



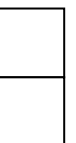
COLLECTIVE AGREEMENT

BETWEEN

**PACIFIC BIOENERGY CORPORATION
("The Company")**

AND

**PPWC LOCAL 9
("The Union")**



ARTICLE 1 – GENERAL

Section 1: Purpose

- a) The purpose of this Agreement is to establish and maintain collective bargaining relations between the Company and its employees as represented by the Union, to establish rates of pay, hours of work and other conditions of employment; to provide for the prompt and equitable disposition of grievances; and generally, through the full and fair administration of all terms and provisions contained herein, to develop and achieve harmonious relationships between the Union, the Company and the employees which will be conducive to their mutual well-being.
- b) The Union and the Company agree it is in the best interest of the community and its members to create job opportunities in B.C.
- c) The parties hereto subscribe to the principles of the Human Rights Code and recognize their respective obligations and responsibilities to provide a work environment free from sexual and personal harassment.

Section 2: Gender

Wherever a masculine reference is used in this Agreement, it shall be deemed to include the equivalent feminine reference.

Section 3: No Strikes or Lockouts

The Union and the Company agree that there will be no strikes or lockouts while this Agreement continues to operate.

Section 4: Employer's Rights

The management of the operation and the direction and promotion of the employees are vested exclusively in the Management provided it will not be used for the purpose of discrimination against employees, subject to all other provisions of this Collective Agreement.

The company shall have the right to select its employees and to discipline or discharge them for just and reasonable cause.



ARTICLE 2 – UNION RECOGNITION

Section 1

The Company recognizes Local 9, Pulp, Paper and Woodworkers of Canada as the exclusive bargaining agent for hourly paid employees except office and sales staff, and those excluded by the Labour Relations Code.

Section 2: Bargaining Unit Work

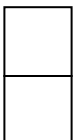
The Union and the Company recognize that salaried employees, including Supervisors, are excluded from the provisions of this Agreement. For the practical, efficient, and economic operation of the plant, there may be occasions when Supervisors could do bargaining unit work. The Union and the Company agree that Supervisors may only perform bargaining unit work for the purposes of instruction, or for the purposes of developing and testing of new products or processes, and assisting in minor break downs of short duration, providing such work does not displace or replace any bargaining unit employee, or in the case of emergency. Such occasions shall only be temporary in nature and must not result in the displacement or layoff of an employee, or prevent the recall of a laid-off employee. The Company shall notify the Union in the event Supervisors or other excluded personnel intend on performing bargaining unit work, prior to such work, if practicable.

Section 3: Bulletin Boards

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

Section 4

Any new employee shall be introduced to a Union plant committee member by his supervisor within three (3) days of starting work.



ARTICLE 3 – UNION SECURITY

Section 1: Union Shop

All employees of the Company shall, as a condition of continued employment, become members in good standing and shall maintain such membership in good standing in the Union and all new employees shall, as a condition of employment, become a member of the Union within thirty (30) days of their date of hire. Any employee who fails to maintain his membership in good standing in the Union by reason of failure to pay dues or assessments, uniformly required of all members of the bargaining unit, 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 2: Union Dues Deductions

- a) The Company agrees to deduct and remit dues from each employee according to the rules laid out in the By-laws of the Union. The Company will deduct dues from new employees after 40 hours of work.
- b) All deductions shall be remitted to the Union once a month with a written statement containing the names of the employees from whom the deductions were made and the amount of the deduction.

Section 3: Union Representation

- a) The Union shall elect from its members employed by the Company a Union Plant Committee and/or Shop Steward(s), who shall represent the Union on matters arising out of this Agreement including the processing of grievances.
- b) The Union agrees to notify the Company, in writing, of the names of its Plant Committee Members and Shop Steward(s) and shall notify the Company, in writing, of any changes in these positions.
- c) The Company agrees that the Union Plant Committee and/or Shop Steward(s), upon company authorization, will be compensated at their regular rate of pay when handling Collective Agreement matters. The company will not unreasonably withhold such authorization.
- d) Authorized representatives of the Union shall be granted reasonable access to the plant upon receiving permission from the Company. Permission will not be unreasonably withheld. It is agreed that access to the plant by a Union representative will not disrupt production.

