman remains on the job, rate of pay will remain at time and one-half until the job is completed or the tradesman goes home. The said tradesman shall have the option of completing his regular shift or going home.

11. OVERTIME DISTRIBUTION

Company policy is to distribute overtime fairly, having regard to all circumstances. In order to implement this policy, the Company will maintain a record of overtime requested and worked which will be available for inspection upon reasonable request by the Union. (See Supplement #5).

The Company and the CEP Local 298 commit to a meeting between the General Manager, Union President and 1st Vice President to discuss issues around manning requirements and to discuss the issue of employee's working more than 16 hours in a day.

12. SHORT CHANGES

In cases of short changes in operation schedules, there will be a minimum of eight (8) hours lapsed time between shift changes.

Maintenance day workers changing from afternoon shift to day shift will have the opportunity during the first four hours of the last afternoon shift, to declare whether they wish to have an 8 or 12 hour break between shift changes. Employees whose first day shift is the following day may elect to take that first day shift or a portion of it off as an unpaid leave of absence.

13. LOST AND BROKEN TOOLS

In the event that an employee loses a tool while working in an awkward place where it is impossible to retrieve the tool, or he breaks a tool, and where such loss or breakage is not due to the carelessness on the part of the employee, then the employee is entitled to a replacement tool of equal value using the Tool and Clothing Replacement Form. Equal value will be defined as a similar or same brand, quality and price (e.g., Proto unless Snap-On was lost or broken).

In the course of application, it is expected that a maximum of details will be supplied and the form will be handed to the Supervisor within seven (7) days of such loss or

breakage where practical. Determination of acceptance or rejection of a claim, where practical, will be made within fourteen (14) days of submission. Reimbursement for an accepted claim will be made within thirty (30) days of acceptance.

It is expected that every precaution will be used to prevent breakage or loss of tools in awkward or dangerous places, not so much for the value of the tools, but to avert potential injuries to employee, damage to equipment and shutdowns when such tools drop into systems.

14. DIRTY MONEY

While engaged in cleanup work on the following jobs, employees will be paid their regular rate, or twenty-five cents (25¢) per hour over base rate, whichever is the greater.

| | |
|----------------------------------|--|
| Cleaning inside Lime Kilns | Cleaning inside Recovery Pit |
| Cleaning inside Lime Slakers | Cleaning inside Liquor Tanks |
| Cleaning of Recovery Passes | Cleaning inside Digesters |
| Cleaning of Power Boiler Passes | Cleaning of Precipitators |
| Cleaning inside Oxidation Towers | Cleaning of Clarifiers and Mud Washers |

15. APPRENTICE TOOL ALLOWANCE

A tool allowance of \$700.00 will be provided to apprentices. These one time only allowances are paid upon the submission of tool purchase receipts.

16. SPRAY PAINTING AND SANDBLASTING

Eight cents (8¢) per hour will be paid above the regular rate for time actually spent using spray guns or sandblasting equipment.

17. ASBESTOS REMOVAL

Asbestos removal will be performed by qualified personnel trained in the established and approved safe handling work procedures developed by Eurocan Pulp & Paper Co. and the W.C.B.

Qualified personnel assigned to asbestos removal will receive their regular rate of pay, or twenty-five (25¢) cents above base rate, whichever is the greater.

18. ROLL GRINDING

Class "A" Machinists and/or Millwrights shall receive the Roll Grinder's rate for time actually spent on roll grinding.

19. FIRST AID

(a) Temporary vacancies in the First Aid Department will be filled by properly ticketed people in the event that such needs are occasioned by vacancies, leave of absence, or termination. A current list of all Industrial First Aid ticket holders will be maintained in the First Aid Room.

(b) A first Aid Attendant authorized by the Company to attend classes or write examinations for obtaining, renewing or upgrading a first aid ticket will be compensated for lost earnings. The duration of the course shall include the graveyard shifts immediately preceding the day the course begins and the day the course finishes. The First Aid Attendant will be considered to be on paid leave for the time the course is scheduled and not be required to attend work during the period of leave. The First Aid Attendant will be granted 36 consecutive hours clear prior to the scheduled exam day.

(c) For the purpose of renewing First Aid Tickets, the Company will pay travel and living out costs for authorized attendance at a recognized course that is not available in Kitimat. The Company will also pay authorized tuition and examination fees in advance of such course. In the event that Industrial First Aid ticket holders, when re-examined, fail to qualify, they will be given one additional opportunity to qualify and their current rate maintained accordingly. (Note: Living out costs are not applicable for courses held in Terrace).

(d) The Company shall compensate the first aid attendant for travel each way for training at the straight time hourly rate. The maximum travel time shall be four hours for traveling to the course and four hours when returning from the course. For authorized courses in Terrace, the travel time from Kitimat will be one hour at the beginning of the course and one hour at the end of the course.

(e) All First Aid personnel will be furnished with uniforms. These uniforms will be laundered maintained and replaced within reason.

(f) The Company will maintain the existing Level 3 standard for first aid ticket requirements.

20. SHIPLOADING

Memorandum of Agreement detailing current Shiploading conditions and agreements. (See Supplement #7)

21. SAFETY SHOES

The Company agrees to pay 100% of the cost of safety footwear, to a maximum of two (2) pair per contract year, to employees classified and/or assigned as follows:

- a) Permanently classified in one of the following positions:

- i) **Pulp Mill:** Pulping Field Assistant (Levels I, II & III), and Shift Utility
 - ii) **Steam Plant:** Power Boiler Fireman and Shift Utility
 - iii) **Locomotive Line:** Conductor
- b) Permanently classified as Lubrication Mechanic/Inspector **and** permanently assigned to the recaust area.
- c) Tradespeople permanently assigned to the recaust area for six (6) months or longer in a contract year.

22. RETIREMENT BENEFITS

The company will provide MSP and basic EHB (exclusive of vision, travel and extended care benefits) for eligible retired employees and their spouses. Eligibility will be based upon the following years of service at retirement:

| | Age | Years of Service | | Age | Years of Service | |
|--|-----|------------------|--|-----|------------------|--|
| | 65 | 10 | | 59 | 16 | |
| | 64 | 11 | | 58 | 17 | |
| | 63 | 12 | | 57 | 18 | |
| | 62 | 13 | | 56 | 19 | |
| | 61 | 14 | | 55 | 20 | |
| | 60 | 15 | | | | |

When applying for Medical benefits, the retired employee must also apply for premium assistance, if applicable.

The maximum monthly premium payable by the company for these benefits will be two hundred dollars (\$200.00). In the event that the Medical premiums are changed in the future by

including them in a payroll assessment, or any other method which results in a reduction of premium costs for retirees, the parties agree that the maximum should be reduced appropriately at that time.

The parties agree to the establishment of a Working Committee for the purpose of reviewing various options available for the cost and improvements to Retiree Benefits.

