

**PORT ALBERNI DIVISION
LABOUR AGREEMENT**

2008 - 2012

This AGREEMENT made this 19th day of December, 2008

BETWEEN

**Catalyst Paper
Port Alberni Division**

(hereinafter referred to as the Company)

PARTY OF THE FIRST PART

- AND -

**TYEE LOCAL #686 of the COMMUNICATIONS ENERGY &
PAPERWORKERS' UNION OF CANADA**

(hereinafter referred to as the Union)

PARTY OF THE SECOND PART

10446 (04)

**2008 - 2012
LABOUR AGREEMENT**

**between
Catalyst Paper
Port Alberni Division**

and

**Communications,
Energy & Paperworkers' Union of Canada
Tyee Local 686**

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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 or 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, foremen 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 8 of which reads as follows:

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1. Every person has the right of equality of opportunity based upon bona fide qualifications in respect of his occupation or employment, or in respect of an intended occupation, employment, advancement, or promotion; and, without limiting the generality of the foregoing,
 - a) no employer shall refuse to employ, or to continue to employ, or to advance or promote that person, or discriminate against that person in respect of employment or a condition of employment; and
 - b) no employment agency shall refuse to refer him for employment, unless reasonable cause exists for such refusal or discrimination.
2. For the purposes of sub-section(1),
 - a) the race, religion, colour, age, marital status, ancestry, place of origin, or political belief of any person or class of persons shall not constitute reasonable cause;
 - b) a provision respecting Canadian citizenship in any Act constitutes reasonable cause; (1974, Bill 178, s.6)
 - c) the sex of any person shall not constitute reasonable cause unless it relates to the maintenance of public decency;
 - d) a conviction for a criminal or summary conviction charge shall not constitute reasonable cause unless such charge relates to the occupation or employment, or to the intended occupation, employment, advancement, or promotion, of a person.
3. No provision of this section relating to age shall prohibit the operation of any term of a bona fide retirement, superannuation, or pension plan, or the terms or conditions of any bona fide group or employee insurance plan, or of any bona fide scheme based upon seniority.

Section 5: Successorship

In the event of a change in employer status, members of Local CEP 686 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 the Company at Port Alberni, 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. at Port Alberni.
- 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 Port Alberni.
- 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 Communication Energy and Paperworkers and the Union as the only agencies representing all employees as defined in this Agreement for the purpose of agreement.

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 and foremen 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

Standing Committees 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 basis:

a) Day Workers

- i) 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.
- ii) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive straight time hours.
- iii) For work performed on an employee's designated day off as provided for in Section 3 herein.
- iv) 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.
- v) 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.

b) Tour Workers

- i) 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.
- ii) For all work in excess of eight (8) hours in any one day except or in excess of eight (8) consecutive straight time hours, except:
 - (a) when such work in excess of eight (8) hours is caused by the change of shifts,
 - (b) 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 penalty to the Company.
- iii) 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.
- iv) For work performed on an employee's designated day off as provided for in Section 3 herein.
- v) 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.

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

c) 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 cancelling approved time off.

Section 3: Days Off and Schedule of Shifts

- a) 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.

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 Foreman 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/her 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.

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 Foreman. 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 Foreman for a leave of absence. If unavoidably prevented from reporting, he must give notice to his Foreman, 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: Meals

a) Tour Workers

A hot meal, if not declined, shall be furnished at the usual meal time by and at the expense of the Company to any Tour Worker required to work more than nine (9) consecutive hours. If he continues to work, a meal which shall be hot if practicable, shall

be provided every four (4) hours thereafter. When an employee has to work one extra shift, arrangements shall be made by the Company, to provide one meal at the start of the shift and another meal or lunch four (4) hours later. The meal shall be eaten on Company time.

b) Day Workers

Any Day Worker required to work more than one (1) hour beyond the end of his regular scheduled eight (8) hour shift, shall be furnished a hot meal at the usual meal time by and at the expense of the Company. If he continues to work, a meal which shall be hot if practicable, shall be provided every four (4) hours thereafter.

The meal may be eaten on Company time, or alternatively, the Company may allocate one-half hour and the employee eats on his own time.

c) All Workers

Any employee called in for an emergency before his shift commences, without time to arrange for his normal lunch or meal, will be given meals, hot if practicable, at the usual meal hours, or as close to that time as can conveniently be arranged.

ARTICLE VII - WAGES

Section 1: Wage Scale

The Company will provide a General Wage adjustment as follows:

- Effective May 1, 2008 provide a general wage increase of 2%
- Effective May 1, 2009 provide a general wage increase of 2.5%
- Effective May 1, 2010 provide a general wage increase of 2.5%
- Effective May 1, 2011 provide a general wage increase of 3%

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: 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 pay
8:00 am to 8:00 pm	2.50%
8:00 pm to 8:00 am	4.25%

(ii)

8:00 am to 4:00 pm	2.00%
4:00 pm to 12:00 am	3.55%
12:00 am to 8:00 am	4.50%

4:00 pm to 12:00 am	2.25%
12:00 am to 8:00 am	3.25%

	% of base pay
4:00 pm to 12:00 am	2.25%
12:00 am to 8:00 am	3.25%

(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.

NOTE: This article does not apply to CEP Local 686, except for PM5 rates.

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/she 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: Steam Plant Leave

Steam Plant personnel shall be granted leave in accordance with the provisions of Exhibit "E" (Steam Plant Vocational Leave) for the purpose of attending vocational school.

Section 3: First Aid Certificates

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 graveyard shifts on the day immediately preceding the day the course/exam begins and the day the course/exam finishes. 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.

Section 4: 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 5: 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

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:		% 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.	4½% or NIL hours
B) been employed for less than one year but has worked not less than 1500 hours during the preceding vacation period OR 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,	2 weeks	4½% or 80 hours
C) qualified for his/her 2nd vacation under this Agreement;	3 weeks	6½% or 120 hours
D) qualified for his/her 7th vacation under this Agreement;	4 weeks	8½% or 160 hours
E) qualified for his/her 14th vacation under this Agreement;	5 weeks	10½% or 200 hours
F) qualified for his/her 23rd vacation under this Agreement;	6 weeks	12½% or 240 hours
G) qualified for his/her 29th vacation under this Agreement;	7 weeks	14½% or 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 his 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 4½%, 6½%, 8½%, 10½%, 12½% or 14½% (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) Except as provided in Section 4(d) below, vacations with pay are not cumulative and must be taken during the vacation period.
- 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 the 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 vacation 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 that 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 one (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 at mill level.

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.

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)
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 the employee wishes to elect this option, he must advise the Company, in writing, of his 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
Easter Monday	24 hours, 8:00 a.m. Monday to 8:00 a.m. Tuesday
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 thirty (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 scheduled to work 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), above.

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.
- d) An employee shall have the option of taking equivalent time off if a statutory holiday falls on a regular day off.

NOTE: When a statutory holiday falls on an employee's day off, they will have the option of taking equivalent time off with pay

at a later date. The employee must provide 7 (seven) days notice to the Supervisor / Pay Office before a statutory holiday that they intend to take this option. These days in lieu remaining at the end of the contract year in which it was earned may be carried over to the next contract year in order that it be taken. This time will be treated as a deferred stat.

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 (g) 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 work day before, and his scheduled work day after, such holiday, unless failure to work his scheduled work day 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.
- g) 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.

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.

There shall be five (5) twelve hour special personal floating holidays provided to those employees who are defined as tour workers.

Employees who normally work a combination of 8 and 12 hour shifts will be paid as per the schedule for the week in which he/she takes a Floating Holiday.

Section 2: Qualifying Conditions

For each Special (Personal) Floating Holiday taken an employee will be granted eight (8) hours or twelve (12) 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) 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.
- d) 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 Pulp and Paper Industry Pension Plan Trust established pursuant to the Pulp and Paper Pension Plan and the Pulp and Paper Industry Trust Agreement made effective July 1, 1975 and as amended from time to time.

Section 2: Contributions

Contributions are to be made by the Company and the employee to the Pulp and Paper Industry Pension Plan for each hour worked as follows:

Company 10% Employee 8%

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

The parties understand that arrangements have been made with the Pension Trustees that will ensure that anyone retiring during the term of this Agreement will receive a supplemental pension credit for each month of the 1997-1998 strike based on the plan minimum.

Section 3: Board of Trustees

The Board of Trustees shall be amended to provide representation of three (3) Trustees appointed by the member employers, three (3) Trustees elected or appointed by the CEP and three (3) Trustees elected or appointed by the PPWC.

Section 4: Bridge Benefit

The Company shall provide employees with a pension bridge annuity of twenty (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 basis 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).

Section 5: 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 6: Integration of Pension Bridge Benefits

The parties agree to refer the matter of integrating the bridge provisions into the Pulp and Paper Industry Pension Plan to the Board of Trustees for their review and consideration.

On the above issue, it is agreed that prior to the implementation of any change to the Pulp & Paper Pension Plan or proceeding with the review, there must be unanimous approval of the nine (9) trustees.

ARTICLE XXI - SENIORITY

Section 1: Principles

- a) The Company recognizes the principles of seniority in their application to the promotion, demotion, transfer, lay-off, recall and 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 basis:
 - (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 continuous service shall retain these rights for eighteen (18) months from the date of lay-off, plus two (2) additional months for each years 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 two (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 Union training provisions of up to fifteen (15) days.
- f) Where a layoff results from a permanent partial plant closure or a 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 that 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 at which it is appointed 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/yr* OR	% 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 the employee shall have the option of receiving the severance allowance on termination, or he/she may elect to have his/her severance allowance held in abeyance for up to one (1) year from the date of termination. He/she may apply in writing at any time during the year, at which time his/her full severance allowance will be paid forthwith.

Where the right of recall and seniority retention under Article XXI is elected, the employee's severance allowance will be held in abeyance for the duration of his/her recall rights at which time the employee will be terminated and his/her severance allowance paid forthwith.

Where the employee renounces the right of recall during the 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 the employee has already qualified under Article XXIV, Section 5, Job Elimination, or under Article XXIII, Section 2, Permanent Mill Closure.

- 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 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 below.

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/yr* OR	% 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.

At the time of separation the employee shall have the option of receiving his severance allowance on termination, or he/she may

elect to have his/her severance allowance held in abeyance for up to one (1) year from the date of termination. He/she may apply in writing at any time during the year, at which time his/her full severance allowance will be paid forthwith.

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

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

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 in a category 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:

- (i) 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.

- (ii) 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 the 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) The 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

- (8) 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.

Section 5: Guideline for Joint Placement Committees

- a) The purpose of this committee is to place workers who are disabled, injured or off work due to illness in returning to work on suitable and meaningful jobs.
- b) To accomplish this purpose, it is recognized that the seniority provisions of the collective agreement are inviolate and that injured workers must be reinstated within the framework of those provisions.
- c) It is recognized that it is desirable to return the injured workers to his/her pre-injury job wherever possible. Both the union and

the company agree that this may require the modification of the non-essentials of the job and will cooperate to make those modifications that are necessary.

- d) When the injured worker is unable to perform his pre-injury job, even with the extensive modifications, then the union and the company will cooperate in finding a job that the worker can do, recognizing that a more senior employee cannot be displaced.
- e) In assessing any accommodation requirements the guidelines issued by the B.C. Human Rights Code will be followed.
- f) The joint management-union committee will have equal representation, input and authority, and will operate by consensus.
- g) The joint committee will meet on a regular basis at the expense of the company and equal and ample time will be allowed to all members of the committee to meet, investigate the workplace, consult with persons having expertise in ergonomics, engineering and other resource personnel in order to accomplish the satisfactory placing of injured workers.
- h) The injured worker will be party to discussions pertaining to his placement.
- i) These guidelines shall not be construed as restricting the rights of the individual, or the union, to grieve any matter considered to be a violation of the labour agreement.
- j) It is further understood that this agreement may be canceled by either party with 30 days written notice of intent to cancel.

ARTICLE XXIX - ENVIRONMENTAL PROTECTION

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

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 Union Shop Steward is mandatory at any meeting during which the employee is disciplined.

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.

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 meetings 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 superintendent and Area Vice President 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 Mill Manager who 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 from outside Alberni Specialties.

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

The time periods may be extended by mutual agreement by Management and the Local Union.

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 Communication Energy & Paperworkers 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.
- e) 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.
- f) The provisions of Sections 4(b), (c), (d) and (e) as it applies to discharge, shall apply to this section.

ARTICLE XXXII - 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 bargaining as to changes as follows:

- either party desiring any change shall mail to the other party notice in writing, by registered mail, on or after January 1, 2012, but in any event not 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 Vice-president, Human Resources 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 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.

