

LABOUR AGREEMENT 2008-2012



BETWEEN

Catalyst



Crofton Division

AND



**COMMUNICATION, ENERGY
and PAPERWORKERS UNION
LOCAL 1132**

**CROFTON LABOUR AGREEMENT
2008-2012**

This AGREEMENT made this 19th day of December, 2008

BETWEEN:

Catalyst Paper – Crofton Division

(hereinafter referred to as the Company)

PARTY OF THE FIRST PART

- AND -

**Communications, Energy and Paperworkers Union,
Local 1132**

(hereinafter referred to as the Union)

PARTY OF THE SECOND PART

WITNESSETH

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**AGREEMENT BETWEEN
CATALYST PAPER – CROFTON DIVISION
AND THE
COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION, LOCAL 1132**

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.

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 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 his/her responsibilities and obligations under this Agreement.

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

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 Code

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:

- (1) Every person has the right of equality of opportunity based upon bona fide qualifications in respect of his/her occupation or employment or 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/her for employment, unless reasonable cause exists for such refusal for discrimination.
- (2) For the purposes of subsection (1),
 - a) the race, religion, colour, age, marital status, ancestry, place or origin, or political belief of any person or class of persons shall not constitute reasonable cause;
 - b) a provision respecting Canadian citizenship in an Act constitutes reasonable cause;
 - 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 related 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, employees will retain all of his/her rights under the Collective Agreement.

ARTICLE II - DEFINITIONS

Wherever used in this Agreement, including Exhibits:

The word EMPLOYEES means all persons on the payroll of the Company named in this Agreement, excepting: those engaged in administration, in actual supervision, in sales, engineering, technical and research, accounting, clerical, stenographic and other office work, or watchmen's functions 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".

- a) 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/she are usually employed, his/her 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.
- b) The word DAY means a period of twenty-four (24) hours beginning at 8:00 a.m. or at the regular hour of changing shifts nearest to 8:00 a.m., in the particular mill.
- c) The word WEEK means a period of seven (7) calendar days beginning at 8:00 a.m. Sunday or at the regular hour of changing shifts nearest to 8:00 a.m.
- d) GRIEVANCE, DISPUTE or COMPLAINT means any difference between the persons bound by this Agreement concerning its interpretation, application, operation, or any alleged violation thereof, and PARTY means either one of the parties to this Agreement.

ARTICLE III - BARGAINING AGENCY

Section 1: Recognition

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

Section 2: Bulletin Boards

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

ARTICLE IV - UNION SECURITY

Section 1: Cooperation

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

Any new employee shall be introduced to the Shop Steward by his/her 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 forty (40) days after becoming employed by the Company.

Section 3: Discharge of Non-Members

Any employee who fails to maintain his/her 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/her membership in good standing.

Section 4: Application for Membership

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

Section 5: Union Dues Deduction

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

ARTICLE V - STANDING COMMITTEE

A Standing Committee shall be maintained in the following manner:

- a) The General Manager shall appoint a Company Standing Committee of three (3) individuals which shall represent the Company.
- b) The Union shall select from its membership a Union Standing Committee of three (3) which shall represent the Union for the purposes stated in this Agreement.

ARTICLE VI - HOURS OF WORK

Section 1: Basic Work Week

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

Section 2: Overtime

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

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 or in excess of eight (8) consecutive hours except:
 - 1. when such work in excess of eight (8) hours is caused by change of shifts,
 - 2. overtime work by special arrangement between a Tour Worker and his/her mate to exchange shifts with the approval of his/her Supervisor, and when this can be accomplished without additional cost or 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.
- vi) 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 his/her request a minimum of seventy-two (72) hours prior to the requested time off. The payment of overtime shall not be a factor in canceling approved time off.

Section 3: Days Off and Schedule of Shifts

- (a) 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 his/her 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/her 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/her 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/her 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/her 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.

Section 4: Starting and Stopping Work

(a) Tour Workers

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

If a Tour Worker does not report for his/her regular shift, his/her mate shall notify the Foreman. He/she shall remain at his/her post until a substitute is secured, and, if necessary, he/she 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/her regular shift, unless he/she have already arranged with his/her Foreman for a leave of absence. If unavoidably prevented from reporting, he/she must give notice to his/her Foreman, or at the office, if reasonably possible, at least four (4) hours before his/her tour goes on duty.