The committee shall be provided with access to service providers that will assist them in their review of the options available.

23. PERSONNEL FACILITIES

The Company will maintain and/or upgrade as required to ensure acceptable standards, those facilities installed for the employees' personal use (i.e. washrooms, lunchrooms, locker rooms, appliances, vending machines, car wash, etc.). The application of this practice on existing facilities or proposals for additional facilities will be the responsibility of the appropriate department. If an unacceptable response is received, the employee must report his/her complaint to the department head in writing, who then has seven (7) days in which to respond.

CEP Locals 298 and 1127 and the Company agree to a committee whose purpose is to review personnel facilities. The committee will provide direction to mill maintenance and engineering as to order of priority of potential improvements. This will assist in the directing of funds identified for mill improvements. In addition the committee will be the conduit to identify regulatory issues if they exist so that such items can be addressed in a timely manner.

24. SAFETY FOOTWEAR

It is mandatory for all employees to wear safety footwear. Employees will receive one (1) pair of safety boots per contract year at no cost to the employee.

Safety boot vouchers will be valid for a period of thirteen (13) months. This will allow employees the option to combine two vouchers to purchase a higher priced pair of boots during a one (1) month window every two years.

The maximum value of a boot voucher is \$200.00

25. SMOKING CESSATION PROGRAMS

- a) The company will subsidize certain smoking cessation programs, which include the patch, hypnosis, acupuncture, and the 7th Day Adventist Counseling Program.
- b) The maximum allowable subsidy is two hundred dollars (\$200.00) per person, which may be applied to one, or a combination, of the recognized programs.
- c) This benefit is available to all Eurocan employees and their dependents living at the same residence.
- d) To receive the subsidy, the employee will be required to submit proper receipts.

26. LIGHT DUTY WORK

An employee may return to light duty work which is meaningful and productive with the written permission of his doctor and without endangering the future of Workmen's Compensation benefits or any other benefits.

Prior to the commencement of light duty, the employee will meet with the supervisor and safety captain to discuss the conditions, and will be assessed within two weeks of commencing light duty work to determine suitability to continue on the program.

The foregoing is to apply to both on-the-job or off-the-job disabilities.

27. MEAL TICKETS

- a) The Company agrees that the value of the overtime meal ticket will be seventy-five percent (75%) of base rate, and the Union agrees that meal tickets will be issued instead of and will replace meals, except as provided in **Section (b)**.
- b) In lieu of a meal ticket, employees will have the option of receiving an overtime meal during scheduled maintenance major shutdowns, as per present practice.
- c) Meal tickets will not be redeemable in cash, and the Company will endeavor to ensure that meal tickets are honoured at more than one location.

28. MATERNITY AND PATERNITY LEAVE

The Company agrees, upon request, to provide two (2) calendar months leave of absence without pay to female employees with more than one year's seniority. Such leave of absence shall be in addition to that period of time indicated in the Employment Standards Act. Employees utilizing this

maternity leave of absence will maintain job and department seniority only. Such time will not be used in the calculation for floating holidays or statutory holidays, however, such time will be included for the purpose of determining continuing employment.

The Company agrees, upon request, to provide two (2) calendar months paternity leave of absence without pay to male employees with more than one year's seniority following the birth of their child. Such leave must be used within the 52 week period after the child's birth, and will not exceed the Parental Leave provisions in the Employment Standards Act, and will be subject to the notice and evidence requirements outlined in this Act. An employee utilizing this leave will continue to accumulate seniority, but this time will not be used to determine floating or statutory holidays.

29. ADOPTION LEAVE

The Company agrees, upon request, to provide two (2) calendar months adoption leave of absence without pay to employees with more than one year's seniority following the adoption of their child. This leave must be completed within one year of the adoption date and is not in addition to any leave entitlement under the Employment Standards Act.

30. SAFETY FRAMES - GLASSES

The Company has agreed to provide for the replacement of glasses damaged as a result of his or her occupation, subject to the conditions outlined in Supplement #1.

31. EXTENDED HEALTH BENEFIT PLAN

The Company has agreed to implement the Pacific Blue Cross Travel and Accommodation plan as an Extended Health

Benefit with the cost to be borne by the Company. (See Supplement #2)

32. PERSONAL FLOATING HOLIDAY DEFERMENT

The Company and the Unions, hereby agree to the implementation of the following program relative to Article XVIII - Special (Personal) Floating Holidays of the Labour Agreement. (See Supplement #3)

33. STATUTORY HOLIDAYS

- a) When a Statutory Holiday falls on an employee's day off, the employee will be given the opportunity to take a day off without pay within the following twelve (12) months. If the employee elects to do this, he/she will have the option of deferring the statutory holiday pay and taking this pay with his/her deferred day off.

It is understood that a deferred statutory holiday day does not count toward the workweek for the purpose of overtime calculation.

A request must be made prior to the Statutory Holiday.

- b) When an hourly employee takes paid time off for having worked during a statutory holiday as listed in Article XVII, Section 1 of the Labour Agreement, for the purpose of calculating the forty (40) hours work week, such paid time off will be used for the calculation of overtime payment.

- c) As clarification of ARTICLE XVII--Statutory Holidays, Section 5 and Paragraph 1 of the Labour Agreement, the Company will determine the employee's straight time Statutory Holiday rate to be the higher of the job rate paid on the last scheduled work day before or the first scheduled work day after the Statutory Holiday

34. RATE OF PAY DURING SHUTDOWNS

In the event of an extended mill shutdown or departmental shutdown, job rates will continue to be paid for a period of seventeen (17) days, after which employees may elect to voluntarily accept what work is made available at the applicable rate of pay for the work to be performed, or accept the lay off.

It is clearly understood that this commitment does not affect the company's right to lay-off employees during a shutdown. If employees are retained during a shutdown, their job rate will be maintained for the length of the shutdown up to seventeen (17) days.

The Company will notify the Union Standing Committee in advance of a planned shutdown for the purpose of providing the Union with details of the shutdown. If the shutdown is unplanned, details of the shutdown will be discussed with the Union Standing Committee as soon as possible.

35. 42 HOUR SPECIAL LEAVE

The Company has agreed to the establishment of the 42 Hour Special Leave for tour workers only. (See Supplement #4)

36. DESTROYED CLOTHES

When an employee experiences the loss of his clothing due to damage by mill equipment or chemicals, they may be eligible for replacement when:

- a) Loss is incurred due to no fault of his own and is not considered to be a natural hazard of the job.
- b) An employee is acting in haste because of an emergency situation and time does not permit the acquisition of protective clothing.
- c) Loss is due to fire fighting.
- d) Employees will not be eligible for replacement in the following situations:
 - (I) When protective clothing is supplied and recommended for a specific job.
 - (II) When normal wear has occurred while carrying out regular duties.
 - (III) When damage is due to carelessness, lack of attention or natural hazards inherent in the job.