ARTICLE XXXIII - FLEXIBLE WORK PRACTICES

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

**In Witness Whereof,
we the undersigned have hereunto set our signatures:**

FOR CEP, TYEE LOCAL 686 DIVISION

Roy Plotniko

Tom Burton

Shon MacLean

Brian Hamelin

FOR CATALYST PAPER, PORT ALBERNI

Kim Pedersen – General Manager

Dale Shimell – Manager, Maintenance & Engineering

Krista Tremblay – Sr. HR Advisor

EXHIBIT "A"
JOB CATEGORIES AND WAGE RATES
PORT ALBERNI CEP TYEE LOCAL 686

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

	May 1/08	May 1/09	May 1/10	May 1/11
labour Rate	25.445	26.080	26.730	27.530
STOCK PREPARATION				
Repulper Operator	27.680	28.370	29.080	29.950
MACHINES				
#5 Machine - Lightweight Coated				
(82) Machine Tender	44.640 E	45.755 E	46.900 E	48.305 E
(66) Asst. Machine Tender	40.895 H	41.915 H	42.965 H	44.255 H
(62) Back Tender	39.970 E	40.970 E	41.995 E	43.255 E
Coating Kitchen Operator	39.970	40.970	41.995	43.255
Coating Kitchen Operator (grandfathered)	36.200	37.105	38.035	39.175
(45) Winder Operator	35.955 E	36.855 E	37.775 E	38.910 E
(25) Asst. Winder Operator I	31.240 E	32.020 E	32.820 E	33.805 E
(25) Asst. Winder Operator II	31.240 H	32.020 H	32.820 H	33.805 H
(13) Winder Helper I	28.390 E	29.100 E	29.830 E	30.725 E
#4 Machine - News (Bracket 86) (Width of Machine 268")				
Machine Tender	41.850	42.895	43.965	45.285
Back Tender	38.550	39.515	40.505	41.720
Winderman	35.360	36.245	37.150	38.265
Fourth Hand	30.630	31.395	32.180	33.145
Fifth Hand	29.335	30.070	30.820	31.745
CLOTHING & CLEANING				
Head Clothing Man	35.955	36.855	37.775	38.910
(22) Assistant Head Clothing Man	30.520 E	31.285 E	32.065 E	33.025 E
(15) "A" Clothing Man	28.875 E	29.595 E	30.335 E	31.245 E
(3) "B" Clothing Man	26.060 E	26.710 E	27.380 E	28.200 E
WRAPLINE				
(18) Wrapline Operator	29.575 E	30.315 E	31.075 E	32.005 E
UTILITY CREW				
Paper Machine Utility	27.680	28.370	29.080	29.950

**B.C. NEWSPRINT SCHEDULE
MAY 1, 2008**

Bracket Number	M.T.	B.T.	WINDER	4TH HAND	5TH HAND	6TH HAND
51	37.215	34.845	31.650	28.285	27.210	26.270
52	37.330	34.965	31.850	28.395	27.275	26.275
53	37.540	35.075	31.920	28.465	27.310	26.295
54	37.670	35.190	32.045	28.500	27.345	26.295
55	37.805	35.285	32.140	28.540	27.400	26.330
56	37.945	35.350	32.210	28.595	27.485	26.330
57	38.080	35.450	32.350	28.615	27.500	26.355
58	38.185	35.525	32.415	28.655	27.535	26.355
59	38.315	35.635	32.520	28.720	27.565	26.405
60	39.225	36.410	33.230	29.310	28.150	26.905
61	39.360	36.515	33.325	29.385	28.170	26.995
62	39.510	36.610	33.425	29.405	28.225	27.005
63	39.630	36.695	33.500	29.445	28.245	27.015
64	39.770	36.775	33.585	29.490	28.285	27.020
65	39.870	36.875	33.660	29.535	28.340	27.055
66	40.015	36.935	33.745	29.595	28.380	27.055
67	40.145	37.050	33.820	29.610	28.390	27.090
68	40.285	37.125	33.890	29.660	28.435	27.090
69	40.400	37.190	33.990	29.685	28.450	27.100
70	40.540	37.275	34.060	29.770	28.505	27.100
71	40.615	37.365	34.145	29.810	28.575	27.140
72	40.720	37.445	34.250	29.875	28.615	27.160
73	40.800	37.525	34.335	29.950	28.670	27.205
74	40.865	37.595	34.405	30.010	28.705	27.215
75	40.950	37.695	34.490	30.035	28.795	27.245
76	41.050	37.780	34.580	30.080	28.835	27.285
77	41.110	37.835	34.640	30.150	28.880	27.295
78	41.200	37.945	34.735	30.190	28.930	27.305
79	41.280	37.985	34.795	30.260	28.960	27.335
80	41.360	38.085	34.900	30.310	29.030	27.380

Bracket Number	M.T.	B.T.	WINDER	4TH HAND	5TH HAND	6TH HAND
81	41.445	38.170	34.975	30.340	29.100	27.420
82	41.510	38.230	35.035	30.405	29.130	27.450
83	41.610	38.305	35.120	30.450	29.170	27.465
84	41.665	38.400	35.210	30.515	29.240	27.520
85	41.735	38.465	35.285	30.550	29.295	27.530
86	41.850	38.550	35.360	30.630	29.335	27.545
87	41.905	38.640	35.450	30.670	29.395	27.575
88	41.980	38.710	35.500	30.720	29.445	27.595
89	42.085	38.780	35.610	30.750	29.510	27.645
90	42.135	38.865	35.675	30.855	29.560	27.670
91	42.235	38.940	35.735	30.890	29.605	27.680
92	42.305	39.015	35.850	30.920	29.665	27.715
93	42.380	39.095	35.910	30.975	29.700	27.735
94	42.460	39.185	35.990	31.025	29.770	27.790
95	42.545	39.250	36.085	31.090	29.805	27.800
96	42.600	39.345	36.160	31.140	29.865	27.820
97	42.690	39.410	36.225	31.195	29.920	27.850
98	42.780	39.500	36.310	31.250	29.975	27.875
99	42.850	39.570	36.390	31.300	30.030	27.925
100	42.945	39.640	36.480	31.350	30.055	27.940
101	43.020	39.725	36.570	31.400	30.090	27.965
102	43.115	39.790	36.640	31.470	30.160	27.985
103	43.190	39.870	36.715	31.530	30.205	28.025
104	43.260	39.960	36.805	31.575	30.265	28.040
105	43.345	40.030	36.885	31.615	30.310	28.080
106	43.425	40.100	36.965	31.660	30.340	28.105
107	43.505	40.175	37.050	31.730	30.405	28.125
108	43.590	40.265	37.125	31.785	30.445	28.155
109	43.660	40.335	37.200	31.835	30.490	28.180
110	43.755	40.425	37.290	31.885	30.550	28.215

**B.C. NEWSPRINT SCHEDULE
MAY 1, 2009**

Bracket Number	M.T.	B.T.	WINDER	4TH HAND	5TH HAND	6TH HAND
51	38.145	35.715	32.440	28.990	27.890	26.925
52	38.265	35.840	32.645	29.105	27.955	26.930
53	38.480	35.950	32.720	29.175	27.995	26.950
54	38.610	36.070	32.845	29.215	28.030	26.950
55	38.750	36.165	32.945	29.255	28.085	26.990
56	38.895	36.235	33.015	29.310	28.170	26.990
57	39.030	36.335	33.160	29.330	28.190	27.015
58	39.140	36.415	33.225	29.370	28.225	27.015
59	39.275	36.525	33.335	29.440	28.255	27.065
60	40.205	37.320	34.060	30.045	28.855	27.580
61	40.345	37.430	34.160	30.120	28.875	27.670
62	40.500	37.525	34.260	30.140	28.930	27.680
63	40.620	37.610	34.340	30.180	28.950	27.690
64	40.765	37.695	34.425	30.225	28.990	27.695
65	40.865	37.795	34.500	30.275	29.050	27.730
66	41.015	37.860	34.590	30.335	29.090	27.730
67	41.150	37.975	34.665	30.350	29.100	27.765
68	41.290	38.055	34.735	30.400	29.145	27.765
69	41.410	38.120	34.840	30.425	29.160	27.780
70	41.555	38.205	34.910	30.515	29.220	27.780
71	41.630	38.300	35.000	30.555	29.290	27.820
72	41.740	38.380	35.105	30.620	29.330	27.840
73	41.820	38.465	35.195	30.700	29.385	27.885
74	41.885	38.535	35.265	30.760	29.425	27.895
75	41.975	38.635	35.350	30.785	29.515	27.925
76	42.075	38.725	35.445	30.830	29.555	27.965
77	42.140	38.780	35.505	30.905	29.600	27.975
78	42.230	38.895	35.605	30.945	29.655	27.990
79	42.310	38.935	35.665	31.015	29.685	28.020
80	42.395	39.035	35.775	31.070	29.755	28.065

Bracket Number	M.T.	B.T.	WINDER	4TH HAND	5TH HAND	6TH HAND
81	42.480	39.125	35.850	31.100	29.830	28.105
82	42.550	39.185	35.910	31.165	29.860	28.135
83	42.650	39.265	36.000	31.210	29.900	28.150
84	42.705	39.360	36.090	31.280	29.970	28.210
85	42.780	39.425	36.165	31.315	30.025	28.220
86	42.895	39.515	36.245	31.395	30.070	28.235
87	42.955	39.605	36.335	31.435	30.130	28.265
88	43.030	39.680	36.390	31.490	30.180	28.285
89	43.135	39.750	36.500	31.520	30.250	28.335
90	43.190	39.835	36.565	31.625	30.300	28.360
91	43.290	39.915	36.630	31.660	30.345	28.370
92	43.365	39.990	36.745	31.695	30.405	28.410
93	43.440	40.070	36.810	31.750	30.445	28.430
94	43.520	40.165	36.890	31.800	30.515	28.485
95	43.610	40.230	36.985	31.865	30.550	28.495
96	43.665	40.330	37.065	31.920	30.610	28.515
97	43.755	40.395	37.130	31.975	30.670	28.545
98	43.850	40.485	37.220	32.030	30.725	28.570
99	43.920	40.560	37.300	32.085	30.780	28.625
100	44.020	40.630	37.390	32.135	30.805	28.640
101	44.095	40.720	37.485	32.185	30.840	28.665
102	44.195	40.785	37.555	32.255	30.915	28.685
103	44.270	40.865	37.635	32.320	30.960	28.725
104	44.340	40.960	37.725	32.365	31.020	28.740
105	44.430	41.030	37.805	32.405	31.070	28.780
106	44.510	41.105	37.890	32.450	31.100	28.810
107	44.595	41.180	37.975	32.525	31.165	28.830
108	44.680	41.270	38.055	32.580	31.205	28.860
109	44.750	41.345	38.130	32.630	31.250	28.885
110	44.850	41.435	38.220	32.680	31.315	28.920

**B.C. NEWSPRINT SCHEDULE
MAY 1, 2010**

Bracket Number	M.T.	B.T.	WINDER	4TH HAND	5TH HAND	6TH HAND
51	39.100	36.610	33.250	29.715	28.585	27.600
52	39.220	36.735	33.460	29.835	28.655	27.605
53	39.440	36.850	33.540	29.905	28.695	27.625
54	39.575	36.970	33.665	29.945	28.730	27.625
55	39.720	37.070	33.770	29.985	28.785	27.665
56	39.865	37.140	33.840	30.045	28.875	27.665
57	40.005	37.245	33.990	30.065	28.895	27.690
58	40.120	37.325	34.055	30.105	28.930	27.690
59	40.255	37.440	34.170	30.175	28.960	27.740
60	41.210	38.255	34.910	30.795	29.575	28.270
61	41.355	38.365	35.015	30.875	29.595	28.360
62	41.515	38.465	35.115	30.895	29.655	28.370
63	41.635	38.550	35.200	30.935	29.675	28.380
64	41.785	38.635	35.285	30.980	29.715	28.385
65	41.885	38.740	35.360	31.030	29.775	28.425
66	42.040	38.805	35.455	31.095	29.815	28.425
67	42.180	38.925	35.530	31.110	29.830	28.460
68	42.320	39.005	35.605	31.160	29.875	28.460
69	42.445	39.075	35.710	31.185	29.890	28.475
70	42.595	39.160	35.785	31.280	29.950	28.475
71	42.670	39.260	35.875	31.320	30.020	28.515
72	42.785	39.340	35.985	31.385	30.065	28.535
73	42.865	39.425	36.075	31.465	30.120	28.580
74	42.930	39.500	36.145	31.530	30.160	28.590
75	43.025	39.600	36.235	31.555	30.255	28.625
76	43.125	39.695	36.330	31.600	30.295	28.665
77	43.195	39.750	36.395	31.680	30.340	28.675
78	43.285	39.865	36.495	31.720	30.395	28.690
79	43.370	39.910	36.555	31.790	30.425	28.720
80	43.455	40.010	36.670	31.845	30.500	28.765