(b) Day Workers

Day Workers shall be at his/her respective post ready to begin work at the time his/her pay starts and shall not quit work in advance of the time his/her pay stops. For example, if a Clothing Man's pay time is from 8:00 a.m. to 12:00 noon, and from 12:30 p.m. to 4:30 p.m., he/she shall be at his/her post ready to work at 8:00 a.m. and 12:30 p.m. and shall not quit work until 12:00 noon and 4:30 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/she 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/her 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/she 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/her own time.

(c) All Workers

Any employee called in for an emergency before his/her shift commences, without time to arrange for his/her 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 Differentials

(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:

8:00 a.m. to 8:00 p.m.	2.50%
8:00 p.m. to 8:00 a.m.	4.25%

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

8:00 a.m. to 4:00 p.m.	2.00%
4:00 p.m. to 12:00 a.m.	3.55%
12:00 a.m. to 8:00 a.m.	4.50%

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

4:00 p.m. to 12:00 a.m.	2.25%
12:00 a.m. to 8:00 a.m.	3.25%

(b) Day Workers

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

4:00 p.m. to 12:00 a.m.	2.25%
12:00 a.m. to 8:00 a.m.	3.25%

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

(c) All Employees

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

ARTICLE VIII - JOB EVALUATION PLAN

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

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

ARTICLE IX - ALLOWANCE FOR FAILURE TO PROVIDE WORK

Section 1: No Work

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

Section 2: Where Shift Commenced

In any case where an employee has commenced his/her regular scheduled shift, he/she 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/her 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/she shall receive one (1) additional Call Time payment if the initial call-in was to perform emergency work and he/she are then required to perform work other than that which necessitated the call-in.
- (e) Day Workers called in after twelve midnight
The Company will cooperate with any day worker called in after twelve midnight to ensure that this work does not preclude them working their 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/her supervisor. No penalty shall apply to the Company as a result of such an arrangement.

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 his/her regular tour and are dismissed before his/her 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 his/her shift is scheduled to begin and work through into his/her regular shift he/she shall be paid for the time worked plus three (3) hours. If tour workers are asked to remain after his/her shift is scheduled to end, to put on a Fourdrinier Wire, he/she 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 his/her 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 his/her own during his/her 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/her regular straight time hourly rate of pay for his/her 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/her straight time rate of pay for his/her 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 as 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/she shall be compensated at his/her regular straight time hourly rate for hours lost from his/her 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/her Union, or to Federal, Provincial, Municipal or Aboriginal office, shall be granted as much leave as is necessary during the term of such office.

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

Section 2: Maternity Leave

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

Section 3: Other Leave

Granting of leave is a matter between the employees and the mill management. The Company will consider length of service and will endeavor 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 40 hours 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 *.	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

* 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; Banked Days Off and Days Off in lieu of work performed on a Statutory Holiday.

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/her vacation.

Section 3: Payment on Termination

In the event an employee's employment terminates either before he/she becomes entitled to a vacation with pay, or, being entitled to it, before he/she takes it, he/she shall be paid on termination 4-1/2%, 6-1/2%, 8-1/2%, 10-1/2%, 12-1/2% or 14-1/2% (depending on whether he/she belong in the category of employees described in (A) or (B), (C), (D), (E), (F) or (G) above respectively) of his/her wages earned during the period of employment ending with his/her termination in respect of which no vacation or vacation pay to which he/she remain entitled has been paid or taken.

Section 4: General Rules

- (a) The vacation period is May 1 to April 30.
- (b) Vacations with pay provided in accordance with Section 1 above for employees in category (A) may not be counted when determining whether an employee has qualified for the vacations provided under Section 1 for employees in categories (C), (D), (E), (F) or (G).
- (c) Vacations with pay are not cumulative and must be taken during the vacation except as provided below:
 - (i) Vacations earned under Section 4(d) below.
 - (ii) (1) At the start of the vacation year, employees may elect to receive all, part of, or none of his/her vacation pay in advance in full weekly increments.
 - (2) Employees shall have the option at any time during the vacation year to bank paid vacation entitlement in

excess of the statutory minimum to a maximum of 2 weeks per year for which the vacation pay advance has not been paid. Employees may accumulate a maximum of 6 weeks vacation in the bank.