Application is to be made on the Tool and Clothing Replacement Form. A maximum of details is to be supplied and the completed form will be submitted to the Supervisor within seven days of such loss where practical. The Department Head concerned will adjudicate all claims.

37. CANADA SAVINGS BONDS

Payroll deduction facilities will be provided to employees wishing to purchase Canada Savings Bonds. Where possible, the Company agrees to provide for two (2) deductions per month.

38. RETIREES VACATION CARRY OVER

Retiring employees, at their option, may carry over their second to last year of earned vacation into their retiring year, which will be taken prior to retirement.

39. EMPLOYEE TRANSPORTATION

While it is the responsibility of each employee to arrange his own transportation, where an employee misses his ride by reason of his working overtime, the Company will provide transportation between the mill site and his home.

In cases where the driver in a car pool is held over on overtime, his passengers will be expected to try to make other arrangements. In the event that alternative arrangements cannot be made, the Company will arrange transportation to the employee's home. This provision is restricted to Kitimat, Kitimaat Village and Cable Car.

40. LIST OF HIRES AND TERMINATIONS

A list of new hires, terminations and transfers from one local to another will be furnished to the Union office once per month.

41. VOLUNTARY LIFE INSURANCE & VOLUNTARY A. D. & D. COVERAGE

The Company is prepared to administer, through payroll deduction, a Voluntary Group Life & A.D. & D. Insurance programme on behalf of the Company's hourly employees who are members of CEP Locals 298 and 1127.

The total premium for the Voluntary Group Life & A.D. & D. Insurance will be paid by the employee and will be subject to the limitations of the carrier(s).

The Company will make available for employees, a copy of the brochure outlining coverage.

Optional Voluntary Group Life Insurance is available in units of Ten Thousand Dollars (\$10,000) to a maximum of Two Hundred and Fifty Thousand Dollars (\$250,000) for both the employee and/or spouse.

Optional Voluntary Group A.D. & D. Insurance is available in units of Ten Thousand Dollars (\$10,000) to a maximum of Two Hundred and Fifty Thousand Dollars (\$250,000) for employees. A family plan is also available.

42. WORKING BEYOND SHIFT

- a) **Day Workers** -- Call time will be paid in accordance with the Collective Agreement if any non-tour worker is requested to work beyond his scheduled shift with less than thirty (30) minutes notice prior to the shift's end.
- b) **Tour Workers** -- A tour worker who has been relieved by his mate, and is requested to return to work, will receive call time. Call time will be paid in accordance with the Collective Agreement if any worker is requested to work beyond his scheduled shift with less than thirty (30) minutes notice prior to the shift's end.

43. JOB TRANSFERS

The following "Job Opportunities" will be posted on all official mill bulletin boards for a minimum of fourteen (14) days prior to the filling of any vacancy.

When Trades positions come available, information notices will be posted on mill bulletin boards to advise interested employees who may wish to apply in competition with outside applicants.

Paper Mill

Additives Person
Paper Mill Relief
Production Helper
Day Shift Clean-Up

Pulp Mill/Steam Plant

Shift Utility

Stores

Relief Counterperson
Shipper/Receiver*

First Aid

First Aid Attendant

Janitorial

Janitor

Traffic

Bull Gang Labourer
Raw Materials Utility
General Equipment Operator
Lift Truck Operator
Power Lift Operator/First Aid Attendant*
Shiploader/Labourer
Gear Locker

Maintenance

Apprenticeships
Lubrication/Millwright

Technical

Process Tester
Sample Clerk

***Posted as required.**

- a) Job Opportunities shall note any limitations or requirements applying to the job.

- b) The senior qualified employees, subject to the limitations referred to in (a), will be selected for posted vacancies.
- c) An employee who is selected to fill a posted job vacancy will serve a thirty (30) day probationary period in their new department. During this thirty day probationary period, the employee will retain their seniority in, and the right to return to, their former department and job. If the employee elects to return to their former department and job prior to the completion of their probationary period, then the employee will not have the privilege of bidding again until six (6) months have elapsed, except in cases of apprenticeship postings.

An employee who is returned to their former department and job by decision of management will not be restricted from applying for jobs.

- d) An employee who is selected to fill a posted job vacancy, and has completed the thirty (30) day probationary period, shall not have the privilege of bidding again until twelve (12) months have elapsed, except in cases of apprenticeship postings.
- e) All applicants for job postings shall receive a signed copy of their application with the job posting number on the application.

44. TEMPORARY JOB TRANSFERS

- a) A temporary job posting will be issued when a vacancy is known to exist for six (6) months.
- b) The selection procedure for temporary job transfers will be identical to the selection procedure for

permanent job transfers as outlined in Article 20.1 above, except that 20.1(c) and 20.1(d) will not apply.

- c) The Company will not post jobs, which are expected to last for less than three (3) months in duration. Temporary jobs expected to be between three (3) and six (6) months in duration will be posted but seniority may not be the deciding factor in awarding the job.
- d) An employee selected to fill a temporary posting will not have the option of returning to his/her original position until the posting is closed.
- e) The Company will not give a junior employee preference over a senior employee on the basis that the junior employee has acquired experience through a temporary posting or by providing relief.
- f) Upon completion of a temporary posting, the employee will return to their original department and will be placed in the entry level job. For purposes of departmental reductions, an employee will maintain departmental seniority in their original department while occupying a temporary vacancy.
- g) Employees may apply for permanent job transfers while occupying a temporary vacancy.
- h) All applicants for temporary job postings shall receive a signed copy of their application with the temporary job posting number on the application.
- i) Where multiple temporary postings for one position occur and a permanent employee returns, the temporary employee who filled the vacancy the longest will have the option of returning to their original position or remain in the temporary position.

45. PULPMILL/STEAM PLANT UTILITY TRANSFER

Employees who post into the Pulp Mill/Steam Plant shift utility position will have the option of taking a Fourth Class Stationary Engineering Certificate or a Pulp and Paper Technology Certificate or both.

Employees who receive a Fourth Class Stationary Engineering Certificate will be eligible to progress in either the Steam & Recovery line of progression or the Pulp Mill line of progression. Employees who receive a Pulp and Paper Technology Certificate will be eligible to progress in the Pulp Mill line of progression.

Employees who elect to take a Pulp and Paper Technology Certificate will be entitled to the same Vocational Leave as provided for the Fourth Class Stationary Engineering Certificate.

Employees who have completed one of the certificates and wish to complete the other will be entitled to the same leave provisions for the second certificate but paid for upon successful completion. Leave, if requested must be arranged in advance.

Employees must complete one of the certificates within eighteen (18) months of entry. In the event that either of the certificates is not obtained within the time limit, employees will be removed from the department to the Yard Bull Gang on a temporary basis and/or will be placed in the first available vacancy for which they are qualified.

