

COLLECTIVE AGREEMENT

BETWEEN:

BELKIN PAPER INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115

May 1, 2005 to April 30, 2007

TABLE OF CONTENTS

ARTICLE 1 - PURPOSE	1
ARTICLE 2 - BARGAINING AGENT RECOGNITION	1
ARTICLE 3 - COMPANY'S RIGHTS.....	1
ARTICLE 4 - UNION SECURITY	2
ARTICLE 5 - HOURS OF WORK AND SHIFTS	3
ARTICLE 6 - OVERTIME, ROUTE COMPLETION AND PREMIUM RATES.....	5
ARTICLE 7 - CLASSIFICATIONS.....	7
ARTICLE 8 - WAGES	8
ARTICLE 9 - GENERAL HOLIDAYS	8
ARTICLE 10 - ANNUAL VACATIONS	9
ARTICLE 11 - SENIORITY	10
ARTICLE 12 - GENERAL	12
ARTICLE 13 - INTERVIEWS, ACCIDENTS & DISCIPLINE	13
ARTICLE 14 - JOB VACANCIES, POSTINGS AND OVERTIME/GENERAL HOLIDAY POSTINGS .	13
ARTICLE 15 - GRIEVANCE PROCEDURE AND ARBITRATION.....	14
ARTICLE 16 - HEALTH & SAFETY	15
ARTICLE 17 - HEALTH & WELFARE.....	16
ARTICLE 18 - SAVINGS CLAUSE	16
ARTICLE 19 - PENSION	17
ARTICLE 20 - SEVERANCE	17
ARTICLE 21 - LIFE OF AGREEMENT AND RENEWAL.....	17
LETTER OF UNDERSTANDING.....	18
OVERTIME BANKING PROCEDURES.....	19

COLLECTIVE AGREEMENT

BETWEEN:

BELKIN PAPER INC.

(hereinafter referred to as the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter referred to as the "Union")

WITNESSETH: that the Parties hereto agree as follows:

ARTICLE 1 - PURPOSE

1.01 The purpose of this Agreement is to maintain a harmonious relationship between the Company and its employees; to provide an amicable method of settling differences and misunderstandings which might arise; to further, to the fullest extent possible, the safety and welfare of the employees; economy of the operation, quality of work done, and protection of property; and to elevate the Industry to the highest possible degree.

It is recognized by this Agreement to be the duty of the Company and the Union to cooperate fully for the advancement of the aforesaid conditions.

For the purposes of this Agreement, the masculine shall be considered to include the feminine and the singular to include the plural.

ARTICLE 2 - BARGAINING AGENT RECOGNITION

2.01 The Company recognizes the Union as the sole representative of, and bargaining agent for all employees covered by the Union's certification.

2.02 This Agreement shall be binding on the Company, the Union, their respective successors and the employees.

ARTICLE 3 - COMPANY'S RIGHTS

3.01 The Union agrees that it is the exclusive right of the Company to hire, discharge, classify, transfer, promote, demote, lay-off, suspend or otherwise discipline an employee. However, this clause shall not deprive the employee of the right to exercise a grievance procedure as outlined in this Agreement.

3.02 The Union agrees that it is the exclusive right of the Company to make and alter, from time to time, and enforce rules of conduct and procedure to be observed by the employees.

- 3.03 The Company recognizes that the exercise of its Company's rights will not conflict with the terms of this Agreement.
- 3.04 Force Majeure: In circumstances of force majeure, such as the discontinuance of operations due to lack of fuel, sabotage, riot, freeze-up, excessive snow, flood, earthquake and explosions and collapse of equipment and buildings, those provisions of the Collective Agreement penalizing the Company, either monetarily or otherwise, will not be effective for the duration of the force majeure.

The parties recognize that there may be incidents of force majeure which prevent or curtail business operations other than those listed in this provision. If there are such incidents of force majeure which prevent or curtail business operations and could not have been avoided by due consideration of the Company, the parties will by mutual agreement add such act of God or event to this clause.

ARTICLE 4 - UNION SECURITY

- 4.01 Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, become and remain a member in good standing of the Union. Should an employee, at any time, cease to be a member in good standing of the Union, the Company shall, upon notification in writing from the Union, discharge such employee forthwith. In the event the Company is requested by the Union to discharge employees pursuant to this Article, the Union agrees to indemnify the Company in the event of subsequent proceedings being brought against the Company for such discharge.
- 4.02 The Company shall hand each new employee a Union membership card and dues deduction card. The employee shall complete said cards and return them to the Company. The Company shall submit the Union membership card to the Union, and shall retain the dues deduction card on the employee's file.
- 4.03 The Company shall deduct such fees and dues as provided by the Union on the first (1st) pay period of the month and submit said monies to the Union before the twenty-fifth (25th) day of the month in which said monies were deducted. The Union shall indemnify the Company for such remissions and deductions when in accordance with Union instructions.

The Union will specify the amount of the initiation fee in the said remissions and deductions.