- (3) Banked vacations must be taken prior to retirement and will be paid at the employee's current rate of vacation pay at the time when taking the banked vacation time off.
- (d) A vacation with pay provided under Section 1 for employees in category (A) may be taken during the vacation period in which the entitlement thereto is established, or during the next following vacation period.
- (e) No employee may continue to work and draw vacation pay in lieu of taking the vacation.
- (f) The allocation of vacation times is to be decided by the Company. However, the Company will endeavor by discussion with the employees or the Union, to arrange vacations to suit the employee's wishes.
- (g) Time not exceeding one (1) year, lost as the result of an accident recognized as compensable by WorkSafeBC, suffered during the course of employment, shall be considered as time worked for the purpose of qualifying for vacation. Time exceeding one (1) year shall be recognized as uninterrupted service for the purpose of establishing vacation time off, 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 Company 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.
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/her "total wages earned" in the previous year, such "total wages earned" shall include the amount of vacation pay the employee received in the previous year.

ARTICLE XVI - SUPPLEMENTARY VACATIONS

Section 1: Eligibility

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

Years of Completed Continuous Service	Weeks of Supplementary Vacation
After Five (5)	One (1)
After Ten (10)	Two (2)
After Fifteen (15)	Two (2)
After Twenty (20)	Three (3)
After Twenty-Five (25)	Three (3)
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/her 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/her 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/her 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/she must advise the Company, in writing, of his/her 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/her 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 seven (7) days in advance of the statutory holiday and provided that a trained volunteer can be found to replace them 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). If the Mill is not operating, employees required to work will be paid in accordance with Section 4 of this Article.

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/her straight time hourly rate. Such time off shall be treated in the same manner as a Special (Personal) Floating Holiday.

Section 5: Employee's Day Off Falls on a Statutory Holiday

An employee will have the option of taking equivalent time off if a Statutory Holiday falls on the employee's regular day off.

Section 6: Qualifying Conditions

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

- (a) The employee must have been on the payroll for not less than the sixty (60) days just preceding the holiday and must have previously qualified for a statutory holiday as provided in (d) below, and
- (b) The employee must have worked at least one (1) day during the sixty (60) day qualifying period just preceding the holiday, and
- (c) The employee must have worked his/her scheduled work day before, and his/her scheduled work day after, such holiday, unless failure to work his/her scheduled work day before or after the holiday was due to any of the following events:
 - (i) When the employee is on his/her regular authorized paid vacation;
 - (ii) When the employee is unable to work by reason of an industrial accident as recognized by WorkSafeBC 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/her 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/she have 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 WorkSafeBC, 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 WorkSafeBC compensation or non-occupational sickness or injury for a period of up to but not exceeding one (1) year from the date of his/her sickness or injury.
 - (f) It is understood and agreed, however, that an employee shall not receive the above provided holiday pay if he/she have 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 him/her working on such holiday.

ARTICLE XVIII - SPECIAL (PERSONAL) FLOATING HOLIDAYS

Section 1: Floating Holidays

There shall be granted annually five (5) Special (Personal) Floating Holidays with pay to regular full-time employees, such special holidays to be arranged at a time suitable to the employee and the Company and shall be taken prior to June 30 following the contract year in which the holidays were granted, so that there will be no loss of production.

Section 2: Qualifying Conditions

For each Special (Personal) Floating Holiday taken, a Day Worker will be granted eight (8) hours pay on the straight time rate of the employee's regular job (Tour Workers on the Compressed Work Week will be granted twelve (12) hours' pay on the employee's straight time rate) 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/her first Special (Personal) Floating Holiday and on the payroll for one hundred and eighty (180) days to qualify for his/her 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/her 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 Industrial 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 Industry 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 & Paper Industry Pension Plan for each hour worked as follows:

Company	10%
Employee	8%

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.

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

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 dollars (\$20.00) per month per year of service at age sixty (60) or older who retire prior to attaining age sixty-five (65). The pension bridge benefit will not be payable beyond age sixty-five

(65). The calculation of the pension bridge benefit shall be credited on the same 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: 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 Industry 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 its 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/she has acquired experience by providing relief.

If an employee is moved out of a line of progression for any reason, the Company will not require re-testing of the employee for them 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/her own, shall retain seniority and shall be recalled on the following bases:

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

(ii) An employee with one (1) or more years continuous service shall retain these rights for eighteen (18) months from the date of lay-off, plus two (2) additional months for each year's 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/her last address reported to and received by the mill shall result in his/her termination of employment with the Company. Bona fide reasons for failure to report shall not deprive an employee of his/her 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 Local Union training provisions of up to fifteen (15) days;

- (f) Where a layoff results from a permanent partial plant closure or 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/her 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/her 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/her welfare coverage extended by one month for each month in which he/she work.
- (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/her employment.
- (f) An employee will qualify for a new period of welfare coverage as provided in paragraphs (a) and (b) above if he/she returns to work for at least ten (10) days within a floating period of thirty (30) consecutive days.