Employees who post into the Pulp Mill Production Tech Shift position must complete either the Fourth Class Power Engineering Certificate or Pulp & Paper Technology Certificate within twenty-four (24) months. In the event that either of the certificates is not obtained within the time limit,

employees will be removed from the department to the Yard Bull Gang on a temporary basis and/or will be placed in the first available vacancy for which they are qualified.

Employees must complete all but the final exam prior to the 24-month period. Writing of the final exam(s) must be completed at the first available writing following the 24-month period.

The following educational qualifications satisfy the requirement of a Pulp and Paper Technology certificate for employees wishing to progress in the Pulpmill line of progression.

A two year diploma from B.C.I.T. or a recognized equivalent institution in:

Mechanical Technology
Chemical Engineering Technology
Pulp and Paper Technology

Pulpmill employees who elect to take a Stationary Steam Engineering certificate will be entitled to the same vocational leave provisions as steam plant employee

46. WEEKLY INDEMNITY TAX DEDUCTION

The Company agrees to make available the option of having tax deducted at source from Weekly Indemnity and LTD payments.

47. TERMINATION AND AMENDING PROCEDURE

This Agreement shall be in effect from midnight April 30, 2003 to midnight April 30, 2008, and thereafter from year to year subject to the conditions set out in ARTICLES XXXIII, Sections 2 to 5 of the Labour Agreement.

48. EMERGENCY RESPONSE TEAM

Volunteers on the payroll for the Emergency Response team will receive an annual stipend of \$500.00. The details of the stipend will be developed by the Company.

The Company will provide \$100,000.00 additional A D & D Insurance for all Emergency Response Team Members

49. NEW EMPLOYEE ORIENTATION

The Company will notify the Union Hall when a new employee is being oriented to the mill and provide an opportunity for a Union designated representative to speak with the employee(s) for an appropriate amount of time during the orientation. At shutdown this meeting time would be organized during lunch breaks.

- **SUPPLEMENT #1 -- REPLACEMENT OF GLASSES**

1. Eyeglasses will be replaced by the Company when they become unserviceable as a result of incidents which are accidental in nature and related to employees given duties.
2. Eyeglasses will be replaced by the Company when they become unserviceable due to conditions inherent in the employee's occupation which cannot be overcome, e.g. pitting, corrosive deterioration.
3. The Company will provide safety frames for prescription lenses to those employees eligible for glass replacement under Section 2 above. Employees will have the option of choosing replacement frames from the same selection as offered by the Company's mandatory eyewear policy.
4. Claims for the replacement of glasses which are clearly the result of an occupational accident or injury will be referred to the Workmen's Compensation Board.
5. Not more than one pair of safety frames and prescription lenses will be provided each year for those who qualify under section 2 of Supplement #1.

- **SUPPLEMENT #2 -- EXTENDED HEALTH BENEFITS**

It is hereby agreed that said Extended Health Benefits Contract as constituted on the effective date hereof be and the same hereby is amended for group 93990-004 as follows:

Effective May 1, 1998, provision for the following supplementary benefits has been made with Pacific Blue Cross for member employees and their registered dependents of Eurocan Pulp and Paper Co., resident in the Province of British Columbia.

- 1. Travel**

Where, in the opinion of the attending physician, surgeon, dentist or oral surgeon treating a member employee and/or his dependents, adequate treatment is not available locally, transportation by scheduled air, rail or bus will be provided to and from the nearest locale equipped to provide the required and recommended treatment by a physician and surgeon or oral surgeon, within two months of referral. Said transportation will not be provided to points beyond Vancouver, (or Victoria if medical services are not available in Vancouver). The cost of bus service to and from Kitimat and the Terrace Airport will be provided. Ground transportation costs in Vancouver (or Victoria) shall be limited to a maximum of \$40.00 for each trip to Vancouver (or Victoria) and must be supported by receipts.”

The Company will review the circumstances when employees or their dependents are required to use private vehicle transportation for medical referral or treatment. Reimbursement for such transportation will be equivalent to the value of return bus fare only. Accommodation and meals will not be provided while enroute.

2. Dependants

Dependants are defined as:

- a) Spouse of employee, and,
- b) Any child, stepchild, legally adopted child, or legal ward of the employee (including a child in respect of whom an adult stands in place of a parent) who is supported by the employee and who:
 - i) Is not married, and
 - ii) Is under the age of twenty-one (21) years or is in full time attendance at a school or university, who is ordinarily resident in British Columbia.

3. Accommodation

The accommodation allowance will be based on double occupancy (e.g., parent and child) to a maximum of one hundred dollars (\$100.00) per day.

Where double occupancy is inappropriate, accommodation will be provided to a maximum of **two hundred dollars (\$200.00)** per day based on single occupancy for both the attendant and the patient.

Reimbursement for the above amounts will be provided for commercial facilities and facilities such as Easter Seal House.

4. Attendants

Where necessary, and at the request of the attending physician, surgeon, dentist or oral surgeon, an attendant is required to accompany the patient, transportation for the attendant in connection with the aforementioned transportation of the employee or his registered dependents.

In the event the patient remains at the treatment centre and the attendant returns to Kitimat, provision is made to provide travel and accommodation assistance. In order that the attendant, if required, may accompany the patient's return to Kitimat, accommodation for return trip would be limited to one day only.

Nothing herein contained shall be held to alter, vary or affect any of the terms, provisions or conditions of said Contract other than as above stated.

- **SUPPLEMENT #3 -- PERSONAL FLOATING HOLIDAY DEFERMENT**

1. Between May 1st and December 31st of any contract year all employees who become eligible for their fifth (personal) floating holiday and who have not utilized their previous four floating holidays for that contract year, may elect to defer the use of their floater entitlement for a period not to exceed December 15th of the following contract year.
2. When utilizing a deferred floater, the employee will be paid eight (8) hours at the straight time rate for the job classification as of April 30th for the previous contract year. All deferred floaters must be utilized before the scheduling of any subsequent floater entitlement.
3. During prime vacation periods (July and August), deferred floaters may be utilized in conjunction with regular vacation entitlement dependent upon the departmental vacation list. In the event of a conflict between deferred floaters and annual vacations, then the annual vacation will take priority and the deferred floaters will be cancelled and subsequently rescheduled in accordance with item 1 above.
4. Scheduled deferred floaters which are cancelled due to conflicts with the annual vacation listing will be worked by the employee at no penalty to the Company.

• **SUPPLEMENT #4 -- 42 HOUR SPECIAL LEAVE-TOUR WORKERS**

This plan will provide the opportunity for a Tour Worker, to optionally participate in a 42 hour special leave as outlined below. This plan provides for an average forty hour week, and is subject to review pending changes in the "HOURS OF WORK" section outlined in the Labour Agreement.