- 4.04 Upon receiving one (1) month's notice from the Union, by registered mail, of a change in the fees and dues charged by the Union to its members, the Company shall make deductions in accordance to the notice, effective the date given. The Union will indemnify the Company for all such deductions and remissions when in accordance with Union instructions.
- 4.05 The Company shall submit a check-off list containing the names and social insurance numbers of each employee and the monies applicable to each employee as described in Article 4.03 above.
- 4.06 Management shall only operate equipment and/or work with tools in the case of an emergency. An emergency shall only be for the safety of man and/or equipment or after all

qualified employees have been contacted (or an attempt made to contact them) and the work has been offered to them first. Management may use tools or operate equipment for instructional or evaluation purposes.

- 4.07 It shall not be a violation of this Collective Agreement for an employee to refuse to cross a picket line which has been legally established as a result of a bona fide labour dispute between a recognized Trade Union and a Company with whom the picketing Union has a dispute.
- 4.08 Posting of a Union insignia on the driver's side vent window of company-owned trucks and tractors shall be permitted, subject to the size not exceeding sixteen (16) square inches.
- 4.09 The Company shall ensure that it has an employee employed on each shift in the plant with a valid first aid ticket. It is recognized that the Company may employ a management person with a valid first aid ticket to comply with this requirement.
- 4.10 When the Company requires an employee to take a first aid course, the Company shall pay the employee's tuition, wages and travel expenses.
- 4.11 The Employer agrees to defend all employees and their estates in any legal actions or proceedings arising in connection with the performance of their duties, and to indemnify them and hold them harmless from any judgment rendered thereunder save in the case of gross negligence or willful misconduct by an employee. Without limiting the generality of the foregoing, legal counsel when required will be provided and the cost borne by the Employer.
- 4.12 There shall be no sub-contracting out of the bargaining unit's work, without the written permission of the Union.

ARTICLE 5 - HOURS OF WORK AND SHIFTS

5.01 The standard working shift for all posted employees shall be:

- (a) eight (8) hours work within eight and one-half (8-1/2) consecutive hours and shall be worked in five (5) posted consecutive days of the week, or
- (b) ten (10) hours work within ten and one-half (10-1/2) consecutive hours and shall be worked in four (4) posted consecutive days of the week.

5.02 Effective on date of ratification:

If a posted employee works not less than six (6) hours of the employee's regular eight (8) or ten (10) hour shift, the employee shall be paid not less than the full eight (8) or ten (10) hours for which the employee was scheduled, provided that, where the employee has completed his or her regular duties prior to the end of the regular shift, the Company shall have the right to assign to the employee "additional duties" for the balance of the employee's regular shift. "Additional duties" are defined as driving or truck-related duties for all drivers, and plant-related duties for all plant employees.

5.03 Spare Employees/Drivers

The Company shall maintain a list of a minimum of three (3) spare employees and one (1) spare driver. These employees shall be maintained on a separate seniority list and shall be paid a minimum of four (4) hours call-out at straight time.

- (a) Subject to their qualifications, skill and ability, spare employees will be called to work in order of their seniority on the seniority list. Upon successful completion of the probation period the spare employee's/driver's seniority shall date back to his/her first day of employment.
 - (b) Where a Spare employee/driver is called into work and replaces an employee on either an eight (8) hour shift or a ten (10) hour shift, the Spare employee/driver shall be paid overtime in accordance with Article 6.02.
 - (c) Spare employee/drivers will be given as much notice as possible of a call-in.
 - (d) Spare employees/drivers shall be able to apply for job postings. Spare employees/drivers who successfully apply for a posting shall be subject to Article 14.06.
 - (e) Where no Spare employee/drivers respond to a call in, the Company may engage workers from a temporary employment agency. Any position filled by a temporary agency will not exceed two weeks.
- 5.04 Employees shall receive two (2) paid fifteen (15) minute breaks during their shift. Driving employees may elect to combine these breaks, provided these breaks are not taken within two (2) hours of the end of the employee's shift.
- 5.05 Employees shall receive an unpaid lunch period of thirty (30) minutes near mid-shift.
- 5.06 Lunch breaks shall be optional for all driving employees. The Company shall be notified, in writing, of the option chosen by each employee, and shall not be varied by the employee without the written agreement of the Company.
- 5.07 A schedule shall be posted on the Bulletin Board on the Company's premises. This schedule shall contain the name of each posted employee, his starting and quitting times and his days off each week.
- 5.08 Where an employee is scheduled to report for work and is directed by the Company to report at an earlier time and the employee arrives as directed and is then told to start at a later time instead, the employee shall be paid from the time he reported for work originally directed by the Company.
- 5.09 The day shall commence at 12:01 a.m. and end at 12:00 midnight.
- 5.10 (a) For posted employees, the work week shall start on the first scheduled day of their week.