ARTICLE XXII - JOB SECURITY

Section 1: Objective

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

Section 2: Definition

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

Section 3: Joint Committee

A joint committee on automation will be established which shall consist of three (3) persons representing the Company and three (3) persons representing the Union. It shall be the function of the committee to study the effect of mechanization, technological changes and automation on employment in the mill and to make such recommendations as are agreed upon, to the local General 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/her 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/she will be paid an adjusted rate which will be midway between the rate of his/her regular job at the time of the set-back and the rate of his/her new regular job. At the end of this twelve (12) month period, the rate of his/her new regular job will apply. However, such employee will have the option of terminating his/her employment and accepting severance pay as outlined in Section 6(a) below, provided he/she exercise 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/her employment and accepting severance pay as outlined in Section 6(a) below if the job should be proved to be unsuitable, provided he/she exercise his/her 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/her 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) year's employment during his/her last period of continuous service, severance allowance shall not be less than four (4) week's pay.

At the time of separation the employee shall have the option of receiving his/her severance allowance on termination, or he/she may elect to have his/her severance allowance held in abeyance for up to one year from the date of termination. He 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 an employee renounces the right of recall during this period, the employee will be terminated and his/her severance allowance paid forthwith with all seniority and recall rights being forfeited.

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

No payment will be made under this section in cases where 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) year's employment during his/her last period of continuous service, severance allowance shall not be less than four (4) week's 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:

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

Such employee must elect his/her option within thirty (30) days of notification that his/her loss of employment is permanent. If Option (b) 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) year's employment during his/her last period of continuous service, severance allowance shall not be less than four (4) week's pay.

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

The severance allowance will not be more than the employee would

normally receive if he/she remained at work at forty (40) hours per week to his/her normal retirement date.

At the time of separation the employee shall have the option of receiving his/her 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 an employee renounces the right of recall during this period, the employee will be terminated and his/her severance allowance paid forthwith with all seniority and recall rights being forfeited.

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.
- (b) 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 work force, the Committee will also meet quarterly to make recommendations regarding the utilization of the mill maintenance work force to minimize the use of contractors, both inside and out of the mill.
- (c) The Company will not bring a contractor into the mill:
 - (i) which directly results in the layoff of employees, or
 - (ii) to do the job of employees on layoff, or
 - (iii) to do the job of a displaced employee working outside his/her job category.
- (d) 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:

1. 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.
2. Working under the flexible work practice provisions does not mean that an employee has been displaced and is working outside his/her job category.

ARTICLE XXVI - FLEXIBLE WORK PRACTICES

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

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 Committee 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 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 WorkSafeBC 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.

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

An employee who has been given a written reprimand may after two (2) years without further discipline on his/her personnel file, request a review of his/her file to have the reprimand removed. However, the final decision to remove the written reprimand remains with Management.

The disciplinary record of an employee, including letters of reprimand or warnings, shall not be used against them 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.

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 they 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 meeting to discuss the grievance shall be held in the presence of the Shop Steward.

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

Step Three - If there is no satisfactory resolution at second step then either party may, within seven (7) days, refer the question to the Standing Committee by advising the chairpersons of the Standing Committee of the intention to proceed with the grievance. The Standing Committee 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 General Manager 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 of Crofton.

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 endeavor 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/she shall meet and hear evidence of both sides and render a decision within fifteen (15) days after he/she has concluded his/her 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 them 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/she 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 Company and the Union. 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 endeavor 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/her decision and his/her 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 subsection (2) of Section 50 of the Labour Relations Code of British Columbia is hereby excluded.

Section 3: Notice of Re-opening

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

- either party desiring any change shall mail to other party notice in writing, by registered mail, on or after January 1, 2012 but in any event no later than midnight April 30, 2012, that any change is desired, and if no such notice is given by either party on or after the said January 1 and before the said April 30, the earliest time at which such notice may be given by either party is the corresponding period in the following year
- all notices given under the provisions herein on behalf of the Union shall be given by the Union (or its representative) and similarly notices on behalf of the Company shall be given by the Senior Vice President, Human Resources (or their representative)

Section 4: Collective Bargaining

If notice of desire for changes has been given in accordance with Section 3 above, the parties shall, as soon as agreeable to the parties following such date of notice, meet for collective bargaining, the Company being represented in such negotiations by a Bargaining Committee appointed by the Company, and the Union being represented by a Bargaining Committee selected by the 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.