1. Tour workers who elect to participate will be granted one (1) week of special leave during the period August 1, 2008 to January 31, 2009 and during the subsequent six (6) month periods in accordance with continued participation with the plan. Employees will be required to schedule time off in advance, and to ensure that time off is taken before the end of the period. If the employee does not schedule and take time during the period in which he is entitled, he will forfeit his entitlement for that period.

| <u>Qualifying Period</u> | <u>Time Off Period</u> |
|--------------------------|------------------------|
| Aug. 2008 – Jan. 2009 | Mar. 2009 – Feb. 2010 |
| Feb. 2009 – Jul. 2009 | Sept. 2009 – Feb. 2010 |
| Aug. 2009 – Jan. 2010 | Mar. 2010 – Feb. 2011 |
| Feb. 2010 – Jul. 2010 | Sept. 2010 – Feb. 2011 |
| Aug. 2010 – Jan. 2011 | Mar. 2011 – Feb. 2012 |
| Feb. 2011 – Jul. 2011 | Sept. 2011 – Feb. 2012 |
| Aug. 2011 – Jan. 2012 | Mar. 2012 – Feb. 2013 |
| Feb. 2012 – Jul. 2012 | Sept. 2012 – Feb. 2013 |

2. The 42 hour special leave will not be taken during prime vacation time unless operating conditions and annual vacation schedules permit.
3. Annual and supplemental vacations, floaters and banked time off will take precedence over the 42 hour special leave.

4. A participating member must give the department a minimum of two (2) weeks advance notice for the special leave.
5. The department will give the employee one week's notice if his special leave can be fitted into the holiday schedule. Such leave cannot be cancelled after one week's notice has been given to the employee. However, if the one week's notice has been given and the 42 hour special leave has to be cancelled, then the same provisions would be applicable as in the case of cancelled days of vacation.
6. Participation in the 42 hour special leave will be optional. Employees may enter or leave the plan only during the period of two (2) weeks before the six (6) month anniversary of the plan. The only exceptions will then be based upon mutually agreed conditions.
7. An employee who decides to discontinue participation in the plan should advise the Company and the Union. The employee would then forfeit qualification to the special leave for the next entitlement period, and must wait until the next qualifying period to re-apply.
8. Employees may have the option of taking 42 hour special leave days in units of less than a week. Leave in units of less than a week will only be granted within seven days of the requested time off. Overtime will be a factor in granting of 42 hour special leave requests.

For the implementation of the above Policy, it is necessary for the Company to have the cooperation of both local Unions with regards to the use of Casual Labour for the purpose of training and relief purposes.

- **SUPPLEMENT #5 -- OVERTIME GUIDELINES**

The following summarizes the main procedures to be followed in the application of the Company's policy to equalize the opportunity for overtime in the maintenance department. The detailed applications of these procedures will be made with reference to previous amendments developed at the departmental level. It is recognized by both parties that circumstances may require exceptions, to enable the application of the overtime distribution policy to coincide with the effective maintenance and repair of the mill operations.

1. An interactive on line call list that is automatically updated as the call list is followed will be developed and maintained. It will include all overtime hours, unavailable hours and refusal hours. These combined hours will determine an employee's position on the call list. When calling in people, the caller will start at the lowest person for each job even if he/she has already refused another job.
2. When calling in an employee, the Call List is to be used starting with the low person, with the following exceptions:
 - a) Where special skills or familiarity are required for the job.
 - b) Tradesmen working on specific job assignments, will be given the opportunity to continue the job when overtime is required, including weekend work scheduling.
3. Pagers will be assigned to tradesmen so that they can be reached while they are at work. It is agreed that refusing to carry the pagers is the same as refusing the overtime that is available. A tradesman that carries the pager is not automatically agreeing to work, only to respond within five (5) minutes to a page. If there is no response within five (5) minutes the supervisor doing the calling will assume that to be a refusal.

4. Pager List: M/W - 6, P/F - 3, Electrical - 3, Instrument - 2, Welders - 2. The number of pagers will be adjusted by mutual consent.
5. For the purpose of equalizing overtime opportunities, the Company will periodically call employees who are low on the overtime list to perform work not of an emergent nature. Where low employees do not respond, the company can discontinue calls and not have the work performed.
6. A tradesman can be given up to a total of twelve (12) hours total of refusal and hours worked for a given day. If there are further opportunities he/she will be offered the job. If he/she works, any hours worked will be on top of the original twelve (12).
7. Employees will be assessed crew averages when entering the department. For reasons of sickness, industrial accident, leave of absence, banked time off or periods of light duty he/she will be assessed non-available hours.
8. Jobs requiring large amounts of overtime will be manned by a combination of area representation and employees low on the overtime list. The intent is to use as many employees as practicable from low on the overtime list.
9. When employees residing in Terrace are in the position on the call list to be called, it will be left to the supervisor's discretion as to whether the nature of the job (priority with respect to time) allows him to bring in an employee from Terrace.

10. If an employee is requested to work overtime and agrees only if he is supplied with transportation, he shall be marked with a refusal should such transportation not be made available.
11. There is a three (3) month re-opener to review the equalization so that adjustments to the agreement can be made if required. After that there will be a re-opener every six (6) months. Any changes will be by mutual consent.

- **SUPPLEMENT #6 -- SPAREBOARD LETTER OF UNDERSTANDING**

June 10, 1986

**LETTER OF UNDERSTANDING
RE: SPAREBOARD**

The Company will establish a spareboard. The number of employees in the spareboard will be determined by the Company with the objective of providing as close to full time hours as possible.

Employees on the spareboard will have all the rights under the collective agreement. The employees will accumulate Company but not departmental seniority.

While the Company and Union both recognize the problems encountered in scheduling spareboard employees, the intent, whenever practical, is to schedule in advance. (e.g. one week).

EUROCAN PULP & PAPER CO.

L.W. GILCHRIST

**COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION, LOCAL 298**

S. MORRISON

• **SUPPLEMENT #7 -- SHIPLOADING**

MEMORANDUM OF AGREEMENT

between

EUROCAN PULP & PAPER CO.

and

LOCAL NO. 298

of the

**COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION OF CANADA**

1. The shiploader/labourer crew will consist of the number of employees, under that job classification, at present the number is fifty-two (52).
2. The entry level position to the shiploading crew will be Shiploader/Labourer.
3. The Company will follow the normal line of progression when assigning Slingmen, Holdmen or Utilitymen to perform the function of Power Lift Operator to Ship Sling as required by operating circumstances, with the individual so assigned continuing to receive his normal rate of pay.
4. If in the judgment of the shiploading supervisor additional power lifts are temporarily required to move product to the ship sling, and additional shiploaders are not available, these power lifts and operators will be obtained from the Warehouse Line.
5. All equipment delivering product to the ship or barge will move cargo from the place of rest inside the Terminal

Warehouse or the Terminal Yard directly to under the ship sling or to the chip loading hopper.