- (b) For spare employees, the week shall start at 12:01 a.m. Monday and end at 12:00 midnight Sunday.
- 5.11 A shift commencing on one (1) day and continuing into the next day, shall be considered as work performed on the day on which the shift commences.
- 5.12 An employee shall have at least eight (8) consecutive hours rest after he has completed a shift. Should he choose to work overtime, his rest period would be reduced by the number of hours so worked. If an employee is called into work without having had eight (8) consecutive hours rest, he shall be paid at the overtime rate of pay until he has had the said eight (8) consecutive hours rest.
- 5.13 SHIFTS:
 - Day Shift: The day shift shall be described as the first (1st) shift of the day and such shift shall be scheduled to start between the hours of 5:00 a.m. and 11:59 a.m.
 - Afternoon Shift: The afternoon shift shall be described as the second (2nd) shift of the day and such shift shall be scheduled to start between the hours of 12:00 noon and 8:59 p.m.
 - Graveyard Shift: The graveyard shift shall be described as the third (3rd) shift of the day and such shift shall be scheduled to start between the hours of 9:00 p.m. and 4:59 a.m.

ARTICLE 6 - OVERTIME, ROUTE COMPLETION AND PREMIUM RATES

- 6.01 OVERTIME:
 - (a) All posted employees working the eight (8) hour shift shall be paid time and one-half (1.5x) their hourly rate of pay for all hours in excess of eight (8) hours up to and including 11 hours. Any hours in excess of 11 hours shall be paid at double time.
 - (b) All posted employees working the ten (10) hour shift shall be paid time and one half (1.5x) their hourly rate of pay for all hours in excess of ten (10) hours up to and including 11 hours. Any hours in excess of 11 hours shall be paid at double time.
 - (c) All posted employees shall be paid two times (2x) their hourly rate of pay for all hours worked in excess of forty-eight (48) hours per week.
- 6.02 All spare employees shall be paid time and one-half (1.5x) their hourly rate of pay for all hours worked in excess of forty (40) hours in a week or in excess of five (5) days in the week and two times (2x) for all hours in excess of forty-eight (48) hours in the week.
- 6.03 For all hours worked on a General and/or Proclaimed holiday named in Article 8.01, an employee shall be paid one and one half times (1½x) his regular rate of pay up to and including 11 hours. Any hours in excess of 11 hours shall be paid at double time. Additionally, any other compensation the employee may be entitled to pursuant to Article 6.07 will be paid.

- 6.04 (a) Overtime on non-scheduled workdays and/or statutory holidays will be awarded to senior employees with the qualifications, skill, and ability who have signed the overtime list in accordance with article 14.07. In the event there are insufficient volunteers to perform overtime work, the overtime work shall be assigned to the employee(s) with the least amount of seniority who have the qualifications, skill, and ability to perform the work available.
- (b) Overtime on scheduled workdays shall be mutually agreed between the employee on shift and the Company. All overtime shall be on a voluntary basis except when there are no volunteers on shift, it shall be assigned to the most junior employee on shift capable of performing the available work.
- (c) For overtime that occurs at the end of the shift, the employee truck driver directly affected will be required to work up to one (1) additional hour. If after working the additional hour the employee affected is unwilling to complete the route, other drivers on that shift shall be offered the overtime in accordance with seniority.
- 6.05 Work Before Regular Shift - Employees called in before their regular starting time shall be paid the appropriate overtime rate for work performed prior to their regular starting time. By mutual agreement between the employee and the Company, an employee's regular shift time may be varied by up to one-half (1/2) hour. It is understood that any such change of shift schedule shall be done on a continued basis and shall apply to each day of the shift. Any change done in accordance with this article shall not require the Company to repost as per Article 14.
- 6.06 Employees called back to work after their regular shift shall receive a minimum of two (2) hours pay at the prevailing overtime rate.
- 6.07 Overtime - Calculation Of - Without detracting from the minimum overtime hours worked and/or minimum overtime pay guarantees as provided elsewhere in this Agreement, when an employee works overtime, his time worked shall be calculated on a fifteen (15) minute unit basis. If an employee works any part of a fifteen (15) minute unit, he shall receive credit for time worked for that full fifteen (15) minute unit.
- 6.08 Subject to Article 14.06, all overtime shall be in accordance with this collective agreement. All overtime, including call out shall be allocated on a seniority basis, subject to the Company's right to use the lowest overtime premium rate available.

6.09 PREMIUM RATES

Effective May 1, 2005:

- (a) When designed First Aid attendant by the Company an employee with a Level II or higher ticket shall be paid an additional one dollar (\$1.00) per hour. Designated First Aid Attendants with a Level I ticket will receive an additional fifty cents (\$0.50) per hour.
- (b) For all hours worked on shifts starting between the hours of 12:00 p.m.-7:59 p.m., employees will receive an additional fifty cents (\$0.50) per hour.

- (c) For all hours worked on shifts starting between the hours of 8:00 p.m.-3:59 a.m., employees will receive an additional seventy-five cents (\$0.75) per hour.
- (d) When designated by the Company as the Lead Hand of a shift an employee shall be paid an additional two dollars (\$2.00) per hour. Lead Hands are employees who assist the Plant Manager in carrying out his duties. Lead Hands shall not take disciplinary action against an employee. Lead Hands shall have to answer to the Plant Manager for any deficiencies in workload completion.
- (e) The above premiums shall be paid for all hours worked including overtime hours. However, the premium shall not be included in the calculation of the overtime rate but shall be added on top of the overtime rate. Premiums shall also be paid for non-worked general holidays.