Bracket Number	M.T.	B.T.	WINDER	4TH HAND	5TH HAND	6TH HAND
81	43.540	40.105	36.745	31.880	30.575	28.810
82	43.615	40.165	36.810	31.945	30.605	28.840
83	43.715	40.245	36.900	31.990	30.645	28.855
84	43.775	40.345	36.990	32.060	30.720	28.915
85	43.850	40.410	37.070	32.100	30.775	28.925
86	43.965	40.505	37.150	32.180	30.820	28.940
87	44.030	40.595	37.245	32.220	30.885	28.970
88	44.105	40.670	37.300	32.275	30.935	28.990
89	44.215	40.745	37.415	32.310	31.005	29.045
90	44.270	40.830	37.480	32.415	31.060	29.070
91	44.370	40.915	37.545	32.450	31.105	29.080
92	44.450	40.990	37.665	32.485	31.165	29.120
93	44.525	41.070	37.730	32.545	31.205	29.140
94	44.610	41.170	37.810	32.595	31.280	29.195
95	44.700	41.235	37.910	32.660	31.315	29.205
96	44.755	41.340	37.990	32.720	31.375	29.230
97	44.850	41.405	38.060	32.775	31.435	29.260
98	44.945	41.495	38.150	32.830	31.495	29.285
99	45.020	41.575	38.230	32.885	31.550	29.340
100	45.120	41.645	38.325	32.940	31.575	29.355
101	45.195	41.740	38.420	32.990	31.610	29.380
102	45.300	41.805	38.495	33.060	31.690	29.400
103	45.375	41.885	38.575	33.130	31.735	29.445
104	45.450	41.985	38.670	33.175	31.795	29.460
105	45.540	42.055	38.750	33.215	31.845	29.500
106	45.625	42.135	38.835	33.260	31.880	29.530
107	45.710	42.210	38.925	33.340	31.945	29.550
108	45.795	42.300	39.005	33.395	31.985	29.580
109	45.870	42.380	39.085	33.445	32.030	29.605
110	45.970	42.470	39.175	33.495	32.100	29.645

**B.C. NEWSPRINT SCHEDULE
MAY 1, 2011**

Bracket Number	M.T.	B.T.	WINDER	4TH HAND	5TH HAND	6TH HAND
51	40.275	37.710	34.250	30.605	29.445	28.430
52	40.395	37.835	34.465	30.730	29.515	28.435
53	40.625	37.955	34.545	30.800	29.555	28.455
54	40.760	38.080	34.675	30.845	29.590	28.455
55	40.910	38.180	34.785	30.885	29.650	28.495
56	41.060	38.255	34.855	30.945	29.740	28.495
57	41.205	38.360	35.010	30.965	29.760	28.520
58	41.325	38.445	35.075	31.010	29.800	28.520
59	41.465	38.565	35.195	31.080	29.830	28.570
60	42.445	39.405	35.955	31.720	30.460	29.120
61	42.595	39.515	36.065	31.800	30.485	29.210
62	42.760	39.620	36.170	31.820	30.545	29.220
63	42.885	39.705	36.255	31.865	30.565	29.230
64	43.040	39.795	36.345	31.910	30.605	29.235
65	43.140	39.900	36.420	31.960	30.670	29.280
66	43.300	39.970	36.520	32.030	30.710	29.280
67	43.445	40.095	36.595	32.045	30.725	29.315
68	43.590	40.175	36.675	32.095	30.770	29.315
69	43.720	40.245	36.780	32.120	30.785	29.330
70	43.875	40.335	36.860	32.220	30.850	29.330
71	43.950	40.440	36.950	32.260	30.920	29.370
72	44.070	40.520	37.065	32.325	30.965	29.390
73	44.150	40.610	37.155	32.410	31.025	29.435
74	44.220	40.685	37.230	32.475	31.065	29.450
75	44.315	40.790	37.320	32.500	31.165	29.485
76	44.420	40.885	37.420	32.550	31.205	29.525
77	44.490	40.945	37.485	32.630	31.250	29.535
78	44.585	41.060	37.590	32.670	31.305	29.550
79	44.670	41.105	37.650	32.745	31.340	29.580
80	44.760	41.210	37.770	32.800	31.415	29.630

Bracket Number	M.T.	B.T.	WINDER	4TH HAND	5TH HAND	6TH HAND
81	44.845	41.310	37.845	32.835	31.490	29.675
82	44.925	41.370	37.915	32.905	31.525	29.705
83	45.025	41.450	38.005	32.950	31.565	29.720
84	45.090	41.555	38.100	33.020	31.640	29.780
85	45.165	41.620	38.180	33.065	31.700	29.795
86	45.285	41.720	38.265	33.145	31.745	29.810
87	45.350	41.815	38.360	33.185	31.810	29.840
88	45.430	41.890	38.420	33.245	31.865	29.860
89	45.540	41.965	38.535	33.280	31.935	29.915
90	45.600	42.055	38.605	33.385	31.990	29.940
91	45.700	42.140	38.670	33.425	32.040	29.950
92	45.785	42.220	38.795	33.460	32.100	29.995
93	45.860	42.300	38.860	33.520	32.140	30.015
94	45.950	42.405	38.945	33.575	32.220	30.070
95	46.040	42.470	39.045	33.640	32.255	30.080
96	46.100	42.580	39.130	33.700	32.315	30.105
97	46.195	42.645	39.200	33.760	32.380	30.140
98	46.295	42.740	39.295	33.815	32.440	30.165
99	46.370	42.820	39.375	33.870	32.495	30.220
100	46.475	42.895	39.475	33.930	32.520	30.235
101	46.550	42.990	39.575	33.980	32.560	30.260
102	46.660	43.060	39.650	34.050	32.640	30.280
103	46.735	43.140	39.730	34.125	32.685	30.330
104	46.815	43.245	39.830	34.170	32.750	30.345
105	46.905	43.315	39.915	34.210	32.800	30.385
106	46.995	43.400	40.000	34.260	32.835	30.415
107	47.080	43.475	40.095	34.340	32.905	30.435
108	47.170	43.570	40.175	34.395	32.945	30.465
109	47.245	43.650	40.260	34.450	32.990	30.495
110	47.350	43.745	40.350	34.500	33.065	30.535

**JOB EVALUATION PLAN
CONVERSION TABLE BY STEPS**

STEP	May 1, 2008	May 1, 2009	May 1, 2010	May 1,2011
BASE	25.445	26.080	26.730	27.530
1/2	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
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

STEP	May 1, 2008	May 1, 2009	May 1, 2010	May 1,2011
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
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

STEP	May 1, 2008	May 1, 2009	May 1, 2010	May 1,2011
66	40.895	41.915	42.965	44.255
67	41.125	42.155	43.210	44.505
68	41.365	42.400	43.460	44.765
69	41.615	42.655	43.720	45.030
70	41.850	42.895	43.965	45.285
71	42.075	43.125	44.205	45.530
72	42.305	43.365	44.450	45.785
73	42.540	43.605	44.695	46.035
74	42.770	43.840	44.935	46.285
75	43.005	44.080	45.180	46.535
76	43.240	44.320	45.430	46.795
77	43.480	44.565	45.680	47.050
78	43.710	44.805	45.925	47.305
79	43.945	45.045	46.170	47.555
80	44.185	45.290	46.420	47.815
81	44.410	45.520	46.660	48.060
82	44.640	45.755	46.900	48.305
83	44.875	45.995	47.145	48.560
84	45.115	46.245	47.400	48.820
85	45.355	46.490	47.650	49.080
86	45.570	46.710	47.880	49.315
87	45.805	46.950	48.125	49.570
88	46.050	47.200	48.380	49.830
89	46.290	47.445	48.630	50.090
90	46.515	47.680	48.870	50.335
91	46.750	47.920	49.120	50.595
92	46.990	48.165	49.370	50.850
93	47.230	48.410	49.620	51.110
94	47.460	48.645	49.860	51.355
95	47.680	48.870	50.090	51.595
96	47.920	49.120	50.350	51.860
97	48.160	49.365	50.600	52.120
98	48.400	49.610	50.850	52.375
99	48.625	49.840	51.085	52.620
100	48.860	50.080	51.330	52.870

**B.C. NEWSPRINT WAGE SCHEDULE
WIDTH OF MACHINE IN INCHES**

SPEED IN FT. PER MINUTE	2	2	2	2	2	2	2	3	3	3	3	3	3	3	3	3
	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7	8
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2249	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
2250 - 2299	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66
2300 - 2349	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67
2350 - 2399	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68
2400 - 2449	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69
2450 - 2499	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
2500 - 2549	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71
2550 - 2599	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72
2600 - 2649	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73
2650 - 2699	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74
2700 - 2749	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
2750 - 2799	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76
2800 - 2849	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77
2850 - 2899	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78
2900 - 2949	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79
2950 - 2999	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80

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**B.C. NEWSPRINT WAGE SCHEDULE
WIDTH OF MACHINE IN INCHES**

	2		2		2		2		3		3		3		3		
	SPEED IN FT. PER MINUTE	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7	8
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3000 - 3049	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	
3050 - 3099	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	
3100 - 3149	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	
3150 - 3199	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	
3200 - 3249	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	
3250 - 3299	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	
3300 - 3349	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	
3350 - 3399	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	
3400 - 3449	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	
3450 - 3499	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	
3500 - 3549	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	
3550 - 3599	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	
3600 - 3649	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	
3650 - 3699	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	
3700 - 3749	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	
3750 - 3799	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	

B.C. NEWSPRINT WAGE SCHEDULE
WIDTH OF MACHINE IN INCHES

	2		2		2		2		3		3		3		3	
	3		4		5		6		7		8		9		0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3800 - 3849	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97
3850 - 3899	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98
3900 - 3949	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99
3950 - 3999	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
4000 - 4049	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101
4050 - 4099	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102
4100 - 4149	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103
4150 - 4199	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104
4200 - 4249	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
4250 - 4299	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106
4300 - 4349	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107
4350 - 4399	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108
4400 - 4449	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109
4450 - 4499	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110
4500 - 4549	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	
4550 - 4599	97	98	99	100	101	102	103	104	105	106	107	108	109	110		

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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 "D" 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 & Paperworkers and one (1) representative of 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 bargaining functions of the National Union or the Forum.
 - f) to recommend improvements in the Job Evaluation Plan to Wage Conferences for consideration. Only in the Wage Conference 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 (c) 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 Communication Energy & Paperworkers Union and the Pulp and Paper Employee Relations Forum shall appoint an Independent Review Officer for the term of the 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 & Paperworkers Union 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 Wage Conference 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 "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. 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. Coverage for quadraplegia, paraplegia and hemiplegia at 200%.

- c) Non-occupational Accident and Sickness Insurance

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.

Weekly indemnity benefits which begin prior to age 65 will continue until the employee has received at least fifteen (15) weeks of benefits, or until the employee is no longer disabled or retires, whichever ever 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 have received 100% of their gross wages lost.

The premium structure for coverage of an employee over the age of 64 will be as follows:

First three months	75% of Normal Premium
Second three months	50% of Normal Premium
Third three months	25% of Normal Premium
Last three months	No Premium

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 July 1, 1981, including

Vision Care coverage for employees and eligible dependents will also form part of this Labour Agreement.

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) Group Term Life and AD&D Coverage

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) 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.

i) **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 finding during the term of the renewed labour agreement.

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 his 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, his 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 July 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 issues 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 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 medical examination or specialist testing shall be borne by

the carrier. The costs of the third party shall be born equally by the Union and the Employer.

4. The third party will endeavor 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 and 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.

17. Completion of Forms

The Company agrees to reimburse employees for the costs of medical forms and specialist reports when required by the WI and LTD carriers. This is agreed on the basis that the Company will be reimbursed by the carrier.

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 \$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.

Employees who are under age 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 benefit.

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 recalculation.

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 rate 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
- c) 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 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.

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 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 local mill trades where applicable as set forth below:

Electrician	Mason
Machinist	Automotive Mechanic
Pipefitter	Instrument Mechanic
Carpenter	Sheet Metal Worker
Welder	Millwright
Painter	Moulder
Pattern Maker	Refrigeration Mechanic
Bricklayer	Heavy Duty Mechanic
	Heat and Frost Insulator

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 Labour 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 six (6) weeks leave of absence, five (5) 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 - 2012
B.C.S.L.A.

Taken from the Transcripts of
Negotiations for Contract Years
1945 - 1952 inclusive
and from Memoranda issued during
subsequent Wage Conferences

COMMUNICATIONS ENERGY & PAPERWORKERS
UNION OF CANADA, TYEE LOCAL 686

Catalyst Paper – Port Alberni Division

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)

Employees and employers recognize that supervisors are excluded from the provisions of the B.C. Standard 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.

Article VI - Hours of Work

a) Section 2: Overtime

It is hereby agreed by the Companies party to the B.C. Standard Labour Agreement that:

- (i) The hours worked on Sundays and on the recognized paid Statutory Holidays provided for in the above referred to B.C. Standard 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.) Monday.

Those pulp mills which are presently working on a forty-two (42) hour week schedule and which have not yet adopted the so-called - 1946 Sunday Letter" shall only adopt the terms set out herein after the implementation of a forty (40) hour per week schedule. There shall be a three (3) months training period in which to prepare personnel necessary to effect the change from

a forty-two (42) hour to a forty (40) hour per week schedule.