IN WITNESS WHEREOF, the undersigned have hereunto set our signatures this

19th day of December 2008
 Catalyst Paper –Crofton Division
 P.O. Box 70
 Crofton, BC
 by:

Andre Bernier

Vern Phillips

Mary Winchell

Communications, Energy and Paperworkers, Local 1132

as certified bargaining agency of the employees by:

Fraser McQuarrie

Bruce Ronald

EXHIBIT "A" – JOB CATEGORIES AND WAGE RATES

It is agreed that the schedule of job rates listed below will be considered as part of this Agreement and that all employees 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

MACHINE ROOM

No. 1 Paper Machine - News (Rates - Bracket 75)
(Width of Machine 270")

Machine Tender	40.950	41.975	43.025	44.315
Back Tender	37.695	38.635	39.600	40.790
Winderman	34.490	35.350	36.235	37.320
Fourth Hand	30.035	30.785	31.555	32.500
Fifth Hand	28.795	29.515	30.255	31.165

No. 2 Paper Machine - News (Rates - Bracket 75)
(Width of Machine 270")

Machine Tender	40.950	41.975	43.025	44.315
Back Tender	37.695	38.635	39.600	40.790
Winderman	34.490	35.350	36.235	37.320
Fourth Hand	30.035	30.785	31.555	32.500
Fifth Hand	28.795	29.515	30.255	31.165

No. 3 Paper Machine - News (Rates - Bracket 93)
(Width of Machine 330")

Machine Tender	42.380	43.440	44.525	45.860
Back Tender	39.095	40.070	41.070	42.300
Winder Man	35.910	36.810	37.730	38.860
Fourth Hand	30.975	31.750	32.545	33.520
Fifth Hand	29.700	30.445	31.205	32.140

	May 1/08	May 1/09	May 1/10	May 1/11
STOCK PREPARATION				
(31) Stock Preparation	32.655 H	33.470 H	34.305 H	35.335 H
(2) Shift Utility	25.855 E	26.500 E	27.165 E	27.980 E
TESTERS				
(20) Day Tester Leadhand	30.045 E	30.795 E	31.565 E	32.510 E
(10) Day Tester	29.115 E	29.845 E	30.590 E	31.510 E
FINISHING ROOM				
(23) Inventory Coordinator	30.745 E	31.515 E	32.305 E	33.275 E
(20) Wrap Line Operator	30.045 E	30.795 E	31.565 E	32.510 E
(2) Shift Utility	25.855 E	26.500 E	27.165 E	27.980 E
CLOTHING CREW				
(36) Head Clothing Man	33.845 E	34.690 E	35.555 E	36.620 E
(20) Clothing Man - "A"	30.045 E	30.795 E	31.565 E	32.510 E
(9) Clothing Man - "B"	27.450 E	28.135 E	28.840 E	29.705 E