6. Shiploaders will be available to load all ships and barges on a twenty-four (24) hour, seven (7) day per week basis.
7. Shift starting times for ship and barge loading will be 7:30 a.m., 3:30 p.m. and 11:30 p.m. on an eight (8) hour loading schedule, and 7:30 a.m. and 7:30 p.m. on a twelve (12) hour loading schedule. These shift starting times will apply to the regular day worker week of Monday to Friday and weekend work.
8. When one (1) berth is occupied, available shiploaders will be scheduled on an eight (8) hour shift basis. However, on vessels with more than two cranes or hatches, there will be opportunity to work twelve (12) hour shifts.
9. When two (2) berths are occupied, the hours of operation will be on a two (2) shift, twelve (12) hour basis, for a minimum of four (4) gangs. The remaining gangs will be required to work eight (8) hour shifts, with the available option of a twelve (12) hour shift. Circumstances at the time, however, may only allow people to work eight (8) hour shifts (e.g. equipment availability, hatch availability, manning availability, etc.). This minimum gang requirement of four (4) may increase or decrease in direct relation to changes to the present crew compliment of fifty-two (52) shiploaders. No shiploader/labourer will be scheduled to work a twelve (12) hour shift until every available shiploader/labourer is scheduled to work at least an eight (8) hour shift at a ship or barge rate.

Where 12 hour shifts are scheduled and one ship finishes during the shift, the 12 hour shift on the remaining ship will continue until the next shift change or the ship finishes, whichever occurs first.

10. Present gang structures will be maintained on lumber and paper ships and barges, as detailed in the shiploading presentation on January 23, 1989.

Gang structures for a chip barge will consist of a leadhand, spoutman, plus any number of 980 loaders.

Gang structures for a chip ship will consist of: -- **a)** same as barge with no cat work, **or**, -- **b)** leadhand, spoutman, crane operator and cat operator (if required), plus any number of 980 loaders.

Where a Shiploader/labourer is unexpectedly excused from completing a night shift, each gang can run short by a maximum of one person. The vacant position will be the Clamp Truck position except for conventional vessels when stowing, where the vacant position will be the holdman position.

11. A maximum of eight (8) people will be allowed off on vacation at one time.
12. Shiploaders will be given the first opportunity to fill shortages in shiploading gangs. Further absences when one ship is in will be covered by personnel from the Yard, Traffic Utility and Warehouse.

13. Additional available shiploaders who do not form part of the normal gang structure may be utilized to maximize the feed to the hook, or on the ship to expedite the loading operation.
14. The Company will supply cloth coveralls for shiploading crews.
15. When shiploader/labourers are not required for shiploading, they will have the option of reporting for alternate work (to an alternate department) on the following basis:
 - a) Meaningful work is performed.
 - b) Each shiploader/labourer will be assigned to a specific department.
 - c) When a shiploader/labourer elects alternate work (to an alternate department), the employee will inform the alternate department by 2:00 p.m. the day before the employee elects to report for such work.
 - d) The company can reassign employees from one department to another according to work requirements.
 - e) The company will periodically re-assess the allocation of shiploaders/labourers to other departments based on the availability of meaningful work and availability of shiploader/labourers to perform the work. The company may re-assign shiploader/labourers based on this assessment.
 - f) The purpose of this section is to offer shiploader/labourers the opportunity to make up a forty (40) hour week, Monday to Friday, where shiploading does not provide forty (40) hours.

16. Overtime will be worked by the low employee on the overtime list, providing the employee is trained and capable to do the work. If the low employee does not meet these requirements, then the next low employee who meets the requirements will be assigned.

17. Where crews are scheduled on any shift and the ship is finished on that shift, crews will be guaranteed a minimum of four (4) hours work at shiploading rates and conditions.

Where crews are scheduled to complete a ship on the 23:30-07:30 shift and then are changed to the 15:30-23:30 shift, those who are not required for shiploading will be paid shiploading rates and conditions for the first four hours worked.

If a ship is scheduled to finish loading during the afternoon shift (15:30 - 23:30) required crews will be made from senior people available, Monday to Friday.

18. Shortages on the afternoon gangs will be filled by move up, employees staying over to fill in at the bottom will be paid at the rate for the job they do. Unplanned shortages will be covered by calling in the low person and even though that person may be doing the bottom job, if the rate on the schedule is higher, the higher rate will be paid for overtime hours.

19. Where work is scheduled to begin at 23:30 and senior employees are scheduled for the following dayshift, these senior employees will be offered work at the terminal and be paid their shiploading trade class at straight time.

20. Shiploaders who “tie-up” or “let go” shall be paid the Spare Utility/Lumber rate plus shiploading premiums.

21. A joint committee of up to three (3) representatives from Shiploader/Labourers and three (3) representatives from the Company shall review the training needs of Shiploaders and shall develop recommendations regarding training which shall be reviewed by Eurocan and the Shiploaders. Time spent in such meetings shall be without loss of pay.
22. When more than one ship/barge are at berth and scheduled for loading, additional crew to make up gangs to service all cranes and hatches will be obtained as follows:
 - a) First, from Traffic department personnel in labour, utility, and clamp truck positions, by assignment.
 - b) Second, from Traffic department personnel on days off who have signed up as relief shiploaders.
 - c) Third, and only if sufficient numbers are not available from the Traffic department, from Shiploaders spareboard personnel as described in the Shiploader Spareboard letter.

LETTER OF UNDERSTANDING

Re: Relief Supervision

March 15, 1995

The Company and the Union have agreed to the following procedure when selecting bargaining unit employees for Relief Supervision.

The Company may use salaried staff, or bargaining unit employees for Relief Supervision, as required.

1. Selection Of Relief Supervisors

The following conditions will apply with respect to the selection of bargaining unit employees:

- a) The Company will canvas employees requesting them to indicate their interest in being considered as Supervisory Relief candidates.
- b) Selection of relief supervisors will be on the basis of seniority providing the employee has the qualifications and ability to perform the work.
- c) The company will advise the Union as to who has been selected. Where the Company does not select a senior employee who has expressed interest, the Company will advise the Union and provide reasons why the senior employee has not been selected.

2. Assignment

When hourly relief is required the senior qualified relief supervisor by supervisory area for day workers and the senior qualified relief person by shift for tour workers will be appointed.

3. Rate Of Pay

The rate of pay will be 10% above the highest rate supervised.

4. Duties Of Relief Supervisors

The Relief Supervisor will assume the full duties of the Supervisor, including directing the crew, with the exception of formal discipline.

5. General

- a) An employee working in a relief supervisory position would not be eligible to work overtime on a bargaining unit job while employed that day as a relief supervisor. The exception would be if no other qualified employee is available to do the work
- b) Vacation quotas will not be affected in any case where a crew member is moved up to a Relief Supervisor.