The foregoing is to be considered as supplementary to Article VI, Section 2 - Overtime, of the B.C. Standard 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.

Definition of What Constitutes a Mate at Powell River.
(Page 312, 1950 Transcript)

In the case of a Block Loader, there are two men on one side and one on the other. These will be numbered 1, 2 and 3. No 1 man relieves No. 1; No. 2 relieves No. 2; and No 3 relieves No. 3.

Relief of Mates. (Page 328, 1950 Transcript)

The Company will do everything in its power to relieve men within twelve (12) hours when these men are working due to the absence of a mate.

d) Section 3: Days Off and Schedule of Shifts

i) 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.

ii) Sunday Running

At a meeting held in Vancouver, B.C., on June 15th. 1953, between the representatives of the Powell River Company Limited and those of Local 142 of the United Papermakers and Paperworkers, continuous operation of the paper machines was agreed upon in accordance with an understanding as set out in the Minutes of the said meeting.

e) 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 What Repair Work May Be Done. (Page 240, 1948 Transcript)

In a case of an emergency involving the closing of the mill for a day or more and a loss of employment to a substantial number of men, employees are expected to perform repair work on holidays.

(c) Clarification of Section 4. (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 B.C. Standard 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.

d) Clarification of Section 4(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 XXIX - Disciplinary Action

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 XXX - Adjustment of Complaints

Standing Committee Can Call in Members for Discussions 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) **Rents and Services.** (Page 122, 1947 Transcript)

Services in mill towns include such items as the general store, hospital, living quarters, rent, power, light, water, garbage, etc. In respect to the future, when all controls are eliminated, the Companies' policy will be to provide at all times the best possible services to the people working in these communities at the best possible cost. Profit on service has never been a factor in the Companies' determination of the price of the services.

b) **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 Companies are entitled to look for reasonable co-operation from their employees.

c) **Conflict Between B.C Standard Labour Agreement and Transcript.** (Pages 46-7, 1951 Transcript)

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

d) **Native Indian Employment**

In response to a Union proposal relative to encouragement of Native Indians to seek employment, the Industry will participate with the National Union in a joint committee to function during the term of the 1970 Labour Agreements. The committee will be known as the Native Indian Employment Committee, and will consist of eight (8) members, four (4) representatives of the Unions and four (4) representatives of the Industry.

The purpose of the committee will be to examine problems relative to employment of Native Indians and make appropriate recommendations to the Company and Union to further this objective.

LETTERS OF UNDERSTANDING

The following letters remain in effect during the 2008 - 2012 contract

Letter Of Understanding- Apprenticeship

Re: 1994 Union Agenda Item #20(3)-Apprenticeship

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 per day at the first year apprentice rate on a seven (7) day basis while in attendance at school. The 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.

Re: Letter of Understanding- Rehiring

May 24, 1992

Re: 1992 Union Agenda Item #22 - Rehiring

Mr. Norm McLellan
Vice-president, Region IV
Canadian Paperworkers Union
#540-1199 West Pender Street
Vancouver, B.C. V5E 2R1

Mr. Stan Shewaga
President
Pulp, Paper and Woodworkers of Canada
201-1184 West 6th Avenue
Vancouver, B.C. V6H 1A4

Dear Norm and Stan:

Re: Letter of Understanding- Rehiring

The following practice will be observed during the 1992-1994 contract.

"When hiring new employees, preference will be given to laid off former employees of the hiring mill 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,

Eric Y. Mitterndorfer
President
May 24, 1992

Letter of Understanding– Commitment to Employment

December 19, 2008

Mike Fenton
National Representative
Communications, Energy and Paperworkers Union
#540 – 1199 West Pender Street
Vancouver, B.C. – V6E 2R1

Dear Mike,

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 that 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 Catalyst Paper.
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 opportunities.
4. Both parties undertake to give active consideration to all recommendations and vigorously work towards implementation of recommendations where agreement is reached.

Yours very truly,
Steve Boniferno
Sr. Vice President, Human Resources

Letter of Understanding – Trades Qualification

December 19, 2008

CEP and Catalyst Paper 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 this impending crisis.

The parties agree to work cooperatively on the issues of workplace and trades training. The union and the company agree that closer cooperation will help protect them against any changes that could negatively impact the skill levels and portability of tradespersons in BC.

The parties agree to the establishment of a committee comprised of management representatives of Catalyst Paper 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 all 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.

Mike Fenton
CEP National Representative

Steve Boniferno
Sr. Vice President,
Human Resources
Catalyst Paper

Letter of Intent - Contracting Out

Re: 1992 Union Agenda Item #26 - Contracting Out

Mr. Norm McLellan
Vice-president, Region IV
Canadian Paperworkers Union
#540-1199 West Pender Street
Vancouver, B.C. V5E 2R1

Mr. Stan Shewaga
President
Pulp, Paper and Woodworkers of Canada
201-1184 West 6th Avenue
Vancouver, B.C. V6H 1A4

Dear Norm and Stan:

LETTER OF INTENT

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,

Eric Y. Mitterdorfer
President

Catalyst Paper
Port Alberni Division

Letter of Intent - Contracting Out

Labour Agreement Article XXV

Before a contractor is brought into the mill (emergencies excepted) Management will notify:

- a) The Union Contracting Out Committee will be notified of all work proposed for contracting at the earliest practical time.
- b) When requested, a full committee meeting will be held.
- c) Review with Crew or Department. This means that before the decision is made to have a contractor do work which our people are capable of doing, (given size of job, skills required, equipment required, timing) time will be made available for a union contracting committee representative and a management representative to review the specific job and work load with the crew affected using their input to assist in the decision as to contracting or not, and what should be contracted.
- d) It is recognized that circumstances in the Mill change from time to time, therefore decisions made in the area of contracting will not set precedence in favour of Union or Management. (This means that should mill crews or contractors be given certain work, the position that the work must be done by the same party in all circumstances thereafter is not valid.)

Clarification of Commitment

Reasons for contracting: If a project or other contracting work is to be done, the mill crews will be considered first and the joint contracting committee will meet to resolve the issues.

Letter of Intent: Management agrees that for the duration of this collective labour agreement when it has tradespeople on layoff or displaced from their trade it will not send equipment out for repairs without first notifying the Union Chairman of the Contracting Out Committee.

(Maintenance) Skill Training: To assist our tradespeople in maintaining the mill, the company will provide skill upgrade training when required. It is not management's intention to develop seldom used skills.

Special Skills: In cases where special skills are required then we have no choice but to contract out.

Specialized Equipment: It is not practical for the Mill to have all the specialized equipment which is required from time to time, but when deemed practical by the contracting out committee and approved by management the equipment will be purchased or rented in order that mill crews can perform the work.

Resolution Process: In the event that the Contracting Out Committee cannot resolve an issue, the Union President and Mill Manager will meet to discuss and resolve the issue. If they are not able to come to a conclusion the issue will be referred to Step IV of the grievance procedure. This process can be immediately cancelled by either party.

Letter of Intent - Code of Ethics

LETTER TO THE C.E.P. FROM ALBERNI SPECIALITIES

- February 22, 1995

This is to confirm the agreement between the Company and your respective unions 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 Unions acknowledge that, subject to contracting Article XXV (C.E.P.) and the Company retains the right to select contractors as it deems appropriate.

No aspect of this policy applies to contractors which are certified to Unions 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 of pay 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 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 the 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- Flexible Work Practices

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 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 union 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 as defined by the business areas at each 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.
9. The following payments will be made for flexible work practices:

Maintenance employees	\$.95 per hour
Operations employees	\$.40 per hour

to be implemented as follows:

- Effective May 1, 1998 and prior to applying any other wage increases, \$.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.
- There will be two training modules for Maintenance employees and one training module for Operations employees which will enhance the employees ability to be flexible, payment for which will be as follows:
- \$.25 provided to all maintenance employees effective date of ratification.
- \$.25 provided to all maintenance employees effective May 1st, 1999.
- \$.20 provided to all production employees effective May 1st. 1999.

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; employees with TQ's, steam plant maintenance employees, roll grinders, 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.

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 employees regular job rate will be reduced when he/she 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 President's Council 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.

The President's Council will be composed as follows:

- The President and CEO of Catalyst Paper
- Senior Vice-president, Operations
- Senior Vice President, Human Resources
- Each Division Site Manager
- Each Division Human Resources Director
- Each Catalyst Paper Local Union President (or designate)

The Company has agreed to pay all reasonable expenses for the attendance of each Local Union President (or their designate) and another member to attend the President's Council

17. The parties agree that disputes relating to the implementation of this letter shall be reviewed by the Workplace Review Committee, which will make every effort to resolve these disputes in accordance with the spirit and terms of this letter. The Workplace Review Committee will be composed of the Local 686 Wage Delegates and Company Representatives.

Letter of Understanding - Flexibility and Union Jurisdiction

Letter regarding Catalyst Paper Mills

With respect to the implementation of flexible work practices at the Catalyst Paper Mills, the parties agree that they will consult with respect to the ways and means to avoid jurisdictional disputes between the unions.

Letter of Understanding -Job Security

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 Union.

Letter of Understanding -Apprentices and Government support

The Company agrees to the establishment of a committee composed of management representatives and the appropriate representatives

of Locals 686 & 592 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 of Understanding – Retiree Extended Health Benefits

It is agreed that a fund be established to address the issue of ensuring benefit coverage when the retiree or their spouse exceeds the Retiree Extended Health Benefit Lifetime maximum of \$25,000.

The Company agrees to contribute a yearly top up to the Retirees Extended Health Care Fund (to a maximum of \$100,000) to reach and maintain a minimum balance of \$400,000. The top ups will occur on May 1st of each year for the term of the collective agreement.

The Union will provide an audited financial report to the Company every year.

For the purpose of union administration of this fund, a committee comprised of one (1) representative from each Local Union and representation from the CEP Western Region office shall meet following ratification of the Memorandum of Agreement to:

1. select a fund administrator
2. develop guidelines for Governance and Investment Issues

The guidelines for Governance and Investment Issues shall be completed within six (6) months following ratification.

The union shall be solely responsible for the governance and administration of this fund.

A copy of this Letter of Understanding shall be attached as an Addendum to the Memorandum of Agreement – Local Issues of each Local Union.

Dated this 19th day of December, 2008.

Letter of Understanding – Compassionate Extended Health Benefits

Compassionate Extended Health Benefit Coverage – The Company agrees to provide continued extended health benefits coverage (to a maximum of \$100,000) for the dependents of employees who are classed as work related death (as defined by the WCB). This coverage shall be provided until such dependents reach the age of majority(19).



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SUPPLEMENTAL AGREEMENTS

BETWEEN
C.E.P. TYEE LOCAL 686
and
Catalyst Paper - Port Alberni Division
2008 - 2012

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PREAMBLE

The following are continuing items from bull sessions, local standing committee agreements and divisional policies. In the interest of brevity, the exact wording of the agreements may have been altered.

In cases of dispute, the original text or minutes will apply.

1. 12 HOUR SHIFT AGREEMENT

–THIS ITEM IS SUPERSEDED BY THE ALTERNATE SHIFT SCHEDULES OUTLINED IN THE ATTACHED MEMORANDUM OF AGREEMENT DATED FEBRUARY 14, 2008.

Ref.: 1981 Local Agreement, 1997 Supplementals

In order to continue with the compressed work week schedule, the parties hereby agree to the following terms and conditions:

- a) The implementation and continuation 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 the department will not decrease.
- b) This agreement may be cancelled by either party within seven (7) days written notice except as in Item 3 below.
- c) The securing of adequate relief for any absence will follow the present departmental relief policies. In the event of inadequate relief for the continuation of operations the Company may have to revert to an eight hour schedule within a 24-hour period.
- d) 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 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 (40) 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 BCSLA will be paid the overtime rate for the ninth to twelfth hour of the first twelve (12) hour shift only.

- e) Overtime at the rate of time and one-half will be paid for all work in excess of twelve (12) hours in any one day and all work in excess of 40 hours average per week in the eight (8) week averaging period.
- f) Tour Workers who work in excess of 12 consecutive hours on a regularly scheduled shift or in excess of 8 consecutive hours on a scheduled day off shall have the option of receiving the overtime premium on the basis of Art. VI of BCSLA or of receiving straight time for these excess hours and taking equivalent time off 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 the purpose 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.
- g) 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.

If the change in shifts during the week is temporary, the penalty payment is not payable for the second change of shifts when the employee returns to his previously established shift schedule.
- h) For the purposes of the twelve (12) hour shift schedule the payment of Shift Differential will be based on Tour Work being scheduled 8:00am-8:00pm and 8:00pm-8:00am in accordance with Art. VII, Sec. 2, Para. (a), BCSLA.
- i) An employee who has been employed for less than one year and does not qualify under Art. XV of BCSLA will receive a vacation of two hours for each full week of actual work performed during the preceding vacation period. No vacation of less than one day will be granted.