**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	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	81	42.480	39.125	35.850	31.100	29.830	28.105
52	38.265	35.840	32.645	29.105	27.955	26.930	82	42.550	39.185	35.910	31.165	29.860	28.135
53	38.480	35.950	32.720	29.175	27.995	26.950	83	42.650	39.265	36.000	31.210	29.900	28.150
54	38.610	36.070	32.845	29.215	28.030	26.950	84	42.705	39.360	36.090	31.280	29.970	28.210
55	38.750	36.165	32.945	29.255	28.085	26.990	85	42.780	39.425	36.165	31.315	30.025	28.220
56	38.895	36.235	33.015	29.310	28.170	26.990	86	42.895	39.515	36.245	31.395	30.070	28.235
57	39.030	36.335	33.160	29.330	28.190	27.015	87	42.955	39.605	36.335	31.435	30.130	28.265
58	39.140	36.415	33.225	29.370	28.225	27.015	88	43.030	39.680	36.390	31.490	30.180	28.285
59	39.275	36.525	33.335	29.440	28.255	27.065	89	43.135	39.750	36.500	31.520	30.250	28.335
60	40.205	37.320	34.060	30.045	28.855	27.580	90	43.190	39.835	36.565	31.625	30.300	28.360
61	40.345	37.430	34.160	30.120	28.875	27.670	91	43.290	39.915	36.630	31.660	30.345	28.370
62	40.500	37.525	34.260	30.140	28.930	27.680	92	43.365	39.990	36.745	31.695	30.405	28.410
63	40.620	37.610	34.340	30.180	28.950	27.690	93	43.440	40.070	36.810	31.750	30.445	28.430
64	40.765	37.695	34.425	30.225	28.990	27.695	94	43.520	40.165	36.890	31.800	30.515	28.485
65	40.865	37.795	34.500	30.275	29.050	27.730	95	43.610	40.230	36.985	31.865	30.550	28.495
66	41.015	37.860	34.590	30.335	29.090	27.730	96	43.665	40.330	37.065	31.920	30.610	28.515
67	41.150	37.975	34.665	30.350	29.100	27.765	97	43.755	40.395	37.130	31.975	30.670	28.545
68	41.290	38.055	34.735	30.400	29.145	27.765	98	43.850	40.485	37.220	32.030	30.725	28.570
69	41.410	38.120	34.840	30.425	29.160	27.780	99	43.920	40.560	37.300	32.085	30.780	28.625
70	41.555	38.205	34.910	30.515	29.220	27.780	100	44.020	40.630	37.390	32.135	30.805	28.640
71	41.630	38.300	35.000	30.555	29.290	27.820	101	44.095	40.720	37.485	32.185	30.840	28.665
72	41.740	38.380	35.105	30.620	29.330	27.840	102	44.195	40.785	37.555	32.255	30.915	28.685
73	41.820	38.465	35.195	30.700	29.385	27.885	103	44.270	40.865	37.635	32.320	30.960	28.725
74	41.885	38.535	35.265	30.760	29.425	27.895	104	44.340	40.960	37.725	32.365	31.020	28.740
75	41.975	38.635	35.350	30.785	29.515	27.925	105	44.430	41.030	37.805	32.405	31.070	28.780
76	42.075	38.725	35.445	30.830	29.555	27.965	106	44.510	41.105	37.890	32.450	31.100	28.810
77	42.140	38.780	35.505	30.905	29.600	27.975	107	44.595	41.180	37.975	32.525	31.165	28.830
78	42.230	38.895	35.605	30.945	29.655	27.990	108	44.680	41.270	38.055	32.580	31.205	28.860
79	42.310	38.935	35.665	31.015	29.685	28.020	109	44.750	41.345	38.130	32.630	31.250	28.885
80	42.395	39.035	35.775	31.070	29.755	28.065	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

EXHIBIT "B" - JOB EVALUATION PLAN

I. 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.

II. 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":
 - a) Jobs on Newsprint Machines.
- B. Except as provided in Section 2(a) above, all jobs covered by the Crofton Labour Agreement shall be considered eligible for evaluation when presented in the manner prescribed herein to the Joint Job Evaluation Board hereinafter provided for.

III. Administration and Procedure

- A. Job Evaluation Directors
 - 1. The Job Evaluation Directors shall be composed of one (1) representative of the Communications, Energy and Paperworkers Union and one (1) representative of Pulp and Paper Industrial Relations Forum.
 - 2. 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 Agreement through an Administrative Committee comprised of the Job Evaluation Directors, three (3) designated representatives from the local unions and three (3) designated representatives of the companies using the Plan.
 - b) to receive reports from Plant Evaluation Committees and to recommend improvements where necessary in the procedure of the Committees.
 - c) to review cases of evaluation upon request of either

Union or Company members of the Plant Evaluation Committees.

- d) to review the general operation of the Joint Job Evaluation Board as to methods, factors, procedures, delays, and to order such reviews or surveys of job fields as necessary. It shall also be the duty of the Job Evaluation Directors to adjudicate any disagreement which might arise in the functioning of the Plan.
 - e) to direct the Joint Job Evaluation Board as to changes in methods which do not constitute basic changes. The Directors shall neither negotiate rates nor exercise any of the collective bargaining functions of the Parties to the Agreement.
 - f) to recommend improvements in the Job Evaluation Plan to Administrative Committee for consideration. Only 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
 - 1. The Joint Job Evaluation Board shall consist of one (1) representative of the National Union and one (1) representative of Pulp and Paper Industrial Relations Forum.
 - 2. 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
 - 1. The Mill General Manager and the Union shall create a Plant Evaluation Committee which shall consist of not less than two (2) or more than three (3) members representing the Union involved and not less than two (2) or more than

- three (3) members representing the Company.
2. 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.
 3. 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
 1. The Communications, Energy and Paperworkers Union and the Pulp and Paper Industrial Relations Forum shall appoint an Independent Review Officer for the term of the Collective Agreement.
 2. The Independent Review Officer shall neither be an employee of the Union, Company, nor their agencies.
 3. The Independent Review Officer shall have the authority to render decisions on matters that have been referred to them which are appropriate under the Plan.