ARTICLE 7 - CLASSIFICATIONS

- 7.01 PROBATIONARY EMPLOYEES, as defined in Article 12.01, shall receive the rate of pay applicable to the classification in which they are hired, less one dollar (\$1.00) per hour.
- 7.02 DRIVERS shall include the following classifications: roll-off, truck and trailer, front load, rear packer, hiab, mobile shredder, recycle toter van, spare truck driver and shall be employees whose duties include the operating and driving of a truck and who are in possession of an appropriate drivers license issued under the Motor Vehicle Act of BC.
- 7.03 SPARE DRIVER is an employee who is required to be able to replace any truck driver.
- 7.04 SPARE EMPLOYEE is an employee who is required to be able to replace any other employee.
- 7.05 SWAMPER is an employee who is required to assist any truck driver. A swamper shall not be required to drive the truck.
- 7.06 LEADHAND is an employee who shall assist the Foreman in carrying out his duties. The Leadhand shall not take disciplinary action against an employee. It is recognized that the Leadhand shall have to answer to the Foreman for any deficiencies in work load completion.
- 7.07 PLANT EQUIPMENT OPERATOR is an employee whose duties may include operation of a variety of equipment such as a liftruck or skidsteer.
- 7.08 PLANT LABOURER is an employee who is directed by the Leadhand or Supervisor to perform tasks in the plant.
- 7.09 SHIPPER is an employee whose primary duties relate to shipping, but may also include the operation of a variety of equipment such as a liftruck or skidsteer.

ARTICLE 8 - WAGES

8.01 Wage Rates

<u>Classification</u>	May 1/05	May 1/06
Front End	\$20.94	\$21.41
Roll Off	19.86	20.31
Tractor Trailer	19.86	20.31
Recycle – All Vehicles	16.60	16.97
Rear Packer	16.60	16.97
Hiab	16.60	16.97
Shipper	15.00	15.34
Plant Equipment Operator	13.04	13.33
Plant Labourer	10.62	10.86
Swamper	10.62	10.86

8.02 In the event the Company creates a new classification during the term of this Agreement, the job duties, wage rates and/or benefits shall be negotiated immediately and shall be added to this Agreement by amendments. If the parties are unable to agree on the matters involved, then either party may proceed to the Grievance Procedures and Arbitration, as described in Article 15 of this Collective Agreement.

8.03 The Company shall pay each employee every two (2) weeks on a Thursday, all wages due, up to and including the previous Sunday. A separate detailed statement showing all hours worked, rate of pay and an itemized list of deductions, shall be given each employee each and every pay day. In the event of Thursday being a Holiday, payment of wages shall be made the day previous.

8.04 Employee pay cheques shall be available at 12:00 noon in the head office on payday. Employees working the second (2nd) and third (3rd) shift shall be able to pick up their pay cheques on the day prior to payday. All pay cheques are to be in envelopes. Any employee may request to have his pay cheque mailed to his residence or to be paid by electronic transfer.

8.05 Where the employee terminates his employment, the Company shall pay to the employee all wages earned and all holiday pay earned by the employee within seven (7) calendar days of termination.

8.06 Where the employee is terminated by the Company, the Company shall pay to the employee all wages and earned holiday pay, within 48 hours at which time the employee shall also receive his Record of Employment.

ARTICLE 9 - GENERAL HOLIDAYS

9.01 The following General Holidays shall be recognized by the Company:

- | | |
|----------------|------------------|
| NEW YEAR'S DAY | LABOUR DAY |
| GOOD FRIDAY | THANKSGIVING DAY |
| VICTORIA DAY | REMEMBRANCE DAY |
| CANADA DAY | CHRISTMAS DAY |
| BC DAY | BOXING DAY |

and all other holidays which may hereafter be required to be observed under the Statutes of Canada and/or the Province of British Columbia.

- 9.02 Employees who have established seniority in accordance with Article 11 and who have worked the last working shift scheduled by the Company within fifteen (15) days previous to the General and/or Proclaimed Holiday and who work the first (1st) working day scheduled by the Company within fifteen (15) days following the General or Proclaimed Holiday, shall receive their regular day's wages for such holiday and be entitled to take the day off.
- 9.03 In the event of a General or Proclaimed Holiday falling on an employee's regular day(s) off, the employee shall take his first scheduled working day(s) off in lieu of the General Holiday(s) unless the employee and the Employer agree on an alternate date.
- 9.04 In the event a General and/or Proclaimed Holiday falls during an employee's annual vacation, he shall receive his first scheduled work day/days following his annual vacation as additional day/days off with pay unless the employee and the Employer agree on an alternate date.