- j) Employees will be allowed to take vacation 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 i.e., for a 48 hour tour an employee may take 40 hours annual or supplementary vacation plus 8 hours leave of absence.
- k) For the purpose of the twelve (12) hour shift schedule, the special personal floating holiday entitlement will be sixty (60) hours, subject to all other conditions in Art. XVIII of BCSLA.
- l) TAKING OF SPECIAL (PERSONAL) FLOATING HOLIDAYS, BANKED OVERTIME and STATUTORY HOLIDAYS.
The following rules apply:
 - i. At the end of the contract year, banked overtime hours from the previous contract year not taken will be paid to the employee at half-time rate; except that an employee who has 4 or more but less than 12 hours remaining will have the option of taking a 12 hour shift off and be paid the number of hours to which he is entitled.
 - ii. 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.
 - iii. 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.
 - iv. With the above exceptions and those elsewhere in this Memorandum of Agreement all other conditions of BCSLA will apply in matters covered in this Item 12.
- m) 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 twenty-four (24) hours.
- n) Any regular full-time employee who is required to report for Jury Duty, or as a witness as defined in Article XII, on a day which 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 regularly scheduled hours of work necessarily lost. It is understood that such reimbursement shall not be for hours in excess of twelve (12) per day or forty (40) hours per week. (Forty-eight (48) per week where applicable under the forty-two (42) hour averaging schedule).

- o) The twelve (12) hour shift times of 6:00 a.m. to 6:00 p.m. and 6:00 p.m. to 6:00 a.m. will define a DAY as a period of twenty-four (24) hours beginning at 6:00 a.m. and a WEEK as a period of seven (7) calendar days beginning at 6:00 a.m. Sunday. The two 12 hour shifts will be referred to as DAY shift and NIGHT shift.
- p) Weekly Indemnity benefits will continue to be calculated on the basis of seven (7) calendar days in which loss of income has occurred.
- q) Except as outlined herein, the terms and conditions of the BCSLA remain unchanged.
- r) Seniority moves will remain as per present practice.

3. INTER-DEPARTMENTAL TRANSFER PROCEDURES

Ref: Company Policy, 1975, 1976, 1981 SCM, 1997 Supplementals

Ref: Standing Committee June 16, 2008**

Employees, who for some reason are unable to continue in their present job or who desire a transfer to another department within the mill or a transfer into the Apprenticeship program, must follow the procedures below:

- a) The employee is to report to the Personnel Office and make their request for a transfer. An appointment time will be arranged for an interview by the Personnel Department to ensure that the employee has the necessary qualifications for the position requested.
- b) If the employee has the necessary qualifications they will be given a transfer application form.
- c) The form is to be completed by the employee. Copies will be sent to the department superintendent, the union office and filed in Personnel.
- d) When an opening or vacancy occurs in a department, the department is to contact the Personnel Office and together

they will review the applications and arrange for interviews and tests, if necessary.

- e) When the transferee is accepted into another department they will move into the bottom job in the line of progression, provided the transferee's seniority is greater than the employee in the Labour Relief Pool.
- f) When openings or vacancies occur, regular employees should be given preference over those not on the payroll.

30 Day Notice

An employee must request a transfer at least 30 days prior to the opening in the requested line of progression. Any opening during the thirty day period will be filled by the senior Labour Relief Pool employee. If declined, the remainder of the Labour Relief Pool employees would be offered the position based upon Local Union seniority.

Leave of Absence

Leave of Absence openings are filled by Labour Relief Pool personnel (based on seniority). If, however, the person on leave terminates and an opening occurs a "Transferee" will then take the opening, provided their request for transfer was made at least 30 days prior to the commencement of the Leave of Absence.

4. EMPLOYEE & FAMILY ASSISTANCE PROGRAM

Ref.: 1983 BS; 1984 SCM

Alberni Specialties Management and CEP Tye Local 686 are committed to assisting troubled employees and families to find solutions which will enable them to maintain and/or re-establish healthy and productive relationships within the work force, family and community.

Therefore, the parties will work jointly in developing and administering the Employee & Family Assistance Program at Alberni Specialties.

5. SELECTIVE LIGHT EMPLOYMENT PROGRAM

Ref.: 1984 SCM, 1997 Supplementals

Objective

The establishment, with the full cooperation and input of all parties concerned, of a program which provides through selection of meaningful, productive, and related light work, the best possible mental and physical rehabilitative process for the employee injured in an occupational accident or a home related injury.

When is Selective Light Employment Available?

Selective light employment is available in the following situations:

- a) Meaningful, productive and relevant light work is available.
- b) The employee's attending physician is apprised of the nature of the work and concludes that the activity will not harm the patient nor slow his recovery.

Work Assignments

No employee assigned to the selective light employment program will be placed in any work process other than those jobs listed as light work, unless agreed to by the Selective Light Employment Committee prior to work commencing.

Payment of Wages

- a) Employees assigned to the Selective Light Employment Program will receive their normal hours and rate of pay.
- b) No injured employee will be paid by the Company, if he/she stays home.

WCB Claim Protest

If there is a protest by management of a WCB claim, a copy of any such letter of protest will be forwarded to the employee and CEP Tyee Local 686.

Availability and Acceptance of Light Work

- a) If a work related injury prevents an employee from returning to his/her regular job and
 - i. selective light employment is offered, and,
 - ii. the employee's attending physician concludes that the light work offered will not harm the patient nor slow recovery,

then; within reasonable limits, the employee must agree to return to selective light work.

Acceptable Reasons for Refusal

- a) Work is not productive.
- b) Work is seen as token or demeaning.
- c) Physician has overestimated the ability of patient to perform work.

NOTE: See WCB Rehabilitation Services and Claims Manual policy 34-11(3) - reasons for refusal.

- d) Not able to physically perform the duties offered.
- e) Work is "non-productive" or "degrading".

Who will Monitor the Program

The Selective Light-Employment Committee will monitor the program.

Committee Members: Machine Manager, or designate
Mill Safety Coordinator, or designate
CEP Local 686 Senior Safety Representative,
or designate
CEP Local 686 EMBA Representatives

6. DISCIPLINARY INFORMATION DISCLOSURE

Ref.: Company Policy

The following company policy applies to all employees:

- a) The personnel record file maintained for each employee will be accessible to the employee for review at a time mutually convenient to the company and the individual.
- b) Information which will be excluded from an employee's file is unnecessary or outdated information which no longer serves a useful purpose.
- c) A copy of any or all of the employee's file will be provided to the employee if requested.
- d) If the employee believes there is information that is incorrect, superfluous, incomplete or missing, he may propose a change in his file. If the proposed change is accepted by the company, the file will be revised.

- f) The company will not verify and should not release any personal information other than standard employment or credit verification and information requests from law enforcement agencies covering active, former or retired employees unless the company is required by legal process to provide such information.
- g) Employees will be notified in writing if the company releases personal information pursuant to the above.

7. SAFETY FOOTWEAR

8. ADVANCE ANNUAL VACATION PAYMENT

**–THIS ITEM IS SUSPENDED FOR THE TERM OF
FEBRUARY 14, 2008 –APRIL 30, 2013.**

Ref.: 1979 SCM, 1997 Supplementals

Members of CEP Tyee Local 686 have the option of applying for advance annual vacation payment.

The application form is available in the Time Office and we suggest they be completed there.

The advance annual vacation payment will be issued in accordance with the following conditions:

- a) Employees must apply in writing by April 15th. of each year.
- b) Payments will be made upon a percentage basis only, employees will be entitled to a subsequent adjustment after they take their vacations if the Hours Calculation provides more than the percentage calculation,

- c) Vacations taken after April 30th will be given general wage increase changes if the hours option is used. Adjustments would also be made to reflect card rate changes.
- d) Employees will not be permitted to withdraw only partial vacation pay and the balance at a later date.
- e) Income tax will be deducted on the basis of vacation pay alone.
- f) The vacation payment will not include the additional ten hours pay but those hours will be paid when the employee takes his first week's vacation as per present practice and BCSLA provisions.
- g) Payment will be made on the first pay end in May.

9. EMPLOYEE FREEZING

Ref.: 1985 SCM, 1991 BS, 2003 Supplementals

While the Company and the Union agree that freezing generally is undesirable there may be circumstances where it is in the best interest of an employee and/or department.

- a) Freezing may only be granted for bona fide reasons, as listed below:
 - i. Sickness or disability of an employee.
 - ii. Special cases where Management and the Union determine freezing is appropriate.
 - iii. Where upon previous approval of a conditional freeze an employee reaches the stopper point in the line of progression.
- b) Employees wishing to freeze themselves in their present job must apply by completing the proper Freezing Form. The request must be approved by the Joint Standing Committee.
- c) The employee will not be considered frozen until they reach the senior position in their job category. Until this time the employee will be considered to be under a Conditional Freeze.
- d) The freezing will last a period of 12 months. During the last 30 days of the 12 month period it will be the subject of review by either the employee or the Company. If either party does not request a review then the freezing will continue for another 12 month period and from year to year thereafter.

- e) A frozen employee will not be entitled to temporary or permanent setups.
- f) An employee who unfreezes will not bump any employee who passed him in his category or line of progression during the period he was frozen. However, if there is a reduction in the line of progression, employees who by-passed the frozen employee will again by-pass the frozen employee going down the line of progression.

Note: Examples of "Category" - In the Papermill the first four senior paper Machine Backtenders would constitute one "Category". The next four would constitute another "Category", etc.

CONDITIONAL FREEZE

In special circumstances where acceptable to the Company and the Union, an employee may wish to put a stopper in their line of progression. The employee will be permitted to move up the line of progression until they reach the stopper point. Upon reaching the stopper point the employee will be deemed frozen in accordance with (#3) above.

10. PAYMENT FOR SUPERVISORY RELIEF

Ref.: 1979 BS

The Company policy re: supervisory relief provides that a relief supervisor be paid 10% above the rate of the highest paid crew member supervised.

Note: In the Papermill, both relief supervisors' rates will be paid at 10% above the PM5 Machine Tender's rate.

11. COVERALLS AND WORK CLOTHES

Ref.: 1979 BS, 1997, 2003 Supplementals

Work Clothes

The company agrees to supply all 686 employees with work clothing (coveralls or uniforms) including cleaning, under the following terms;

- a) Clothing selection shall be made jointly to ensure a good quality uniform is selected. Cost may be a factor in this decision.

- b) Use of uniforms will be encouraged by CEP Tyee Local 686.
- c) Students are not covered by this agreement.

12. THIRTY DAY MOVE - UP POLICY

- THIS ITEM IS SUSPENDED FOR THE TERM OF FEBRUARY 14, 2008 – APRIL 30, 2013.

Ref.: 1985 SCM, 2003 Supplementals

If a department knows that an employee will be off for more than thirty (30) days, a seniority move-up will be made on the first Monday following the identified need. This policy applies to all vacancies other than annual vacation, supplementary vacation and banked overtime.

13. 12 WEEK AVERAGING (NEWSPRINT WAGE SCALE)

Ref.: 1979 BS

There shall be 12 week averaging with monthly updating in averaging time on the Newsprint Wage Scale.

14. DEPARTMENTAL VACATION POLICIES

- THIS ITEM IS SUSPENDED FOR THE TERM OF FEBRUARY 14, 2008 – APRIL 30, 2013.

Ref.: Departmental Policies, 1997, 2003 Supplementals

Paper Machine Vacation Policy

- a) An eight hour Leave of Absence per week will be granted with every week of holidays to make up (48 hours).
- b) Prime Time for holiday choice to include July, August (until Labour Day), Christmas and Spring Break. One choice of prime time - no double up.
- c) One man in each group of three to be granted vacation at one time.
- d) As per contract, no supplementary vacations to be granted in July and August, Christmas and Spring Break - prime vacation period.
- e) Floaters will be discouraged in prime vacation months unless there are gaps between vacations.

- f) A maximum of three weeks back to back will be the limit of vacations granted in prime months of July and August.
- g) Vacation may not be split into separate periods in July and August (i.e., one week in July and one week in August).
- h) In the case of the No. 1 man not putting down his choice on or before his given day, the No. 2 man may put his in. However the No. 1 man may still make his choice before the No. 3 man providing that he does so in the time allotted.
- i) One choice of prime time. If there is any prime time remaining after the third man has his one choice, the first man shall have the option of taking a second choice.