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

IV. 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 Joint Negotiating Committee for final determination.
- B. Where an official evaluation indicates an upward adjustment in the rate for a job the adjustment will be retroactive to the date agreed upon by the Plant Evaluation Committee which is entered on, and a part of, the application for evaluation provided for in Section 3(c)(ii)(a) setting forth the duties of the Plant Evaluation Committee.
- C. Where a new job has been created, the Plant Evaluation Committee of the mill will make application to the Joint Job Evaluation Board for a temporary rate for the new job. An evaluated rate will be established by the Job Evaluation Board before a period of twelve (12) months has expired following the start of the new job except in those cases where a specific request is made by the Plant Evaluation Committee to the Job Evaluation Directors to retain the temporary rate beyond twelve (12) months, and the request is approved by the Directors. It will be the duty of the Plant Evaluation Committee to agree on a date on which the job became sufficiently stabilized to permit evaluation, and any increase resulting from the evaluated rate will be paid retroactively to the agreed-upon start-up date of the new equipment or the commencement of the job.
- D. The Joint Job Evaluation Board will complete its evaluation of all jobs at the particular mill involved. The Joint Job

Evaluation Board will explain in detail the evaluation computations to the Plant Evaluation Committee and to those job representatives present, before leaving the mill. In those cases where it is not possible to complete the evaluation at the mill, the Joint Job Evaluation Board will return to the mill and explain the evaluation computations before making the results official.

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

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

- F. Members of the Plant Evaluation Committee or other employees in the mill who are relieved from his/her 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 his/her regular job rates for the time lost during his/her 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 coverage, benefits, rights and obligations of the Company and its employees under the Welfare Plan established pursuant to Article XIX of this Agreement.

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

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

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

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

I Compliance

- A. The Company 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.

II. Coverage and Benefits

- A. Group Term Life Insurance

The Welfare Plan will include Group Term Life Insurance coverage in accordance with the Table. 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.

Accidental Death and Dismemberment coverage Schedule to reflect current insurance carriers' benefit levels.

Provide coverage for quadriplegia, 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 (WI) 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, which 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 Plan will provide benefits for loss of time as a result of attempted suicide under the Plan provisions covering other mental illnesses. Coverage also includes injury disability arising from attempted suicide.

Benefit payment will not be made beyond age 65 and in all cases, will cease on recovery. Where the employee recovers an amount from a liable third party for loss of income as a result of the same accident or illness, he/she must reimburse the Plan once he/she receives 100% of his/her loss. One hundred percent (100%) of his/her loss includes 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

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.

D. Medical-Surgical Coverage

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

The maximum benefit payable on fees for clinical psychologists will be increased to \$350 per member or dependent in any calendar year.

The maximum benefit payable on fees for acupuncture charges by a physician will be increased to \$150 per member or dependent in any calendar year.

The maximum benefit payable on fees for physiotherapist and massage practitioner will be increased to a combined

maximum of \$300 per member or dependent in any calendar year.

The maximum benefit payable on fees for hearing aids for children (including maintenance, batteries or recharging devices or other such accessories) will be increased up to \$600 per child every three calendar years.

A new provision covering fees for foot orthotics up to a maximum of \$250 per member or dependent in any calendar year will be added.

The maximum payable amount on vision care will be \$350 per person in any 24 calendar month period.

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 findings during the term of the renewed labour agreement.

III. 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.

IV 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 Industrial 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.

V. 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. The Union Welfare Committee shall consist of not less than two (2) and not more than three (3) members, it being agreed such committee members shall be selected by

the Union 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.

VI. Changes in Classification

The regular wage rate of the employee in effect on July 1 and January 1 will determine his/her 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/her regular rate shall be deemed to be the average of the rates applicable to such jobs.

VII. 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 and Extended Health Benefit and Dental Plan

Company	100 %
Employee	Nil

Non-occupational Accident and Sickness Insurance, Long Term Disability Plan

Company	70 %
Employee	30 %

VIII. 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.

IX. 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.

X. 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 a decision.

XI. Dispute Resolution Mechanism

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 of the carrier, the claimant may, within fourteen days, refer the denial of benefit to the Joint Union-Management Committee.

If the Committee is unable to resolve the disputed claim, the issue will, within fourteen days, be referred to a third party for resolution.

3. The mutually agreed upon third party shall have the right to review the claim file, require further examinations or testing of the claimant by a specialist. Costs incurred for 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.

XII. Disputed WorkSafeBC Weekly Indemnity Claims

If an employee covered by the Welfare Plan suffers a disability, payment for which is in dispute with WorkSafeBC, 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/she have been off work for at least two (2) weeks due to the disability without WorkSafeBC having accepted the claim.