This **AGREEMENT** made this **25th day of July, 1995.**

EUROCAN PULP & PAPER CO.

by:

Daniel T. Potts

O. Kent Elliott

CEP LOCAL 298

by:

W. Whitty

Randy R. Dobson

JOINT UNION -- MANAGEMENT POLICY
on
SEXUAL AND WORKPLACE HARASSMENT

The Company and the Union recognize the right of all employees to work in an environment free from sexual or workplace harassment and to be treated with respect in the workplace. It is the intention of the Company and the Union to provide a workplace environment that is productive and promotes both the dignity and self-esteem of all employees.

Sexual Harassment means any unwelcome behavior of a sexual nature that causes offense or humiliation to any person or that might be perceived by that person as placing a condition of a sexual nature on any employment relationship.

Workplace Harassment means any unwelcome behavior which creates an intimidating, threatening, or hostile work environment such that a person's performance is impaired, the employment relationship is adversely affected or the person's dignity or respect is denied.

W. Whitty

President, CEP Local 298

M. Wilson

President, CEP Local 1127

Daniel T. Potts

President, Eurocan Pulp & Paper Co.

MEMORANDUM of AGREEMENT
between
EUROCAN PULP & PAPER CO.
and
LOCAL 298
of the
COMMUNICATION, ENERGY AND
PAPERWORKERS UNION OF CANADA

In order to implement a compressed work week schedule, the parties hereby agree to the following terms and conditions:

- 1.** The implementation of the compressed work week will be on the conditions that there will be no extra cost to the Company and that the efficiency of any department or departments will not decrease.
- 2.** It is understood by both parties that problems may arise; should this occur the twelve hour shift committee will meet to discuss the problem and to reach a satisfactory solution.
- 3.** Overtime will not be paid if incurred as a result of initial implementation or final discontinuance of the twelve (12) hour shift schedule. Employees entering the twelve (12) hour shift schedule on a temporary relief basis from an eight (8) hour per day, forty (40) hour per week schedule, will be paid overtime at the rate of time and one half for hours worked in excess of forty for the first week upon entering the schedule and for the last week upon leaving the schedule; providing proper notice has not been given and the change occurs after the start of the

work week. Any employee entering the twelve (12) hour shift schedule without being given due notice as per the Labour Agreement will be paid the overtime premium for the 9th to 12th hour of the first twelve (12) hour shift.

4. Employees will give as much notice as they possibly can on requests for leave, so that they can be replaced at straight time. Otherwise the necessity to work employees on their days off will effectively negate the benefits gained from the additional days free from work in the compressed work week.
5. In order to maintain the forty-two (42) hour work schedule currently in effect, overtime at the rate of time and one half will be paid for work in excess of forty-four (44) hours per week.
6. Tour workers who work in excess of twelve (12) consecutive hours on a regularly scheduled shift, or in excess of eight (8) consecutive hours on a scheduled day off shall have the option of receiving the overtime premium on the basis of Article VI of the Labour Agreement or of receiving straight time for hours in excess of twelve (12) or eight (8) consecutive hours respectively, and taking equivalent time off, etc. Tour workers will not be expected to work more than 16 hours.
7. When the Company changes an employee's shift schedule after the start of the week without notification being given during the first twelve (12) hours of his last shift preceding the new shift, the employee shall receive two (2) hours penalty payment at the straight time day rate for the first shift worked resulting from the change.
8. An employee who has been employed for less than one year and does not qualify under (B) of Article XV Vacations of the Labour Agreement, will receive a vacation of two hours for each full week of actual work performed during the preceding vacation period provided no vacation less than one day will be granted.

9. Employees will be allowed to take vacations on a tour basis. For purposes of the twelve (12) hour shift schedule a tour will be the number of consecutive working days without a scheduled day off.
10. For the purposes of the twelve (12) hour shift schedule, entitlement to Supplementary Holidays will be calculated on the basis of the number of days for which the employee has qualified, multiplied by eight (8) hours, subject to all other conditions of Article XVI of the Labour Agreement.
11. When taking Special (Personal) Floating Holidays, Banked Overtime and Deferred Statutory Holidays, the following rules will apply.
 - a) Employees will be permitted to group banked overtime and deferred statutory holidays to facilitate taking time off in twelve (12) hour units.
 - b) At the end of the contract year, hours not taken or hours less than twelve (12) will be paid to the employee, (in case of banked overtime the deferred half time will be paid), except that an employee who has eight (8) or more but less than twelve (12) hours remaining will have the option of taking a twelve (12) hour shift off and be paid the number of hours remaining.
 - c) Time off hours will be taken out of the "overtime bank" in the same order as they went in (i.e. first in, first out).
 - d) Employees may take four (4) hours from grouped hours if so desired to supplement statutory holiday pay, if they would normally have worked a twelve (12) hour shift on that day.

- e) With the above exceptions and those elsewhere in this Memorandum of Agreement, all other conditions of the Labour Agreement will apply to matters covered in this item #14.
12. When death occurs to a member of a regular fulltime employee's immediate family, the employee will be granted an appropriate leave of absence and shall be compensated at his regular straight time hourly rate for hours lost from his regular schedule for a maximum of twenty-four (24) hours.
13. Any regular full-time employee who is required to report for jury selection, perform jury duty, or who is subpoenaed to serve as a witness in a court action or Coroner's inquest, save and except actions involving the Company or Trade Unions, unless subpoenaed by the Crown, on a day he would normally have worked, will be reimbursed by the Company for the difference between the pay received for such duty and his regular straight time hourly rate of pay for his regularly scheduled hours of work. It is understood that such reimbursement shall not be for hours in excess of twelve (12) hours per day or forty (40) hours per week, less pay received for such duty. The employees will be required to furnish proof of performing such service and such duty pay received.
14. When an employee is injured on the job and, on the advice of a doctor, does not return to work, he will receive pay for the full shift on which he was injured to a maximum of twelve (12) hours at his regular rate of pay.
15. When a Statutory Holiday falls on an employee's regular day off, he may if he elects to, take an alternate day off within the next twelve (12) months.

16. When an hourly employee takes paid time off for having worked during a Statutory Holiday as listed in Article XVII, Section 1, of the Labour Agreement, for the purpose of calculating the forty (40) hour work week, such paid time off will be used for the calculation of overtime payment.
17. The twelve (12) hour shift times of 7:00 a.m. to 7:00 p.m. and 7:00 p.m. to 7:00 a.m. will define a DAY as a period of twenty-four (24) hours beginning at 7:00 a.m. and a WEEK as a period of seven (7) calendar days beginning at 7:00 a.m. Sunday.
18. Weekly Indemnity benefits will continue to be calculated on the basis of seven (7) days and that loss of income has occurred.

LETTER OF UNDERSTANDING

Local 298 Shiploader Spareboard

A shiploader Spareboard will be implemented to ensure availability for crewing all cranes and hatches when more than one ship/barge are at berth and loading.