First Choice

No. 1 apply by 1st Friday in May
 No. 2 apply by 2nd Friday in May
 No. 3 apply by 3rd Friday in May

Second Choice

No. 1 apply by 4th Friday in May
 No. 2 apply by 1st Friday in June
 No. 3 apply by 2nd Friday in June

Finishing Department Vacation Policy

- a) An eight hour Leave of Absence per week will be granted with every week of holidays to make 48 hours.
- b) Prime time for holidays choice to include July, August (with Labour Day), Christmas and Spring Break.
- c) Vacations will be granted on the basis of seniority on all requests received up to 8:00 a.m. April 15th. After this date vacations will be granted on a first come, first serve basis. Seniority will prevail only in one case where a man wants to split his holidays into two or more periods during prime time. Supplementary vacations will be granted during prime vacation time only when circumstances permit.
- d) Floaters will be discouraged in prime time vacation period unless there are gaps between vacations.
- e) A maximum of three weeks back to back will be the limit of vacations granted in prime months of July and August. Annual Vacation can be split according to the employee's vacation credits, i.e., an employee with two weeks of vacation time can split his/her vacation time twice only, an employee with five weeks can split his/her vacation five times maximum only.
- f) Vacation weeks can be split according to the employee's vacation credits, i.e., an employee with two weeks of

vacation time can split his/her vacation time twice only, an employee with five weeks can split his/her vacation five times maximum only.

- g) Full tours of four (4) shifts to be taken during prime time.
- h) Vacation forms must accompany requests for prime time vacations.
- i) For vacation purposes the Finishing/Shipping inspector will be relieved by the Technical Department.
- j) In order to let as many employees as possible off during the school vacation period, the following system will be followed:
 - i. There will be two (2) groups of two.
 - ii. One person from each group permitted off at any one time.
- k) For vacation purposes the following groupings apply:
 - Group No. 1 (2 employees)** Wrapline Operators (2)
 - Group No. 2 (2 employees)** Specialty Rewinder Operator
Specialty Rewinder Helper

Technical Vacation Policy

For vacations, the department will allow 2 persons off per crew, provided sufficient relief is competent and available to move up.

Clothing Crew Vacation Policy

The Clothing Crew will be placed into one (1) vacation group allowing three (3) employees off at any one time based on the current ten (10) employee crew. A fourth employee from the crew will be allowed off providing that there is sufficient relief that is competent and available to move up. No more than two (2) of the senior three (3) members of the crew may be off at any one time.

15. MANNING GUIDELINES FOR CURTAILED OPERATION

Ref.: 1997 Supplementals

In the event of layoffs affecting members of Local 686 the following guidelines will apply.

- a) General Procedures
 - The company will determine the manning requirements and

will discuss with the Union a program of training or re-training for another job in the operation to facilitate the exercising of seniority. The Company and the Union recognize that there will be limitations where special qualifications and training are required or exceptional circumstances exist such as the length of the work assignment or the nature of the work itself.

- b) Management will meet with the Union prior to the layoff to outline the work that is available and the anticipated manning required and placement of affected employees.
- c) Short Term - Total Mill Curtailment
 - i. Three (3) operating days or less, layoff will be by shift seniority within the departments involved.
 - ii. More than three (3) days but less than eight (8) calendar days, layoff will be by Department seniority within the Department involved.
 - iii. Eight (8) calendar days or more, layoff will be by Mill Union seniority.
- d) Partial Curtailment - Mill Operating
 - i. Three (3) operating days or less, layoff will be by shift seniority within the department involved.
 - ii. More than three (3) days but less than eight (8) calendar days, layoff will be by Department seniority within the Department involved. Employees laid off will revert to the Labour Pool for reassignment, if work is available.
 - iii. Eight (8) calendar days or more, layoff will be by Mill Union seniority.
- e) Permanent Curtailment

Definition of a "Full Time" Position: A "Full Time" position will be considered as one which exists when no employee is off for any reason.

In the cases where a cutback results in the loss of a full time position, the following procedures will go into effect:

- i. The number of full time positions remaining in the operation shall be determined.
- ii. Those employees whose positions on the seniority list falls below the number of full time positions shall be placed in the casual pool and their position in the pool will be determined by their mill union seniority.

- iii. The departments facing cutbacks shall be cut back by departmental seniority.
- iv. The positions left vacant will be filled starting from the bottom position. All positions will be filled from the casual pool according to mill union seniority. An employee returning to his or her department as part of this process (and before the date it has been considered complete) shall retain his or her departmental seniority.
- v. From the date that the first full time position has been terminated and until the process of filling the vacant full time positions is complete, normal transfer and line-of-progression moves will be suspended.

16. SET UP PAYMENTS (PAPER MILL)

- THIS ITEM IS SUSPENDED FOR THE TERM OF FEBRUARY 14, 2008 – APRIL 30, 2013.

Ref.: 1974, 1981 SCM, 2003 Supplementals

Set up rates will be paid to all regular crew members who miss a set up provided they are trained for the job they would have moved to during the set up.

This would not include an off-shift trainer.

Daily Schedule

The daily schedule will be considered set as posted at 4:00 p.m. on the previous day. Should modifications to this schedule result in an employee being set back from their scheduled position the employee shall receive the rate for the position they were originally scheduled for.

17. MEAL BREAKS

Ref.: 1997 Supplementals

In order to address health and safety concerns with respect to timely breaks from work, the following will apply;

Tour workers will be entitled to two meal breaks, one in the first half of the shift and one in the second half of the shift. Where conditions prevent an employee from having a meal break by the end of the fourth hour, the employee will inform the supervisor and arrangements will be made to have the break on, or before, the fifth hour.

18. CLAY OFF-LOADING

Ref.: 1997 Supplementals, 2002 SCM

The Coating Kitchen Operator (CKO) is responsible for all aspects of Coating Kitchen operation. Subject to operating conditions, Truck drivers may be required to unload clay or other materials at the discretion and direction of the CKO. Unloading will be handled expeditiously to meet needs of trucking schedules and operating needs.

The PM4 Machinetender is responsible for the offloading of PCC. Subject to operating conditions, Truck drivers may be required to unload PCC at the discretion and direction of the PM4 Machinetender. Unloading will be handled expeditiously to meet needs of trucking schedules and operating needs.

19. CHEMICAL CLEANING

Ref.: 1997 Supplementals

Involvement of chemical suppliers in routine papermill cleaning shall be limited to instruction and demonstration. Exceptions will be discussed at Standing Committee and any variance will be subject to mutual agreement.

20. STUDENT HIRING

Ref.: 1997 Supplementals

The following agreement covers the process by which students are selected for employment;

1. The company will review the student hiring program, selection criteria and anticipated hiring date(s) with CEP Tyee Local 686 prior to hiring.
2. The First Vice-president, or designate, of CEP Tyee Local 686 will be invited to participate in student interviews and selection.

This agreement does not constitute a requirement on the part of the company to hire students. The decision to hire will be made by management on a year by year basis, based on need and economic factors.

21. PERMANENT VACANCIES ON 4/5 PAPERMACHINES

Ref.: 1997, 2003 Supplementals

a) The Job Evaluation Plan will be used to establish rates of pay on PM5. In order to accommodate the changes in filling permanent vacancies on the paper machines, the following bonuses will be paid:

- PM4 MT bonus will be an amount equivalent to the difference between the Newsprint Wage Scale PM4 MT rate and the evaluated PM5 MT rate.
- PM5 AMT bonus will be an amount equivalent to the difference between the evaluated rate and the adjusted PM4 MT rate.
- PM4 AMT bonus will be an amount equivalent to the difference between the Newsprint Wage Scale PM4 AMT rate and the evaluated PM5 MT rate.
- PM4 BT bonus will be an amount equivalent to the difference between the Newsprint Wage Scale PM4 BT rate and the evaluated PM5 BT rate.
- PM5 ABT bonus will be an amount equivalent to the difference between the evaluated rate and the adjusted PM4 BT rate.
- PM5 CKO bonus will be an amount equivalent to the difference between the evaluated rate and the adjusted PM4 BT rate.
- PM4 Winder bonus will be an amount equivalent to the difference between the Newsprint Wage Scale PM4 Winder rate and the evaluated PM5 Winder rate.
- PM5 AW1 bonus will be an amount equivalent to the difference between the evaluated rate and the adjusted PM4 Winder rate.
- PM4 Fourth Hand bonus will be an amount equivalent to the difference between the Newsprint Wage Scale PM4 Fourth Hand rate and the evaluated PM5 AW2 rate.

These bonuses shall be included in the rate used for other rate calculations under the collective agreement, i.e. overtime rate, A.V. rate, etc.

- b) For the purposes of this agreement, PM4 shall be considered as one machine hall and PM5 shall be considered as another.
There will be no lateral movement between machine halls within a zone.
- c) Carded employees will continue to be scheduled to their rightful positions within their machine hall based on line of progression seniority.
- d) The cutback procedure will be as per the codification book, "Manning Guidelines for Curtailed Operations". Extenuating circumstances will be discussed at Standing Committee and any exceptions will be as per mutual agreement.
- e) Long term vacancies, i.e. those exceeding or anticipated to exceed one year, shall be treated according to the "Long Term Vacancy Agreement" in the codification book.
- f) Agreement is effective upon date of ratification.
- g) The above procedures replace the Nexgen Agreement and Addendum.

22. MEAL ALLOWANCE

Ref.: 1997 Supplementals

Effective date of ratification, meal allowance compensation will be valued at 80% of base rate. Meals may not be deferred.

23. EYEWEAR - FRAMES/LENS REPLACEMENT

Ref.: 1997 Supplementals

The following outlines the policy which governs the replacement of lost or damaged eyeglasses.

- a) Where an employee's eyeglasses are lost or damaged in a reported incident at work that relates to his work activities, replacement or repair costs will be claimed through the WCB for replacement in accordance with their policy. The loss shall be reported to First Aid.

NOTE: Current WCB policy dictates that replacement/repair will generally be limited to incidents where there are objective signs of personal injury at the time of the incident or where an incident has occurred without personal injury.

- b) In cases where the WCB does not cover the replacement costs it shall become the responsibility of the employee to cover the cost personally. Extended health benefits are available to employees to recover some of those costs.
- c) Where, in the opinion of the Department Superintendent, the replacement or repair should be reimbursed to the employee and the WCB has not accepted the claim, limited replacement shall be made with the approval of the Area Manager. Replacement eyewear shall be limited however, to CSA certified safety eyewear only (with sideshields).
- d) Payments will not be made, where the loss or damage is a result of the employees' own actions or failure to properly secure the eyewear. For example no payment will be made where an employee bends over to pick an object off of the floor and his eyeglasses fall out of his pocket or off his face. In this case there would be no relation to an incident.

24. HAZMAT BONUS

Ref.: 1997, 2003 Supplementals

Hazmat team members will be paid a 0.50 cent per hour bonus on straight time hours, based on the following requirements being met;

- a) Members must attend at least 4 practices per year.
- b) Members must be active. What is meant by this is that they must pick up their pagers for all shifts and report to call-outs.
- c) This bonus will not apply to employees where the Hazmat component is part of their rate as determined by Job Evaluation.
- d) New members will receive the bonus after completion of four (4) fire practices.

Those who fail to meet this criteria will not be paid the bonus.

Hazmat team members will be paid their card rate during practices.

Insurance coverage for Hazmat team members is to be \$100,000.

25. COMMITTEE MEETINGS ON DAYS OFF

Ref.: 1997 Supplementals

- a) Meeting time will be compensated on a straight time basis for attendance of committee members at recognized committee meetings.
- b) For meetings on a tour workers' first day off, that starts prior to 1:00 pm, the employee will be booked off at midnight of the previous night shift to provide adequate rest. Should the meeting last more than 6 hours, an hour for hour banking with pay, for the additional hours, shall be granted.
- c) New committees - payment for meetings will be discussed and agreed to as they are formed.
- d) Hours under this provision may be banked and used for early retirement only (an employee may only take this banked time immediately prior to their retirement date). In the event that an employee leaves the company prior to retirement, these banks will be paid out as per the current collective agreement.

26. PAYMENT FOR UNION BOOK-OFFS

Ref.: 1997, 2003 Supplementals

The Company will pay union book-offs and invoice CEP 686 quarterly, provided;

1. All book-offs are placed through the Human Resources Administrative Assistant (this is to ensure proper tracking and entry/coding of book-offs).
2. It is understood that Local 686 will be billed the hourly rate of pay for employees attending to Union Business - there will be no loading of employer related costs. Unloaded hourly rates are limited to 30 consecutive days. Durations longer than 30 consecutive days will be at the loaded rate.

Welfare Plan Coverage

The Company will continue to pay benefit premiums for Welfare Plan coverage to the carrier on behalf of employees who are on authorized Leave of Absence on Local Union business in excess of three months in any one calendar year. For the purpose of Collective Agreement entitlements, this time will be considered as time worked.