ARTICLE 3 – UNION SECURITY (continued)

Section 4: Successorship

- a) (i) In the event of a change in employer status, members of Local 9, PPWC will retain all of their rights under the Collective Agreement.
 - (ii) Without limiting the generality of the forgoing, if the Company or its operations, or any part of the Company or its operations, are sold, leased, transferred or otherwise disposed of, the purchaser, lessee or transferee is bound by the Collective Agreement to the same extent as if it had been signed by the purchaser, lessee or transferee, as the case maybe.
- b) Replacement Plant
If for any reason the Company closes the existing plant and transfers its manufacturing operations to another plant, within a radius of 50 Km of the existing plant, the employees shall retain their employment and seniority at the other plant. The company shall recognize the existing collective agreement in the other plant.

ARTICLE 4 – TERM OF AGREEMENT

Section 1

The agreement shall be in full force and effect from April 16th, 2009 to April 15, 2011.

Section 2

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

Section 3

The present Collective Agreement shall remain in full force and effect until a new Agreement is signed or the requirements of the Labour Code regarding strike or lockout have been met, whichever occurs first.

Section 4

This Agreement may be opened for collective bargaining to amend said Agreement by either party advising the other, in writing, within four (4) months of the expiry date, that change is desired.

Section 5

If notice of desire for changes has been given in accordance with Section 4 above, the parties shall, as soon as agreeable to the parties following such date of notice, meet for collective bargaining. The Company, being represented in such negotiations by a Bargaining Committee appointed by the Company and the Union being represented by a Bargaining Committee selected by said Union. Any agreement on changes arrived at and approved in such negotiations shall be binding upon the parties to this Agreement.

ARTICLE 5 – SENIORITY

Section 1: Principles

The Company recognizes the principles of seniority in their application to promotion, demotion, transfer, layoff and recall providing the employee has the qualifications and ability to perform the work.

Section 2: Probation Period

An employee shall be considered on probation for the first forty-five (45) calendar days of employment and will have no seniority rights during that period. After completion of this probationary period, his/her seniority shall date back to the day on which his/her employment began.

Section 3: Job Postings

- a) When a vacancy occurs or a new position is created, a job posting is required, which shall be posted on the bulletin boards for at least (7) working days. The Company shall schedule the selected employee into the posted job within 30 days after the employee has been accepted, or as soon after as can reasonably be scheduled.
- b) Where the posting system does not generate a qualified applicant, the company shall retain the right to manage, and may select and hire from outside the bargaining unit.
- c) In selecting an applicant for a vacancy or a new position, seniority shall be the determining factor provided the applicant possesses the required qualifications and sufficient ability to perform the job.
- d) An employee who has been selected to fill a vacancy or a new position shall be allowed a period of up to thirty (30) working days to prove his ability for the position. If, after a fair assessment by the Company, it is found that the employee is unable to perform the duties of the position, the employee shall revert to his/her former job position. This trial period may be extended by mutual agreement between the Company and Union.

Section 4: Layoffs and Recalls and Retention of Seniority

- a) The general principle for layoff and recall is: first in, last out.
- b) No new employee shall be hired until all laid-off employees have been given the opportunity to return to work.
- c) A laid-off employee shall retain his/her rights under the Collective Agreement for a period of one (1) year from the date of layoff.
- d) If an employee is laid off for a period of time which exceeds the period of time referred to in paragraph (c) above, then that employee will be considered permanently laid off.

ARTICLE 6 – HOURS OF WORK AND OVERTIME

Section 1: Shift Schedules

It is understood that employees may be assigned to one of the following hours of work configurations. This Article shall not be construed as guaranteeing to any employee any number of hours of work per day or per week.