ARTICLE 10 - ANNUAL VACATIONS

All employees shall receive annual vacations in accordance with the following:

- 10.01 Vacations and vacation pay entitlements will be calculated on an anniversary date to anniversary date basis.
- 10.02 Employees who have completed one (1) year but less than five (5) years of service shall receive and take two (2) weeks of vacation each year. Vacation pay will be based on four percent (4%) of their total earnings for the previous year.
- 10.03 Employees who have completed five (5) or more years of service shall receive and take three (3) weeks of vacation in each year. Vacation pay will be based on six percent (6%) of their total earnings for the previous year.
- 10.04 The Company shall post a vacation schedule sheet on the employee's bulletin board no later than October 31st of each year and the employees shall post their desired vacation period on the schedule no later than January 31st. On or after February 1st, the Company shall confirm vacation periods on an individual basis, by seniority, subject to operational needs, to be completed no later than March 1st.

Failure of an employee to choose a vacation period during the posting interval shall result in the employee being given the choice of openings existing after March 1st. Vacations not scheduled by November 1st following the March 1st completion date may be scheduled by the Employer.

- 10.05 The period from June 15th to September 15th inclusive shall be considered as "Prime Vacation Time" and any vacation taken during this period shall be a maximum of two (2) weeks per employee.
- 10.06 The period of time taken by an employee for annual vacation shall be scheduled in accordance with his regularly scheduled work week.

- 10.07 For scheduling purposes the vacation year shall be from April 1st to March 31st.
- 10.08 Any employee wishing to change his vacation schedule may do so subject to availability and mutual agreement between the parties.
- 10.09 The term "gross earnings" as used for the calculation of vacation pay, as described within this Collective Agreement, shall include all earnings in the entitlement years described above, including annual vacation pay which the employee received during the entitlement year.

ARTICLE 11 - SENIORITY

- 11.01 (a) All new employees shall serve a probationary period of forty-five (45) worked days. Should an employee be laid off or unavailable during this period, his probationary period shall cease to run. A probationary employee may be dismissed at any time during this period, at the Company's discretion.
- (b) A probationary employee shall not exercise seniority rights during the "probationary period". Upon successful completion of the probationary period, the employee's seniority shall date from the day of hire.
- (c) Where layoffs occur due to a lack of work, the principle of "last on, first off" shall apply to probationary employees subject to qualifications, skill and ability to perform the work required.
- 11.02 Seniority lists shall be posted by the Company on the bulletin board, quarterly, showing the seniority of each employee up to his last working day of the completed quarter. The Union shall also be supplied with a seniority list.
- 11.03 In the event of lay-offs due to the reduction of the working forces, the Company shall lay-off the employee with the least seniority, qualifications, skill and ability considered.
- 11.04 When vacancies occur, the Company shall rehire laid off employees according to their seniority, qualifications, skill and ability with the Company, beginning with the most senior employee and proceeding in turn thereafter.
- 11.05 An employee who has been laid-off and fails to return to work within forty-eight (48) hours after receiving written notice at the address provided to the Company, shall lose his seniority and shall be terminated. Written notice shall be by "registered mail" or courier. It shall be the responsibility of the employee who is laid-off to leave a current address and telephone number with the Company as to where he may be contacted. The Company shall also provide a copy of such notice to the Union when the forty-eight (48) hour notification is issued.
- 11.06 An employee whose lay-off exceeds one (1) calendar year shall lose his seniority and be terminated. An employee, who has been terminated in this manner, shall have all monies owing paid to him and he shall be supplied with a Record of Employment (if not done previously).

- 11.07 When an employee suffers from an occupational injury and/or occupational illness, he shall resume his regular duties when he receives clearance to return to work by his doctor and/or the Workers' Compensation Board. Where the employee is advised by the doctor and/or Workers' Compensation Board that he should have a different type of work load, the Company and the Union shall endeavour to facilitate this condition of employment, if the Company has such work available. The employee shall not suffer any loss of seniority and/or benefits.
- 11.08 When an employee incurs a compensable injury and/or illness as covered by the W.C.B., the Company shall pay the employee all wages for all regular scheduled hours on the day of injury and/or illness.
- 11.09 When an employee who has been off work due to illness, non-occupational or occupational injury, and has not returned to work after either exhausting the wage replacement coverage benefit or, in the event of a compensable injury, fails to return to work after receiving clearance to return to work by the Compensation Board, then, it shall be the sole responsibility of that employee to notify the Company of the situation preventing him from returning to work.

LEAVE OF ABSENCE/BEREAVEMENT/JURY DUTY/MATERNITY OR PATERNITY LEAVE

11.10 LEAVE OF ABSENCE

A leave of absence shall be requested in writing by the employee. The Company at their discretion may grant a leave of absence and shall confirm any such leave in writing.

11.11 BEREAVEMENT LEAVE

When a death occurs to a member of an employee's immediate family, the employee shall be granted, upon request, a three (3) day leave of absence. An employee shall be compensated at his regular straight time hourly rate of pay for actual hours lost from his regular schedule. Members of the employee's immediate family are defined as the employee's spouse, mother, father, sons, daughters, brothers and sisters, and grandparents. Granting of bereavement leave for relatives or dependents other than those described shall be at the discretion of the Company. Step-mother and step-father shall be deemed as mother and father.