27. OVERTIME CALL-IN PROCEDURE

Ref.: 1997 Supplementals

- a) The terms and conditions of the BCSLA override all the following items if there is any misinterpretation or disagreement.
- b) The first obligation for filling any vacancy is to move up the crew by;
 - i. Spares on crew, then
 - ii. Labour Relief Pool when this does not constitute an overtime shift, then
 - iii. Overtime using the guidelines below.
- c) Overtime is to be covered by Line of Progression Seniority, the vacancy is to be filled, if possible, by an employee on their day off, card rated at that position. The only exceptions are;
 - i. Employees coming off their last regular night shift cannot cover the following day shift, and
 - ii. Employees scheduled for their first day shift cannot cover the preceding night shift.
- d) If no employee card rated for the vacancy is available, the Line of Progression Seniority list will be followed and the overtime employee will fit in the crew where their Line of Progression Seniority dictates.
- e) Overtime employees cannot bump scheduled crew setups; scheduled crew setups are defined as per crew schedule posted on the crew's prior shift. If there are not enough people on the crew to fill all the regular positions, then no further crew setups will be made and the overtime call in will be for the vacancy. After the overtime employee has reported for work on the crew that is short, any subsequent crew setups will be by progression of the current line up, keeping in mind that the above call in procedures will apply to any overtime call ins made after the shift starts.
- f) In the event of a set back, once the shift has started, the person on overtime can then exercise their Line of Progression Seniority and remain in the position they were called in for. This would force the junior people ahead of them to go around to a lower position. If the person on overtime is already working within their Line of Progression Seniority, then they must take the set back along with the

rest of the line, but will maintain the rate for the job they were called in for.

- g) No employee shall work at a job rated below their card rate nor at a job outside their Line of Progression, except in the case of a cut back, in which case the appropriate cut back procedure will be followed. Both parties recognize that exceptional circumstances may occur which require an employee to work below their card rate, in these circumstances, the supervisor will contact a senior member of the Executive before going forward.
- h) Calling procedures:
 - i. Allow phone to ring 8 times.
 - ii. Keep a record of who was called and the response, R = refused, N/A = no answer, AM = answering machine.
 - iii. Mark on daily crew schedule where a position is being filled with overtime.
- i) Any employee who does not wish to be called may sign a form to indicate this.

28. SCHEDULING OF TIME OFF

**-THIS ITEM IS SUSPENDED FOR THE TERM OF
FEBRUARY 14, 2008 – APRIL 30, 2013.**

Ref.: 1997 Supplementals

Vacation/Supplemental Leave:

For the purpose of earned time off, the days taken off work shall have an equal number of days off included. For example a tour worker taking a 4 day tour off would also have the 4 days following as time off. An employee taking one vacation day will have one other non-paid day.

In exceptional circumstances where all other possibilities have been exhausted, the company will discuss with a senior member of the Local Union Executive and any variance is subject to mutual agreement. It is recognized by both parties that production manning is of paramount importance.

This policy applies only to annual vacation and supplemental vacation.

29. LRP SCHEDULING

Ref.: 1997 Supplementals

In scheduling casual pool employees, it is recognized that it is desirable to follow a crew where possible, where this does not result in full hours, first consideration for full hours must be given to the senior employees.

30. PROJECTS -Guideline for 686 Employees

Ref.: 1997 Supplementals

- a) Participation of hourly employees in projects, including project training or similar activities outside of their normal employment, will be at the discretion of CEP Local 686.
- b) The union will be notified in writing of proposed projects. Notification will include the anticipated length of the project and a description of the type of work expected of the employee(s). The scope of this description will be consistent with the length and complexity of the project.
- c) If there is a change in the scope of a project, re-notification will be made.
- d) Anticipated projects will be posted to allow for interested employees to volunteer. Selection will be made jointly, at Standing Committee. Either party may recommend employees for consideration.
- e) An employee can be assigned project work for a maximum of one year. Extensions beyond one year must receive the approval of the union executive.
- f) All lengthy projects will be reviewed by Standing Committee, every 6 months.
- g) Employees selected for project work will be out of the crew line up for the duration of the project. It is understood that some projects will be completed in phases. For this type of project, the employee will return to the line of progression for the period that the project work is not required.
- h) Employees out of the line of progression for projects will not work in the production line up nor will they do the work of regularly scheduled employees, except in emergency situations and only with the approval of the Local Union Executive. In no case will they displace regularly scheduled employees from their job.

- i) Operating manuals and checklists prepared by 686 are to be used only by employees of Alberni Specialties, unless otherwise agreed to by the local and management. All training materials will be made available to 686 on request.
- j) An employee assigned to a project will receive an adjusted card rate for the time of the project. The rate will reflect what the employee would have earned had he remained in the crew line-up. The principle is, no financial gain - nor loss.
- k) Where an hourly employee is required to supervise other employees on a project he will be paid according to the Codification Booklet.
- l) The company or union can withdraw from this agreement or an individual project, with 30 days written notice.
- m) All other provisions of the BCSLA and Local Agreements will apply.

Designated Trainers:

The company will discuss the selection and anticipated start date for designated trainers with Standing Committee. Selection of designated trainers will be by mutual agreement.

32. SUPERVISOR DEVELOPMENT

Ref.: March 1997 SCM

Mandate:

- a) Develop 686 hourly employees to become salaried supervisors through training and work experience at relief supervision.
- b) Provide a plan for ongoing succession utilizing 686 hourly employees.
- c) Jointly develop a selection/training program.

Considerations:

- a) Candidates for the supervisor development program will be selected jointly.
- b) We currently utilize hourly relief supervisors.
- c) None of the people currently trained, or future trained, relief supervisors will suffer monetary loss when replaced by a development supervisor junior to them.

- d) Employees completing this program can provide supervisory relief for period not exceeding one tour in a single instance without prior agreement from 686.
- e) An employee assigned to the supervisor development program will receive an adjusted card rate (no financial loss or gain), working Monday to Friday on day shift. Some shift work will be required for on-the-job supervisory skills.
- f) When acting as a relief supervisor they will receive the appropriate rate for relief supervisors.
- g) An employee will spend a maximum of one year on the supervisor development program at which time the employee will be promoted to a salaried position or will return to the line of progression.
- h) The company reserves the right to fill supervisory positions from salaried employees or to hire from outside.
- i) Modifications to this agreement will be handled through the 686 Wage Delegates and management committee.
- j. This agreement can be canceled by either party upon 30 day written notice.

33. LONG TERM VACANCY AGREEMENT

Ref.: 1997 Supplementals

- a) Employees that are filling a carded position due to a vacancy created due to LTD shall have a (T) beside their name on the Seniority List. This is to indicate that they could get bumped back. In the event that it is anticipated that someone will be on LTD, the vacancy shall be filled, by agreement at Standing Committee. The vacancy will be treated in the same manner as a permanent vacancy and card rates as well as line of progression numbers will be changed accordingly. The open position will be filled and the employee so doing will have their card rate changed. These employees shall be treated in the same manner as other carded employees in the line of progression.
- b) Relief for project personnel anticipated to be over one year shall be filled, by agreement at Standing Committee, in the same manner as a permanent vacancy and card rates will be changed accordingly. The exception is that on PM 3/4/5, movement will be restricted to within a machine hall. The

bottom position will be filled and the employee so doing will have their card rate changed and will be assigned a (P) designation beside their name. The (P) designation reflects that the position is temporarily assigned, these employees shall be treated in the same manner as other carded employees except for the filling of permanent vacancies. In the case of filling permanent vacancies in any department, these employees shall be treated as if still in the Labour Relief Pool.

34. HUMANITIES FUND

Ref.: 2003 Supplementals

A payroll deduction service will be available to members of CEP Tyee Local 686 to facilitate donations to the CEP Humanities Fund. The company will match any personal donations made by an employee to this fund.

35. OPTIONAL LIFE INSURANCE

Ref.: 2003 Supplementals

Catalyst Paper Port Alberni Division will arrange for employees to access a voluntary optional life insurance plan. This insurance will be consistent with the Powell River program. Premiums for the insurance are to be borne by the employee.

EMPLOYEES' MUTUAL BENEFIT ASSOCIATION

Rules and Regulations

1. PURPOSE

The purpose of this Association is to provide partial protection for its members against loss of earnings during periods of disability due to non-occupational illnesses or non-occupational injuries, by means of a fund established for such purposes and administered in accordance with the following rules and regulations.

2. ADMINISTRATION

- (a) The current policy of confidentiality of all patient information will remain. The only people with access to these files will be the appointed representatives to the Committee.

- (b) The officers of the Association hereinafter known as the Employees' Mutual Benefit Association (EMBA) shall consist of Union and Management members as designated in Exhibit "C" of the B.C. Standard Labour Agreement. The Chairman shall be selected from Union representatives and the Secretary and Treasurer from Management representatives. Their selections should be confirmed in writing to the other party.
- (c) The Employees' Mutual Benefit Committee shall meet as required, and conduct all business of the Association in the best interest of the membership. A quorum, consisting of at least 50% of the EMBA Committee members, shall be required to conduct a meeting.
- (d) The Chairman shall preside over meetings of the Employees' Mutual Benefit Committee and shall enforce observance of these regulations and general rules of conduct at meetings, and shall exercise general care and supervision of the affairs of the Association.
- (e) The Secretary shall keep a record of the proceedings of all meetings and shall conduct the correspondence of the Association.
- (f) The Treasurer shall keep a record of all claims received and the disposition of same and report thereon to the EMBA Committee at each meeting.
- (g) All funds of the Association shall be recorded by the Company in a separate account. Premiums shall be collected from employees who are members of the Association by means of payroll deduction and credited to the Association account by the Company.
- (h) All claims are to be paid by bank deposit issued by the Company. A copy of each statement indicating the claimants' name, number of days of benefit, weekly rate and the total amount paid, shall be kept on file.
- (i) A financial statement shall be prepared by the Company and submitted monthly to the EMBA Committee.
- (j) Any dispute regarding payment of benefits under Section 6 will be reviewed by the EMBA Committee in accordance with the B.C. Standard Labour Agreement.

- (k) Income tax deductions can be adjusted as needed by filling out the back of the EMBA application form. Failure to complete this section of the form will result in no tax deductions.

3. MEMBERSHIP & ELIGIBILITY

- (a) All hourly full-time employees who are actively working are eligible for membership as a condition of employment provided.
 - (i) They are covered by the B.C. Standard Labour Contract.
 - (ii) They have completed 30 calendar days of continuous employment.
- (b) The membership of any member leaving the employ of the Division shall cease on the date of termination.
- (c) Following a lay-off, or leave of absence, coverage shall be reinstated upon resumption of full-time active employment.

4. MEMBER CONTRIBUTIONS

Monthly premiums shall be deducted by payroll. Calculations of benefits and premiums shall be made according to the BCSLA (Welfare Plan).

5. COMPANY CONTRIBUTIONS

Premium cost shall be born by Company and employee at the ratio established by the B.C.S.L.A.

6. BENEFITS

- (a) Indemnities for lost time due to non-occupational illness or non-occupational injury shall be paid at a weekly rate as prescribed in the B.C. Standard Labour Agreement.
- (b) Effective December 1, 1977 the above section 6 (a) shall include disability resulting from or attributable to:
 - (i) medical complications of pregnancy, including complications during an unpaid leave of absence for maternity reasons preceding the period stated by the Unemployment Insurance Act, shall be covered by

Employee Mutual Benefit Association (subject to the exclusion of Section 7(c) below).

- (ii) drugs or alcohol abuse provided the claimant is enrolled in a program of counseling and treatment approved by the Employee and Family Assistance Program.
- (c) Successive periods of disability separated by less than 96 hours of active work on full time shifts shall be considered one period of disability unless the subsequent disability is due to an illness entirely unrelated to the cause of the previous disability and commences after return to active work on full time.
- (d) 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 illness, except in cases of non-occupational illness which have resulted in the claimant being hospitalized as a bed patient or in those cases where surgery is performed which necessitates loss of time from work, benefits will be payable beginning the first day. Benefits will be payable for maximum period of 52 weeks during any one period of disability. Benefits payable under section 6 (b) (i) shall not exceed a maximum 15 week period at the regular schedule of benefits.
- (e) Benefits payable by this Association, will be calculated on a 7-day basis.
- (f) Payments shall be made by bank deposit issued bi-weekly from the Payroll Department.
- (g) Any member forced to leave work due to non-occupational injury or non-occupational illness shall, subject to clause (c) of this section, be entitled to benefits for that day only if they have worked less than one half of their shift.
- (h) In the event of an epidemic, earthquake, or other disaster, the EMBA Committee at its discretion has full power, to limit or if necessary suspend, all benefits payable to members of the Association.
- (i) In the event of discontinuance of the Association, the disposition of any funds on hand will be determined by the EMBA Committee.

7. NO BENEFITS PAID

- (a) No benefits will be paid to members in respect to absence due to paid contractual time off or extended leave of absence.
- (b) When an employee is being retrained or rehabilitated, benefits will be payable providing no monies are being received from agencies concerned.
- (c) No benefits will be paid for certain periods of disability which may result from or be attributable to pregnancy. Exclusions are:
 - (i) during the period commencing with the tenth week prior to the expected week of confinement and ending with the sixth week after the week of confinement.
 - (ii) during any period of formal maternity leave taken by the employee pursuant to mutual agreement between the employee and her employer, or
 - (iii) during any period for which the employee is paid Unemployment Insurance maternity benefits.
- (d) Should it be evident to the EMBA Committee that a claimant is not conducting himself/herself in the best interest of improving a condition for which indemnities are being paid, the EMBA Committee shall have the right to discontinue payment of such indemnities.
- (e) No benefits will be paid to members of the Association while in receipt of compensation from the Workers' Compensation Board or I.C.B.C. Reference Exhibit 'C', Section 2(c). This does not apply to such members in receipt of disability pensions.
- (f) All other earnings from alternate employment or consulting must be reported to the EMBA committee and deducted from the benefits paid to the employee to a 75% of average wage.