1. (Five Day Schedule):

- a) The regular hours of work shall be five (5) eight (8) hour shifts, with two (2) days off each week. Such days off will be consecutive days unless mutually agreed to be otherwise between the employee and the Company.
- b) Start and Stop times will be:
 - a. Day Shift, On call - Start 7:00am Stop 3:00 pm
 - b. Day Shift. Regular - Start 7:00 am Stop 3:30 pm
 - c. Afternoon Shift. On call - Start 3:00 pm Stop 11:00 pm
 - d. Afternoon Shift. Regular - Start 3:00 pm Stop 11:30 pm
 - e. Graveyard Shift. On call - Start 11:00 pm Stop 7:00 am
 - f. Graveyard Shift. Regular - Start 11:00 pm Stop 7:30 am
- c) Overtime shall be paid at rate and one half for all hours worked in excess of eight (8) hours per day.
- d) Double straight time rates shall be paid for all hours worked in excess of eleven (11) hours per day.
- e) Employees not required to be on call during lunch will have a shift duration of eight and one half hours (8 ½), which shall include one unpaid half hour per day to eat lunch.
- f) Employees required to be on call during lunch will have paid shift duration, including lunch, of eight (8) hours, as reflected in b).

Employees shall be granted a ten (10) minute rest period without loss of pay, during each half of each shift as near to the mid-point of the period as practicable.

2. (Four Day, Ten (10) Hour Schedule):

- a) The regular hours of work shall be four (4) ten (10) hour shifts, with three (3) days off between shifts. Such days off will be consecutive days unless mutually agreed to be otherwise between the employee and the Company.
- b) Start and Stop times will be as agreed to by the Plant Committee and the Company.
- c) Overtime shall be paid at rate and one half for all hours worked in excess of ten (10) hours per day.
- d) Double straight time rates shall be paid for all hours worked in excess of twelve (12) hours per day.
- e) Employees not required to be on call during lunch will have a shift duration of ten and one half hours (10 ½), which shall include one unpaid half hour per day to eat lunch.
- f) Employees required to be on call during lunch will have paid shift duration, including lunch, of ten (10) hours.

Employees shall be granted a ten (10) minute rest period without loss of pay, during each half of each shift as near to the mid-point of the period as practicable.

3. (Four Day, Twelve (12) Hour Schedule):

- a) The regular hours of work shall be four (4) twelve (12) hour shifts, with four (4) days off between shifts. Such days off will be consecutive days unless mutually agreed to be otherwise between the employee and the Company.
- b) Start and Stop times will be:
 - a. Day Shift, - Start 6:00 am Stop 6:00 pm
 - b. Night Shift.- Start 6:00 pm Stop 6:00 am
- c) Overtime shall be paid at rate and one half for all hours worked in excess of ten (10) hours per day, with a qualifier that a minimum of 40 consecutive hours must be worked in a shift rotation.
- d) Double straight time rates shall be paid for all hours worked in excess of twelve (12) hours per day.
- e) Under this schedule, employees will be deemed to be on call during their half (1/2) hour lunch and will have paid shift duration of twelve (12) hours.

Employees shall be granted a fifteen (15) minute rest period without loss of pay, during each half of each shift as near to the mid-point of the period as practicable.

Section 2: Other Shifts

The Company and the Union shall have the right under the collective agreement to agree upon and implement other schedules consistent with the principle of a forty (40) hour work week, over an averaging period.

Section 3: Hot Meal

When an employee works more than two additional hours after completing his regular shift, he shall be provided with a hot meal. The meal shall be eaten on Company time.

ARTICLE 7 – WAGES

Section 1: Job Classifications and Wage Rates

- a) The parties agree that job classifications and wage rates shall be as per the following schedule for the duration of this Agreement.
- b) Any changes to job classifications, or to an existing job, shall be only after discussion and input between the Company and the Union. When a new job classification is established or an existing job is changed, the Union reserves the right to negotiate a new or adjusted wage rate. If the Company and the Union fail to reach an agreement, the issue may be processed as a grievance and referred to arbitration, pursuant to Article 13. Any resolution or award shall be retroactive to the date of establishment of the new classification or change to the existing job.
- c) Schedule of Job Classifications and Wages:
 The year one (1) wage rates outlined in the table below will take effect on commencement of the first pay period following ratification. A one and one half (1.5) percent increase will be implemented effective the commencement of the first pay period in April 2010.