In addition, if the employee is notified of the death while he is working, he shall be excused from and paid for the balance of that working shift and such time will not be charged against the three (3) days of leave.

11.12 JURY DUTY

The Company shall grant a leave of absence to employees who serve as jurors or witnesses in a court action, provided such court action is not occasioned by the employee's private affairs.

An employee, who is summoned to appear for an action (as described above) as juror or witness shall receive his regular wages during such period, providing such time is on his regularly scheduled work day and/or days. The employee shall assign all monies received

by him for such duties to the Company except travel expenses and meal allowances not paid for by the Company.

On any day that an employee is not required to serve as juror or witness or is released from duty prior to the end of the employee's shift, the employee shall forthwith report to work.

11.13 MATERNITY/PATERNITY LEAVE

Maternity/Paternity leave will be granted upon presentation of a medical certificate and as described in the Employment Standards Act of BC.

- (a) The Company will continue to pay the employee's benefits during the absence.
- (b) On return from maternity/paternity leave an employee shall be placed in her/his former position or in a position of equal rank salary.
- (c) An employee on maternity/paternity leave shall notify the Company four (4) weeks prior to the expiration of the maternity/paternity leave of the date when the employee shall be returning to work.

ARTICLE 12 - GENERAL

- 12.01 There shall be no discrimination against any employee for being an Officer, Shop Steward or Committee person of the Union.
- 12.02 Shop Stewards shall be recognized by the Company, and shall be given reasonable time to carry out their duties. The Shop Steward shall advise their immediate supervisor when requiring time to carry out his duties. The Union agrees to notify the Company, in writing, of the name of each Shop Steward, in each department.
- 12.03 The Company shall allow time off work, with one-half (1/2) pay, to any employee who is serving on a Union committee for the purpose of discussions for negotiations with the Company. Employees will only be paid for the time actually spent in meetings with the Company.
- 12.04 The Company will provide union notice boards at all locations. The boards will be in a visible area frequented by employees. The board will be used for notices pertaining to the Union employees only. The Union agrees that any information posted will meet the standard of fair and objective comment.
- 12.05 Upon informing management, authorized agents of the Union shall have access to the Company's premises during working hours but shall not interfere with the Company's operations.
- 12.06 No employee shall be asked, and no employee shall offer to make, a written or verbal agreement and/or contract with the Company inconsistent with or in variance with the terms of this Agreement.
- 12.07 Where Article 14.05 of this Agreement does not apply on return to work, the employee shall retain his last posted position accepted by him, however he shall retain all rights to

apply for any job vacancies, provided that his application for a vacancy is received prior to the employee's return to work.

- 12.08 The Company shall supply uniforms and gloves to driving employees.
- 12.09 All plant personnel shall be supplied with coveralls and gloves.
- 12.10 Where any question arises as to special clothing for any unusual work condition, the Company shall make such clothing or gear available as the situation warrants.
- 12.11 Employees required to wear CSA approved footwear shall receive one hundred dollars (\$100.00) per year upon presentation of receipts to the Company.
- 12.12 Bonding - If at any time, the Company requires an employee to be bonded by an individual bond, the cost of such bonding shall be assumed by the Company.
- 12.13 Education For Upgrading - The Company may agree to the reimbursement of course fees to an employee when he is improving or upgrading himself in his line of work. In order to qualify for reimbursement, the employee must receive approval from the Company in advance of taking the course and must successfully complete the course.

ARTICLE 13 - INTERVIEWS, ACCIDENTS & DISCIPLINE

- 13.01 Whenever an employee is required to attend a disciplinary meeting, a Shop Steward must be in attendance.
- 13.02 An employee and/or the Union shall be given the reasons for any discipline in writing upon request.
- 13.03 All disciplinary action may be subject to the grievance and arbitration procedure.
- 13.04 Where an employee has been terminated, a grievance will be automatically filed and dealt with under Step (c) of the grievance procedure. The Company shall submit reasons for termination of an employee in writing to the Union at the Union's request.
- 13.05 In any instance where, in the course of his work, an employee incurs a levy, fine and/or assessment and is required to pay the levy, fine and/or assessment, the employee shall be allowed prior to the remittance of the applicable amounts, the opportunity to have a fact finding or investigation held to determine as to whether the employee or the Company shall incur the liability.
- 13.06 The employee shall immediately advise the Company in the event of breakdown and/or accident, and shall report all details in writing no later than the end of the day.

ARTICLE 14 - JOB VACANCIES, POSTINGS AND OVERTIME/GENERAL HOLIDAY POSTINGS

- 14.01 The Employer may transfer an employee from one classification to another without job posting for a period of up to 15 working days. The employee will be paid either his classified rate of pay or the rate of the classification transferred into, whichever is greater.

14.02 A job vacancy shall be a position within the Bargaining Unit that requires an employee to work on a continuing basis.

(a) All postings shall include the classification, the hours of the shift and the days of the week and rate of pay.