1. The Shiploader spareboard will only be used when more than one ship/barge are being loaded.
2. The Shiploader Spareboard will only be used when sufficient crew cannot be obtained from the Shiploading crew, traffic department labourers, utilities and clamp truck operators, and off-shift traffic department personnel who have signed up as relief shiploaders.
3. The Shiploader Spareboard will not be used to reduce the number of shiploader/labourers.
4. Employees on the spareboard will have all the rights under the collective agreement. The employees will accumulate Company but not departmental seniority.
5. The Company agrees that it will not use the Shiploader Spareboard if the number of shiploaders is below 52.

July 16, 1998

Communications, Energy & Paperworkers'
Union of Canada
Local 298
623 Enterprise Avenue
Kitimat, B.C.
V8C 2E5

Attention: Mr. William Whitty, President

Dear Bill:

RE: Chemi-Washer Wire Allowance

The Company will pay wire allowance to employees called in to work on a Chemi Washer wire change. The pay will be the same as that paid in the Paper Mill for Fourdrinier Wire Allowance. This allowance will follow the same principle as Fourdrinier Wire Allowance. It will be applied only to employees called in and actually working on the Chemi Washer wire change. This does not include employees working on maintenance items at the time of a wire change.

Yours truly,

EUROCAN PULP & PAPER CO.

O. Kent Elliott
Director, Human Resources

OKE/cg

LETTER OF UNDERSTANDING

Local 298 Grievance Handling

The parties reiterate their agreement with the principle outlined in the Preamble of Article XXXI - Adjustment of Complaints which provides for “an opportunity for discussion and timely resolution, prior to an issue becoming a grievance.

The parties agree to make every effort to resolve grievances at the earliest step.

The parties agree with the concept of joint union/management fact finding. Where a grievance has not been resolved at the supervisory level, joint union/management fact finding may be appropriate.

To assist with the timely resolution of grievances, the company agrees, to commit to up to eight hours every two weeks for joint fact finding with a union representative and a management representative. The union agrees to use only that time that is necessary. The purpose of this process is to jointly investigate the facts of a grievance with the goal of agreeing on the facts so as to assist the parties at steps two and three in the resolution of the grievance.

November 5, 1998

Communication, Energy & Paperworkers'
Union of Canada
623 Enterprise Ave.
Kitimat, B.C.
V8C 2E5

Attention: Bill Whitty, President Local 298

RE: RELIEF SUPERVISION

Dear Bill:

The following is the commitment made during negotiations.

- 1) Where relief is required in one area, the Company will not use an hourly relief in another area to replace a salaried supervisor for purposes of filling the supervisory role in the original area, except where no qualified relief is available in the area where it is required.

For example, where supervisory relief is required in Area A, an hourly relief from Area B will not be used to replace the supervisor in Area B to allow the supervisor in Area B to replace the Supervisor in Area A, except where no qualified relief is available in Area A.

- 2) Vacation and floater entitlement numbers will be set. Appointment of relief supervisors will not affect these numbers.
- 3) It is not the intent of the Company to increase the use of contractors through relief supervision.

Sincerely,

O. Kent Elliott
Director, Human Resources

OKE/pr

September 4, 1998

Communication, Energy & Paperworkers'
Union of Canada, Local 298
623 Enterprise Avenue
Kitimat, B.C.
V8C 2E5

Attention: Mr. William Whitty, President

Dear Bill:

The Company practice when ship loading has continued through three weekends is to provide the third Sunday off. During negotiations it was agreed that this be changed to provide the third Saturday off.

yours truly,

EUROCAN PULP & PAPER CO.

O. Kent Elliott
Director, Human Resources

OKE/cg

September 4, 1998

Communications, Energy & Paperworkers'
Union of Canada, Local 298
Kitimat, B.C.
V8C 2E5

Attention: Mr. William Whitty, President

Dear Bill:

RE: Ship Loading

This will confirm our offer in negotiations that subject to your agreement to Management Hand-Outs numbered 14 and 15 regarding changes to Supplement #7 – Ship Loading and the Shiploader Spareboard Letter of Understanding, the Company will pay the Slingman rate to those employees in the position of Power Lift Operator to Ship Side.

Yours truly,

EUROCAN PULP & PAPER CO.

O. Kent Elliott

Director, Human Resources

OKE/cg

STEAM PLANT POLICIES

"The following policies do not form part of local Bull Session Agreements but are included in this booklet to assist with their effective communication and application."

1. Steam & Recovery Hiring Policy

- a) Accepted transferees are encouraged to register in an approved correspondence or night class course immediately upon completion of their thirty (30) day probation.
- b) Transferees must attempt the 4th Class examination within three (3) months after completing the legal qualifying time required by the Boiler Inspector, and must pass the 4th class examination within eighteen (18) months of entry. In the event that the certificate is not obtained within the time limit, employees will be removed from the Department to the Yard Bull Gang on a temporary basis and/or will be placed in the first available vacancy for which they are qualified. Exceptions for reasons of illness or cancellation of approved leave will be dealt with on an individual basis.
- c) If there are no replies to the job vacancy posting, or if the applicants are judged unsuitable for the department, then the vacancy will be filled outside the mill.
- d) If there are less than four (4) 4th class certificates available within the three non-certificated job categories (i.e. Spare Utility, Utility and Power Boiler Fireman), the vacancy need not be posted, and certificated personnel may be brought in from outside the Mill.

2. Steam Plant Vocational Leave Policy

The Company will provide a leave of absence with pay to employees in the Steam Plant, under the terms of Exhibit "E" of the Labour Agreement as follows:

- a) Employees will be encouraged both by the Company and the Union to complete the applicable correspondence course before school leave is taken.
- b) If a correspondence course has not been completed, school leave will be granted upon completion of the time legally required by the Boiler Inspector to write for the appropriate ticket.

The success rate of employees attending vocational school will be monitored for two (2) years from the date this policy is effective and this policy will be subject to review or change dependent on the results.

IN WITNESS WHEREOF, the undersigned have hereunto set our signatures this _____ day of _____, 2009.

EUROCAN PULP & PAPER CO.
Kitimat. B.C.
by:

Dennis Clare

Doug Petersen

Heather Wuensche

COMMUNICATIONS, ENERGY AND PAPERWORKERS
UNION OF CANADA
Local 298
by:

Mary Murphy

Randy R. Dobson

Danny Belleville

Richard Wittman

The Communications, Energy And Paperworkers Union Of Canada hereby sanctions and approves this Agreement and recognizes that the said Agreement is made between the Union and the Company and hereby agrees to carry out all of the duties imposed upon the National by the Company and the Union.

COMMUNICATIONS, ENERGY AND PAPERWORKERS’
UNION OF CANADA
by:

Scott Doherty