Classification	Wage Rates	Year 1	Year 2
<u>TRADES:</u>			
Journeyman - certified		\$31.85*	\$32.32*
Journeyman - uncertified		\$31.25*	\$31.72*
Apprentice - 4 th Year		\$29.22*	\$29.66*
	3 rd Year	\$26.29*	\$26.68*
	2 nd Year	\$21.92*	\$22.25*
	1 st Year	\$20.88*	\$21.19*
* includes tool allowance			
<u>PRODUCTION:</u>			
Clean Up/General Labour	0-3 months	\$14.35	\$14.57
	Over 3 months	\$15.44	\$15.67
Rail Load Out		\$16.09	\$16.33
Spare Loader Operator	0-3 months	\$16.09	\$16.33
	Over 3 months	\$17.44	\$17.70
Loader Operator	0-3 months	\$17.44	\$17.70
	Over 3 months	\$19.33	\$19.62
Spare Control Operator	0-3 months	\$17.44	\$17.70
	Over 3 months	\$18.32	\$18.60
Control Operator	0-12 months	\$19.33*	\$19.62*
	12-24 months	\$22.97*	\$23.31*
	After 24 months	\$26.41*	\$26.81*
* includes Charge Hand premium			

Section 2: Premiums

a) Charge Hand Premium:

- Employees working as Charge Hand shall receive \$1.00 per hour more than their regular rate.
- On-call bonus: Designated, on-call Millwright and Electrician Charge Hands shall receive a bonus of seven (7) hours O/T pay per week.

b) First Aid Premium

- Employees designated as first aid attendants and holding a valid Occupational First Aid Certificate shall be paid a first aid premium for all hours worked based on the level of certificate held.
- OFA Level 1= \$0.30 per hour.
- OFA Level 2= \$0.50 per hour.
- OFA Level 3= \$0.75 per hour.

The present company policy regarding attendance at Occupational First Aid training courses shall continue.

c) Trackmobile Premium

Employees holding a certification for Trackmobile operation and designated as the operator on shift, shall receive a \$1.30 per hour premium.

Section 3: Tool Allowance

Trades rates include an allowance of \$1.00 per hour for the purchase of tools appropriate to the trade.

Section 4: Direct Payroll Deposit

Employees will be paid through a method of direct payroll deposit. Employees will provide necessary bank account information to the payroll department.

ARTICLE 8 – REPORTING PAY AND CALL-BACK PAY

Section 1: No Work

- a) An employee who reports to work and on reporting finds no work available due to reasons beyond his/her control, shall be entitled to two (2) hours at his/her regular wage rate.
- b) This shall not apply if the Company has given sufficient notice of the cancellation of work.
- c) It is agreed that for the purpose of this section, eight (8) hours shall be deemed sufficient notice.

Section 2: Where work Commences

- a) In the event that an employee commences work on his/her shift and the operation shuts down prior to the completion of two (2) hours work, the employee shall receive four (4) hours pay at the employee's regular wage rate.
- b) Notwithstanding subsection (a) above, where work is suspended because of inclement weather or other reasons completely beyond the control of the Company, an employee shall receive two (2) hours pay.

Section 3: Call-back Pay

An employee who leaves the workplace and is subsequently called back to work prior to the starting time of his/her next scheduled shift shall be paid a minimum of three (3) hours at rate and one half. This call-back pay does not apply to pre-scheduled overtime that is prior to and contiguous to an employee's regular shift.

ARTICLE 9 – HOLIDAYS AND HOLIDAY PAY

Section 1: Holidays

- a) For the purposes of this agreement, the Company and the Union agree that the following Statutory Holidays shall be observed. New Year's Day, Good Friday, Victoria Day, Canada Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day.