(b) When an employee is off work due to illness, vacation, and/or any other short-term absence, the vacancy created shall be filled by a spare employee but does not qualify as a continuing vacancy.

14.03 Where a vacancy or a new posting occurs, the Company shall "post" a "notice" indicating the classification, the hours of the shift and the days of the week and rate of pay.

This "notice" shall be posted for seven (7) days.

Employees on annual vacation, Workers' Compensation benefits and/or sick benefits during this entire seven (7) day period shall be given an opportunity to apply for this posting.

14.04 The Company shall give seven (7) days' notice to cancel a posting.

14.05 Seniority shall be the governing factor in fulfilling job vacancies, providing the factors of qualifications, skill, and ability are relatively equal among those involved.

In the event a senior employee is not successful, the Company shall advise the Union of the decision prior to filling the job vacancy.

14.06 An employee transferring from one classification to another classification shall be given an additional probationary period of thirty (30) calendar days. If, after designated training, the employee is found unacceptable for the position, he shall be given the opportunity to return to his last position held without any loss of seniority.

In the event of a reduction of postings, an employee shall have the right to either:

(a) exercise his seniority within the seniority list, qualifications, skill and ability considered; or

(b) be placed according to seniority on the Spare Employee's list.

14.07 Where an employee wishes to apply for overtime, he shall sign the list posted by the Company. Should the employee wish to remove his name from the list, he shall remove his name and sign it from this list. The employee should also ensure the Company has an up-to-date phone number where he may be contacted.

ARTICLE 15 - GRIEVANCE PROCEDURE AND ARBITRATION

15.01 The procedure for resolving differences between the parties bound by this Agreement concerning its interpretation, application, operation or any violations thereof shall be as follows:

- (a) An employee shall file his grievance in writing within seven (7) days of his having an opportunity to become aware of his grievance. This time limit is mandatory, and if it is not complied with (provided it has not been waived by the parties), the grievance shall be deemed to be abandoned.
- (b) The employee's General Manager or his designate, the employee and Shop Steward shall meet promptly to endeavour to resolve the grievance. If they are unable to resolve the grievance within five (5) days of its being filed, the grievance will automatically be referred to the Divisional Manager.
- (c) The Divisional Manager, or his designate in the event he is absent, and a representative of the Union, shall meet promptly to endeavour to resolve the grievance. If they are unable to resolve the grievance within seven (7) days of its being referred to the Divisional Manager, it shall be deemed that the grievance procedure has been exhausted.
- (d) Either party must refer the matter to arbitration within 30 days, failing which the grievance will have been deemed to be abandoned.

15.02 Where the parties proceed to arbitration a single arbitrator will be selected to resolve the dispute. If the Union and the Company are unable to agree on a single arbitrator, the Chair of the Labour Relations Board will be asked to appoint one. The arbitrator so agreed or appointed will meet jointly with both parties as quickly as practical to hear the dispute, and each party may present evidence and make both written and oral presentations. The decision of the arbitrator will be final and binding on both parties.

15.03 The Arbitrator shall have all the powers granted to it under the Labour Relations Code.

15.04 Each party shall pay its own costs and fees and the expenses of its representatives and witnesses. The fees and expenses of the Arbitrator shall be shared equally between the parties.

15.05 In the event of an Arbitrator being appointed, it is agreed by both the Union and the Employer, that the Arbitrator shall be requested to hand down a decision within ten (10) days, or as soon thereafter as may conveniently be arranged.

15.06 The Employer and the Union may mutually agree in writing to waive any of the time limits set out in this article.

ARTICLE 16 - HEALTH & SAFETY

16.01 The Company has the primary responsibility for ensuring that safe conditions prevail within the work place, to take appropriate and effective measures, both preventive and corrective, to protect the health and safety of employees.

Without limiting the generality of the foregoing, the Company shall:

- (a) inform its employees and their Union representative of any situation relating to their work which may endanger their health or safety, as soon as it learns of the said situation and take all reasonable measures necessary to correct said situation;

- (b) The Company shall continue to have a joint Health and Safety Committee consisting of a minimum of four (4) persons (two [2] from the Bargaining Unit and two [2] from Management). The Health and Safety Committee shall meet at least once a month. The minutes of these meetings shall be sent to the Union.
- (c) Meetings shall be held during day shift. Employees required to attend the meetings during their shifts shall receive their regular pay.

16.02 No disciplinary action shall be taken against any employee by reason of the fact he has reasonably exercised the right conferred upon him under the WCB Act respecting occupational health and safety of employees.

ARTICLE 17 - HEALTH & WELFARE

17.01 Employees will continue to be covered under the terms and conditions of the Belkin Paper Stock Inc. benefits plan.

17.02 Premiums shall be paid 100% by the employer.

17.03 The Company shall supply the Union with a copy of the benefits plan in force at the date of signing.

17.04 The Company shall be entitled to retain the entire UIC rebate.

17.05 Effective January 1, 2006:

The Company shall provide to each seniority rated employee five (5) sick days per year. Sick days are calculated on a pro-rata basis over the calendar year. If an employee has been paid for sick days that he or she hasn't earned and employment is terminated (for any reason), the unearned sick days will be deducted from the employee's last pay cheque. The calculation of sick days for new hires does not begin until the employee has completed their probationary period. Unused sick days cannot be carried forward to other calendar years.