8. APPLICATION FOR BENEFITS

- (a) A member, on becoming ill or injured, must make application for benefits to the EMBA Committee on a form provided for the purpose available from the Payroll Department, within thirty (30) days from the time such illness became

apparent or such injury was sustained. Failure may result in benefits being paid from the date the application is received at Payroll Office.

- (b) Members off work because of non -occupational illness or non-occupational injury must promptly submit progress reports signed by the attending physician as requested to do so by the EMBA committee. Otherwise payments will be withheld pending investigation. To be able to continue providing a monetary benefit as presently enjoyed we must be assured that an employee's physician has provided adequate follow-up and has instructed his or her patient as to treatment (be it medical, exercise, physiotherapy, etc.). On rare occasions when it is felt that the program is not being followed in an acceptable manner the employee should be advised to get a second opinion or see a specialist. Both Union and Company representatives must be in agreement before this action can be contemplated. After an initial report monthly Doctors' Reports should be filed except for certain ailments such as broken bones (min. 6 weeks to heal).
- (c) Applications for benefits must bear the signature of the attending physician, attending chiropractor/osteopath or dentist.
- (d) Claimant must be under personal care of attending physician. Phone contact does not constitute personal care under the terms of EMBA Rules and Regulations. To ensure that the Physician's recommendations regarding treatment and/or rehabilitative programs are followed so that the employee is able to return to their job in a timely manner.

9. RETURN TO WORK

- (a) Return to work after an absence of more than 6 weeks duration will be arranged through the Joint Placement Committee to ensure that the reintegration into the workforce has the best possible chance of success.
- (b) The employee must have a letter from their doctor supporting the return to work plan stating that he/she is fit to resume working.
- (c) A gradual return to work program may be appropriate, and will be established by the Joint Placement Committee and

the employee, provided the employee's doctor supports the plan. The employee will be paid for the hours worked, and the EMBA fund will make up the difference in earnings to a ceiling of **75%** of full time earnings.

- (d) The Joint Placement Committee must be informed of the employees intention to return to work at least one week in advance in order to properly set up a return to work plan.

10. CHANGES IN RULES AND REGULATIONS

- (a) All changes or amendments to these Rules and Regulations must be approved by the Employees' Mutual Benefit Committee.
- (b) Any changes so decided shall affect all members as from the date of change, regardless of whether or not any members are drawing benefits at the time such changes are instituted.

These rules and regulations are effective and supersede all previous Employees' Mutual Benefit Association Rules and Regulations or Bylaws effective November 18, 2002.

Issued July 1974

Revision #1: December 1, 1977

Revision #2: June 1, 1995

Revision #3: November 18, 2002

LETTER OF UNDERSTANDING - Employees on Temporary Layoff Opportunity to Elect a Severance Option

For the term of this Collective Agreement, the Company and the Union agree to provide employees on temporary layoff with an option to sever their employment under certain circumstances.

- 1) The option for severance would be available if:
 - a) Employee has 1 or more years of continuous service at the start of the layoff, and
 - b) Employee has been on layoff for 12 months, and
 - c) There is no definitive plan for reemploying the individual within the following 3 months.
- 2) For the purposes of this proposal, Layoff is defined as having the opportunity to work less than 900 hours during the 12 month period.

An employee who has an approved absence for regular vacation, personal/floating holidays, or supplemental vacation that is due to expire will be considered to be unavailable for work. Opportunities for work that occur on these days will not be counted.
- 3) If the above conditions are met, the employee will have the option of accepting a severance payment. The severance will be calculated according to the formula in Article XXIV – Job Elimination.

Dated this 19th day of December 2008.

For the Company

For the Union

Steve Boniferno
Sr. Vice-president, Human Resources

Mike Fenton
CEP National Representative

MEMORANDUM OF AGREEMENT

Between

**Catalyst Paper – Port Alberni Division
(the Company)**

And

**The Communication, Energy and Paperworkers Union,
Local 686
(the Union)**

The general purpose of this Agreement is, in the mutual interest of the employer and the Union, to provide a 5 year organizational plan for a safe, long-term viable and creative 2 machine operation delivering at least \$200/tonne EBITDA. It is recognized by this Agreement to be the duty of the Company and the Union to work together for the advancement of said conditions.

The Company and the Union agree to the terms, and amendments to the current collective agreement, as outlined below. The parties also agree to the revisions to the 2008 collective agreement as outlined below. In addition, this agreement includes a "me too" clause to the 2008 main wage agreement and the provision of all improvements and economic issues at 2008 local bargaining that are common within Catalyst paper to Local 686. (Note: If any such non-monetary improvements are in contravention of this memorandum, the terms and conditions as set out below will prevail).

It is clearly understood by both parties that where this document disagrees with the collective agreement, the terms and conditions as set out in this document will supersede the collective agreement.

If issues arise during the implementation of this agreement, the parties will meet to resolve these issues in the context of the memorandum.

Term: February 14, 2008 – April 30, 2013

Catalyst Paper is committed to:

- A two paper machine operation - start-up of A4 by May 1st, 2008. (This does not preclude market related down time).

Packages:

- For package details refer to complete Memorandum of Agreement dated February 14, 2008.

Changes to Current Supplemental Agreement Items:

- See specific Supplemental Items (Item 1, 2, 8, 12, 14, 16, 21, 25, 28, 31)

New Items:

Pay Structure:

- All employees who hold a permanent carded position will be paid on an annualized pay system. This pay system will take effect as of May 1, 2008. No make-up shifts will be granted.
- All earnings (excluding OT and worked stat premiums) will be built into an annual salary and employees will receive 26 equal bi-weekly pay cheques based on this salary.
- Unavoidable short term absences for appointments (eg: medical, dental, etc.) will be covered by the annualized pay structure. However, employees must make every effort to schedule such appointments on their days off.
- The 3 day waiting period for weekly indemnity as per the current contract will be paid. After a 3 day absence, an employee's salary will be stopped and weekly indemnity benefits will start, provided an employee qualifies. FRL will remain unpaid – a reconciliation of pay will be done at year end if required.
- Any income lost (associated with floaters, vacations, etc.) by an employee during periods on WI or WCB will be reconciled at year end.
- Relief employees will not be paid on the annualized salary system. They will be paid for hours worked at the rate of the position they are performing.

- In the event of a lay-off, an employee's annualized salary will cease. They will then be paid for hours worked at the rate of the job performed. Any pay reconciliation that is required will take place at that time.
- If an employee is bumped out of their department due to a curtailment of an area, a reconciliation of their salaried pay will be done if the curtailment is over 30 days. If the curtailment is less than 30 days no reconciliation will take place (unless the employee moves into a higher paid position).
- All benefits will be based on a 40 hr work week.

Dedicated Crews:

- There will be completely dedicated crews on PM4 and PM5. No cross machine moves between the machines will take place.
- In the event of a curtailment expected to last greater than 90 days, employees will be able to "bump" according to their seniority and will be trained as required. In the event of a curtailment of shorter duration, the language contained in Article XXI – Seniority regarding training will prevail.
- For the initial machine line-ups, a canvass will be done by seniority. Employees may select which machine they want to go to within the zone they should be in according to their seniority.

Union Shut Down:

- Any previous agreement or understanding pertaining to the annual union shutdown is cancelled. In the event that Port Alberni reverts permanently to a one machine operation, the annual union shutdown will be re-instated.

Alternate Shift Schedules:

New shift schedules and details outlined below will supercede, for the term of this memorandum of agreement, any language contained in the collective agreement regarding same items.

5 Crew Shift Schedule:

- This shift schedule will take effect May 1, 2008.
- There will be 5 crews (A,B,C,D,E).
- Each crew works a 4 on, 4 off schedule (2 days followed by 2 nights); working 9 tours followed by 22 days off.
- An entire crew *is* off at the same time. There is no additional time off permitted during working periods; if time off is needed this must be arranged through a mutual exchange with a fellow employee. No pay adjustments will be made if this occurs.
- Annual salary will be calculated based on:
 - Base (actual hours worked) + floaters (60 hours/yr) + vacation entitlement at card rate or % from previous year (which ever is greater) + vacation bonus (10 hrs) + supps (pro-rated over 5 year period) + Sunday time to be worked + stat pay (56 hrs/yr) + shift differential
- All paid premiums associated with worked stats will be paid separately (in addition to base salary) at time worked.
- OT hours will be paid separately (in addition to base salary) based on hours worked at rate of job being performed.
- For the purposes of this agreement, the 22 day leave period will be considered and treated as AV for the purposes of OT call-ins. In exceptional circumstances where all other possibilities have been exhausted, the company will discuss with a senior member of the Local Union Executive and any variance is subject to mutual agreement. It is recognized by both parties that production manning is of paramount importance.
- No premium time (OT) will be paid for hours worked over 40 in one week based on an employee's regular schedule. (NOTE: If an employee works over 2080 straight time hours in one year they will be reconciled for premium time worked)
- If one employee is off for any reason (including sickness, FRL, book-offs) they may not be replaced (the crew may work with one less person). Decisions to replace will be at the discretion of supervision. If a 2nd employee in the same machine hall and on the same crew is off, they will be covered with relief or OT. Employees off on longer term absences will be replaced as soon as is reasonably practical.
- LOP training, compliance training, safety tours, etc. will be done within the regular crew manning complement.

- Crew changes will only be made due to a rate change required by a permanent vacancy or someone going to LTD. Such changes will be made with a minimum number of employees being required to change crews and may be delayed until the time at which the least disruption will be caused. Rate changes will take place at time of move.
- Factors such as current training and grandfathered and/or frozen employees will be considered in the development of initial crews.
- If an employee is required to work additional hours as a result of a crew move initiated by the employer, they will receive additional pay for this period.

8 Hour Day Shift Schedule:

- Will be followed by the Clothing Crew
- Annual salary calculation based on:
 - hours to be worked (at 40 hrs/wk) + floaters (40 hrs) + vacation entitlement at card rate or % from previous year (whichever is greater) + vacation bonus (10 hrs) + stat pay (56 hours)
- When supplemental holidays are taken, a year-end reconciliation will be made if required (due to rate differences).
- OT hours will be paid separately (in addition to base salary) based on hours worked at rate of job being performed.
- Dayshift operating department employees will not normally work on stats. If worked, premiums associated with worked stats will be paid separately (in addition to base salary) at time worked.

OT / Stats:

- OT and stat holiday time worked may be banked as per the current banking rules for use for early retirement only (an employee may only take this banked time immediately prior to their retirement date). In the event that an employee leaves the company prior to retirement, these banks will be paid out as per the current collective agreement.
- If an employee elects not to bank OT hours, they will be paid according to the following schedule:

Dayshift – 8 hour shifts	OT paid at time and a half for hours after 8, double time after 9
12 hour shifts	Double time after 12 hours

- If an employee elects not to bank stat holiday time worked, they will be paid at an additional time and a half (double time for Christmas stats) above the salaried pay.
- All existing banked time (OT, stats, COM bank) must be taken by the date of implementation of the new shift schedules or will be paid out at straight time on that date.
- There will be no deferring of stat time or pay permitted.

Additional Qualifications(Operations):

- Permanent carded employees will be paid the rate of one position above their carded position in their LOP, provided they are trained and signed off in this position. If they are not trained and signed off, they will receive the rate when they are signed off.
- For the purposes of this agreement, the zones will be:
 - PM5 MT, PM5 AMT, PM4 MT
 - PM5 BT, PM4 BT, PM5 CKO
 - PM5 W, PM4 W, PM5 AW1
 - PM5 AW2, PM4 4th hand
 - PM5 WH1, PM4 5th hand

First Aid Certification:

- Any employee who holds a valid OFA Level III ticket will receive a premium of \$.50/hour (provided the position they are working in does not require it). The company will pay the tuition and book costs of the training (½ up front, ½ at successful completion). No wages will be paid during this training.

Variable Pay:

- Variable pay will be based on 3 targets:
 - Safety – LTF < 1, MIR < 3
 - Attendance – absenteeism < 4%
 - Labour costs of < \$80/tonne (excl. variable pay)

- Variable pay will be paid at 10% of earnings above \$200/t EBITDA, up to \$10,000/year/employee - for both staff and hourly employees.
- Will be paid annually directly to the employee (active employees only; pro-rated for the period of time at work).

In the event that Port Alberni reverts back to a one machine operation, at the request of the Union all language associated with the 5 crew shift schedule will revert back to the 4 crew shift schedule.