Section 2: Holiday Pay

- a) In addition to any other compensation earned, an eligible employee shall receive for each of the recognized holidays referred to in Section 1 above, Holiday Pay in the amount of his/her regular straight-time job rate times the regular hours normally worked at his regular work schedule (e.g. Eight (8) hour shifts would receive eight (8) hours pay. Ten (10) hour shifts would receive Ten (10) hours pay. Twelve (12) hour shifts would receive twelve (12) hours pay).
- b) Employees who work on a Statutory Holiday shall be paid at the time and one-half for all hours worked.

Section 3: Qualifying Conditions

An employee, to qualify for Statutory Holiday pay, must comply with each one of the following conditions:

- a) Has been on payroll thirty (30) calendar days immediately preceding the holiday.
- b) Has worked his last regularly scheduled work day before, and his first regularly scheduled work day after the holiday, unless his absence is due to non-occupational illness or injury, compensable occupational injury, or is otherwise authorized by the employer.
- c) Notwithstanding any of the foregoing, the employee must have worked one (1) day before and one (1) day after the holiday, both of which must fall within a period of sixty (60) calendar days.

ARTICLE 10 – VACATIONS

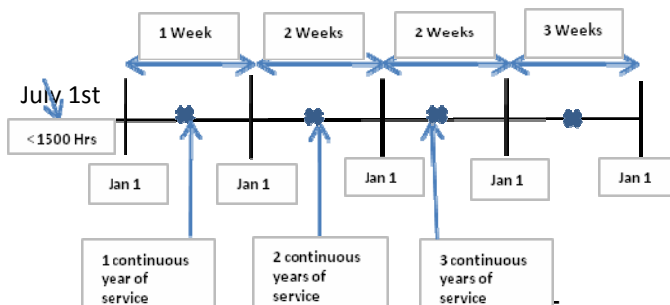
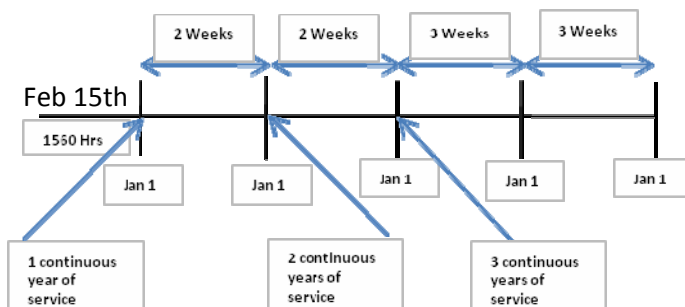
Section 1: Vacation Period

The vacation period shall be twelve (12) months commencing on January 1st and ending on the following December 31st.

Section 2: Vacation Entitlement

- a) An employee shall receive annual vacation with pay based on his/her continuous service according to the following schedule:
- Two (2) weeks' vacation with pay: after one (1) year continuous service. [minimum 1500 hours]
 - Three (3) weeks' vacation with pay: after three (3) continuous years of service
 - Four (4) weeks' vacation with pay: after five (5) continuous years of service
- b) Employees with less than one year service who have worked less than 1500 hours as of January 1st shall be granted a pro-rated vacation calculated by multiplying 2 weeks multiplied by the number of month's service, divided by 12 months. (e.g. an employee with 6 months service: vacation entitlement equals $6 \times 2 \text{ weeks} \div 12 = 1 \text{ week vacation}$).
- c) For employees who work more than 1500 hours between January 1st and December 31st, in their first year of employment, January 1st of each year will deemed as the effective date for continuous service as it relates to vacation entitlement. Employees who work 1500 hours or less between January 1st and December 31st, in their first year of employment will retain their anniversary date for vacation entitlement.