ARTICLE 18 - SAVINGS CLAUSE

18.01 If any Article or Section of this Agreement should be held invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

18.02 In the event that any Article or Section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of either Party, for the purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the Grievance Procedure.

ARTICLE 19 - PENSION

19.01 The Company shall continue to provide an RRSP plan. All full time employees with twelve (12) months of continuous service must join the plan. Both the employee and the Company contribute to the plan as follows: a monthly contribution equal to five percent (5%) of the employee's basic monthly earnings (at regular classification rate). Company and employee contributions to the plan shall be vested with the employee immediately.

ARTICLE 20 - SEVERANCE

In the event of the permanent closure of the Plant or a department thereof, employees who will be terminated as a result shall receive individual severance pay and/or notice equal to that contained in the Employment Standards Act.

ARTICLE 21 - LIFE OF AGREEMENT AND RENEWAL

21.01 This Agreement shall become effective as of the first (1st) day of May, 2005 and shall remain in full force and effect until the thirtieth (30th) day of April 2007 and each succeeding first (1st) day of May thereafter unless written notice is served on the one (1) Party by the other Party to commence negotiations for a new Collective Agreement to supersede this Collective Agreement within the four (4) month period prior to the thirtieth (30th) day of April 2007 or the thirtieth (30th) day of April in any year thereafter.

21.02 The Parties hereby agree to exclude the operation of Section 50 (2) and (3) of the Labour Relations Code.

21.03 In the event that one (1) Party serves notice on the other Party to commence negotiations for a new Collective Agreement, the provisions of this Agreement shall remain in full force and effect until a new Agreement has been executed.

21.04 STRIKES AND LOCKOUTS

- (a) The Union shall not sanction any strike, stoppage or cessation of work or picketing, for the duration of this Collective Agreement, and there shall be no deliberate interference with the operations of the Company.
- (b) On expiration of this Collective Agreement there shall be no strike/lockout action until an impasse is reached.

Signed this _____ day of _____, 2006.

BELKIN PAPER INC.

INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING

BETWEEN

BELKIN PAPER INC.

(hereinafter referred to as the "Company")

AND

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter referred to as the "Union")

Below listed are the Company's and the Union's agreed definitions of qualifications, skill and ability.

- 1) "Qualifications" - The possession of a valid and appropriate license to operate the vehicle or equipment used in the performance of the job;
- 2) "Skill" - Competence and proficiency, demonstrated to the satisfaction of the Company (through training and testing administered by the Company), in the performance of the duties required in the job including the operation of any vehicle or equipment used in the performance of the job;
- 3) "Ability" - The physical and mental capability to perform the duties required in the job without training and familiarization.

Signed this _____ day of _____, 2006.

BELKIN PAPER INC.

INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 115

OVERTIME BANKING PROCEDURES

PURPOSE

This program is designed to provide bargaining unit employees with an option to bank overtime hours. This banking process allows the employees to bank overtime hours and withdraw out of this bank in one of two ways:

- (a) Withdraw in the form of time off.
- (b) Withdraw in the form of monies.

PROCEDURE

- 1) Bargaining unit members may request that overtime hours be banked by filling out an "Overtime Banking Request Form." All such requests will be subject to the approval of the Company, which approval may not be unreasonably withheld.
- 2) When overtime hours are banked, the Company will carry out the conversion of overtime hours to the equivalent regular shift hours. (To illustrate the method of conversion, if an employee has worked five (5) overtime hours at the time and one half rate, the conversion to regular shift hours would result in 7.5 hours of banked time.)
- 3) No employee may have more than forty (40) hours of converted time in the employee's time bank at any time. Once an employee has banked forty (40) hours, any additional overtime worked by the employee shall be paid out to the employee as part of the regular payroll.
- 4) An employee wishing to withdraw banked hours for the purpose of taking time off shall complete the "Overtime Withdrawal Request Form" for approval by management. An employee will only be allowed to withdraw a maximum of forty (40) hours of banked time for the purpose of taking time off at anyone time. It is understood that where any employee withdraws hours for any purpose, he shall have the right to resume the banking of overtime hours to the 40 hour maximum. Subject to Article 10.05, the Company will endeavour to allow such time off provided that it will not interfere with the effective operation of the Company or as mutually agreed upon by the Company and the employee.
- 5) An employee wishing to withdraw banked hours in return for a cash payment must complete the "Overtime Withdrawal Request Form" for approval by management. The payment to the employee will be made by way of a separate cheque on the next available pay period.
- 6) For each request to add to or withdraw from an employee's time bank, the employer shall provide to the employee a copy of the completed "Overtime Withdrawal Request Form." The original will be kept on file by the Accounting Department for each approved request.
- 7) On December 31 of every year, the Company will determine the number of unused banked hours for each employee, and will payout all banked time to each employee in the next pay period.