EXAMPLES:



ARTICLE 10 – VACATIONS (continued)

- d) The following shall be considered as continuous service for the purpose of qualifying for a vacation:
 - i. Time lost as a result of an accident as recognized by the Workers' Compensation Board.
 - ii. Time, not exceeding one year, lost as a result of a non-occupational accident or illness, provided that the employee has completed the probationary period as outlined in Article 5, and that he returns to his employment.
 - iii. Time spent on earned vacations.
 - iv. Time spent on Holidays as defined in Article 9 of this Agreement.
 - v. Time absent from work because of Jury Duty or as a subpoenaed witness.
 - vi. Time absent from work because of a death in family.
 - vii. Time absent from work on approved leaves of absence.

Section 3: Vacation Pay

- a) For employees with less than one year service, they shall receive vacation pay of four (4%) percent of their gross earnings up to December 31st.
- b) For employees with one to three years continuous service, they shall receive the greater of vacation pay of four (4%) percent of their gross earnings or two weeks pay at their regular rate of pay based on their regular work schedule.
- c) For employees with three to five years continuous service, they shall receive the greater of vacation pay of six (6%) percent of their gross earnings or three weeks pay at their regular rate of pay based on their regular work schedule.
- d) For employees with more than five years continuous service, they shall receive the greater of vacation pay of eight (8%) percent of their gross earnings or four weeks pay at their regular rate of pay based on their regular work schedule.
- e) In calculating an employee's gross earnings for the vacation period, all premiums, overtime, statutory holiday pay, annual vacation pay and any incentive or bonus pay shall be included.

Section 4: General Rules

- a) Upon entitlement, employees will be required to utilize a minimum of two weeks' vacation in any given vacation year.

- b) Employees with vacation entitlement greater than two (2) weeks' vacation may elect to receive a maximum of one (1) week vacation pay, without taking the corresponding time off, in any given vacation year.

ARTICLE 11 – HEALTH AND WELFARE BENEFITS

Section 1: Group Benefits Plan

- a) It is agreed that the Group Benefits Plan, as detailed in the Benefit Plan booklets for Pacific BioEnergy Employees dated January and February 2009, be provided to employees. The premiums for said benefits will be borne as follows:

Extended Health	Company 100%	Employee 0%
Dental	Company 100%	Employee 0%
LTD	Company 100%	Employee 0%
STD	Company 100%	Employee 0%
Life Insurance	Company 0%	Employee 100%
AD&D	Company 100%	Employee 0%
Critical Illness	Company 0%	Employee 100%
MSP	Company 0%	Employee 100%

- b) Subject to eligibility provisions as per benefit plan documents, the plan will be made available to employees upon completion of the probationary period.
- c) Any changes to coverage's under the Group Benefit Plans must be through mutual consent between the Company and the Union.

Section 2: Layoff Coverage:

Layoff coverage for Health and Welfare benefits will be provided as follows:

- Sunlife [EHC, Dental, Life, Critical Illness] and MSP
End of the third month following month of layoff
- RBC [STD, LTD and ADD]
End of the month following month of layoff

Employee portion of premiums must be paid in advance for layoff coverage to stay in effect.

Section 3: RSP Program:

The Company will match employee contributions up to 2% of gross wages on straight time hours per pay period into the registered TD RSP program

ARTICLE 12 – DISCIPLINE

Section 1: Just Cause

Disciplinary measures against an employee shall be for just and reasonable cause only, and may be subject to the grievance procedure.

Section 2: Union Representation

The presence of a Shop Steward or another official of the Union is mandatory at any meeting during which the employee is disciplined.

Section 3: Discipline Record Time Limit

An employee's discipline record will be considered "clean" if he/she has no discipline for eighteen (18) consecutive months of service. For the purposes of the above statement, the employees discipline record will remain intact; however, the historical discipline record will not be used as part of progressive discipline for future incidents of misconduct.

Exceptions to this clause will include any incidents of serious misconduct (theft, harassment, intoxication due to drugs or alcohol at work, assault or threats of assault, or gross insubordination).

Section 4: Suspension or Discharge

- a) A grievance resulting from disciplinary action involving suspension or discharge shall be initiated at Step 3 of the Grievance Procedure.
- b) In the above case, the Company shall notify the Union before the disciplinary action is taken or as soon as practicable thereafter, apprising the Union of all pertinent circumstances.

ARTICLE 13 – ADJUSTMENT OF COMPLAINTS

Section 1: Grievance Procedure

- a) **Preamble:** It is mutually desired and intended by the parties that any dispute or complaint arising out of the interpretation or administration 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.

- b) **Step One** – In the event that a grievance is not resolved by discussion between an employee and his/her supervisor, it shall be reduced to writing and presented to the Company management by the Union Plant Committee and/or shop steward. Conditions existing prior to the time that the grievance arose shall continue pending final resolution of the grievance, as provided for in this Article. The Company must respond to the grievance in writing within seven (7) calendar days of it being submitted.
- c) **Step Two** – If there is no satisfactory resolution at Step One, then the Union may notify the Company within seven (7) calendar days that it intends to proceed with the grievance. The Union Plant Committee and the Plant Manager shall meet to discuss the grievance as soon as practicable thereafter. The Plant Manager shall provide a written response within seven (7) calendar days.
- d) **Step Three** – If there is no satisfactory resolution at Step Two, the Union Plant Committee, accompanied by a Local Union and/or a National Union representative, shall meet with the Company President or his designate to discuss the grievance within fourteen (14) calendar days of the rendering of the Step Two response.

Grievances other than those of individual employees (such as Union or Policy grievances) may be initiated at Step Three.

The Company President (or designate) shall render a written response to Step Three discussions within fourteen (14) calendar days.

- e) If there is no satisfactory resolution at Step Three then the matter may, within forty-five (45) calendar days be referred to an Arbitrator as per Section 2 of this Article.

ARTICLE 13 – ADJUSTMENT OF COMPLAINTS (continued)

- f) The time limits referred to in the above Grievance Procedure may be extended by mutual agreement by the Company and the Union.
- g) The parties may mutually agree to submit the grievance to Expedited Arbitration or Grievance Mediation.

Section 2: Arbitration

- a) A grievance which has not been settled after being carried through the steps of the Grievance Procedure may be referred to Arbitration in accordance with the following procedure.
- b) When notice is given that a grievance has been referred to arbitration the party giving the notice shall, at the same time, in writing, nominate an arbitrator.
- c) Within seven (7) calendar days thereafter the other party shall either agree to the nominated arbitrator or may re-nominate another arbitrator.
- d) If the parties cannot formally agree on the arbitrator, a chairman will be appointed by the Arbitrator Bureau of BC.
- e) The parties hereby agree that the arbitrator shall have all the powers as set out in the Labour Code of BC.
- f) The decision of the arbitrator shall be final and binding upon the parties hereto and the employee or employees concerned.
- g) Each of the parties shall bear equally the expense of the arbitrator.
- h) The parties hereby request the arbitrator to render his/her decision as expeditiously as possible.

ARTICLE 14 – HEALTH AND SAFETY

Section 1: Safe Work Place

The Company shall make all reasonable provisions for the occupational safety and health of employees. All rights and privileges established under the laws of the Province of British Columbia in respect of occupational health and safety shall form part of this Agreement.

Section 2: Protective Clothing and Equipment

The Company shall ensure that all company approved protective devices, clothing, and other equipment necessary to properly protect employees from injury and unhealthy conditions are provided and maintained at no cost to the employee.

Section 3: Protective Clothing and Equipment

The Company shall reimburse employees fifty percent (50%) of the cost of appropriate and required safety footwear upon submission of proof of purchase, to a maximum of \$75 per pair, per year.

Section 4: PPWC Annual Safety Conference

The parties agree to discuss the benefits of participating in the Union's annual Joint Safety Conference.

ARTICLE 15 – LEAVE OF ABSENCE

Section 1: Jury Duty

Any employee who is required to perform Jury Duty, including Coroner's Jury Duty, or what is required to appear as a Crown Witness, on a day on which he/she would normally have worked, will be reimbursed by the Company for any wages lost as a result of such service.

Section 2: Bereavement Leave

- a) When death occurs to a member of an employee's immediate family, the employee shall, upon request, be granted an appropriate leave of absence. The employee shall be compensated at his/her regular rate of pay for a maximum of three (3) days of the leave of absence.
- b) For the purposes of the above clause, immediate family is defined as: father, mother (or alternatively step-father, step-mother or foster parent), brother, sister, spouse (including common-law spouse residing with employee), child (including child of common-law spouse), step-child or ward of the employee, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparents and grandchildren.

Section 3: Union Leave

- a) The Company will grant leave of absence to employees who are appointed or elected to Union office for a period up to and including one (1) year. Further leave of absence may be granted by mutual consent. The employee who obtains this leave of absence shall return to his employment with the Company within thirty (30) calendar days after completion of his term of employment with the Union.
- b) The Company will grant leave of absence to employees who are elected as representatives to attend Union meetings and Union conventions or as members of any negotiating committee of the Pulp, Paper and Woodworkers of Canada in order that they may carry out their duties on behalf of the Union.
- c) In order for the Company to replace the employee with a competent substitute, it is agreed that before the employee receives this leave of absence, as set for in the clause (a) and (b) above, the Company will be given due notice in writing. In the case of (a), twenty (20) calendar days, and in the case of (b), three (3) calendar days notice to the company is required.
- d) In granting the above leave, it is understood that the Company cannot be unduly restricted in its ability to operate the Plant.

Section 4: Personal Leave

The employer may grant leaves of absence without pay and without loss of seniority in cases of emergency or for any good and sufficient cause. Approval for such leave will not be unreasonably withheld.

For leave related to injury or illness, the company reserves the right to request valid confirmation of the need for said leave. [It should be made clear that “valid confirmation” in no way refers to diagnosis or prognosis information]. The Company agrees to reimburse the cost of any fees charged for documentation requested by the company.

Section 5: Maternity/Parental Leave

- a) It is agreed that the employer shall grant all maternity and/or parental leave allowed under the Employment Standards Act, and that any employee on such leave will continue to accumulate seniority.
- b) Any employee on maternity or parental leave shall be entitled to retain coverage for basic medical (MSP) and also coverage under the Group Benefits Program. Should the employee choose to continue coverage, the employer and employee agree to continue to pay their portion of premiums for the duration of the leave.

ARTICLE 16 – CONTRACTING

Section 1: Contracting Out

The Company shall not contract work normally performed by the employees in the Bargaining Unit if such contracting:

- a) Results in the lay-off of employees.
- b) Replaces employees who are laid off.
- c) Replaces a displaced employee who is working outside of his/her normal job duties.
- d) If hours of work are curtailed and qualified employees are afforded the opportunity to work forty (40) hours in the week of contractor requirement.

Section 2:

In the event that the Company believes that contracting out is necessary, the Company shall notify the Union of its intention to have work performed by contractors, and shall, emergencies excepted, afford the Union the opportunity to review the situation with the Company prior to a final decision being made.

ARTICLE 17 – PERMANENT CLOSURE

Section 1: Notice

Employees affected by permanent closure of the plant, shall be given a minimum of sixty (60) days notice of closure.

Section 2: Severance Pay

- a) Employees terminated by the Company because of said permanent closure shall be entitled to severance pay equal to one (1) week’s pay for each year of continuous service and thereafter in increments of completed months of service with the Company. [For this purpose, one (1) week’s pay is equal to forty (40) hours pay at affected employees’ straight time rate].
- b) In the event that the plant is closed for an indefinite period, after twelve (12) months of closure employees shall receive severance pay as per Section 2 (a) above.

Dated this 16th day of April, 2009

for

PACIFIC BIOENERGY CORPORATION

_____ George Stedeford

_____ Marc Witte

for

PPWC LOCAL 9

_____ Frank Robertson

_____ Chuck LeBlanc

_____ Todd Hinton

_____ Ron Richardson