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

XIII. Change in Benefits

In the case of an employee who is on an 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.

XIV. 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.

XV. Surviving Spouse and Dependent Coverage

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

APPENDIX "1" - DENTAL CARE PLAN

I. Benefits

- A. 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)

- B. Preventive Services

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

Cleaning and scaling

Topical application of fluoride

Space maintainers

C. Surgical Services

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

D. 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.

E. Prosthetic Repairs

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

F. Endodontics

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

G. Periodontics

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

H. Prosthetic Appliances and Crown and Bridge Procedures

Crowns and bridges.

Partial and/or complete dentures, but not more than once in five (5) years.

I. 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.

II. Co-Insurance

In respect of Benefits (a) to (g), the Plan will provide reimbursement as follows:

Plan pays 90% of approved schedule fees.

Benefits (h) and (i) will be subject to 50% co-insurance.

APPENDIX "2" - PULP AND PAPER INDUSTRY LONG TERM DISABILITY PLAN SUMMARY

I. 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.

II. Level of Benefit

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.

The Long Term Disability Plan will assume all costs for completion of required forms to a limit of \$25.00 per form.

III. Elimination Period

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

IV. 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 them further under (b) above. At the point that he/she run out of L.T.D. benefit, he/she can elect to either retire early or go on disability pension benefit until age sixty-five (65), at which time he/she 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 them further under (b) above. At the point when he/she runs out of L.T.D. benefit, he/she will retire.

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

V. Definition of Total Disability

- A. The disabled employee's inability to perform the duties of his/her own occupation for the first eighteen (18) months of L.T.D. disability payments and thereafter his/her inability to perform the duties of any occupation for which he/she are 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.

VI. 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 date of disability.

All other disability income will include: C.P.P./Q.P.P. primary disability pension benefits, WorkSafeBC 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 WorkSafeBC 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.
- C. Where an employee recovers an amount from a liable third party for loss of income as a result of the same accident or illness, he/she must reimburse the Plan once he/she receive 100% of his/her loss. One hundred percent (100%) of his/her loss includes gross wages lost.

VII. 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/her 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/her straight time earnings at date of disability but in no event for more than twenty-four (24) months from the date rehabilitative employment commences

VIII. Exclusions

Disabilities resulting from the following are not covered:

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

IX. 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/she were not absent from work from the aforementioned accident, sickness or mental disorder.

X. 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.

XI. Terminations

Coverage will cease:

- A. On termination of employment.
- B. On a date fifty-two (52) weeks prior to an employee's 65th birth date.
- C. On the date leave of absence commences except as provided for in the Collective Agreement.
- D. On the date an employee is laid off except when an employee has requested continuation of coverage in accordance with

Section 6 of Article XXI of the Labour Agreement, in which case coverage under the plan will continue only for the periods specified in the aforementioned sections of the Agreement. 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 his/her portion of the plan premium

XII. Contribution Waiver

Contributions are to be waived when an employee is in receipt of LTD payments.

CONDITIONS FOR IMPLEMENTING THE PLAN

- I. 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.
- II. 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.
- III. Upon commencement of L.T.D. benefits all terms and conditions of the Agreement will become inoperative except where provided for in Article 4 (b), (c) and (d) below.
- IV. 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 medical, extended health and dental plans. Coverage under the 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/her seniority, qualifications and ability to perform the work properly entitle them 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.

STATEMENTS OF POLICY

**Taken from the Transcripts of
Negotiations for Contract Years**

1945 - 1952 inclusive

**and from Memoranda issued during
subsequent Wage Conferences**

* * * * *

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 "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.) Sunday.

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, are he/she 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**

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

In the case of the 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.

Section 3: Days Off and Schedule of Shifts

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

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

(b) **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.

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 will 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/her 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 XXX - Disciplinary Action

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

Wherever practical, the Company will notify the Union Standing

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

Article XXXI - Adjustment of Complaints

Standing Committee Can Call in Members for 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) **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 his/her employees.

(b) **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.

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 WorkSafeBC. 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 his/her existing skills and maximize his/her productivity and learn and use new skills to enhance his/her effectiveness.
6. The Company and the Unions will meet to discuss a module based training program that will enhance the existing skills of employees. They will also discuss the option of using trainers from the bargaining unit to assist in the design and delivery of the training modules. The Company will design and introduce new training programs to facilitate the implementation of and evolution of flexible work practices.
7. All employees will be required to complete training programs as prescribed by the Company and utilize new skills acquired as a result of training. Training will be consistent for all employees in each job classification 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:

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

Apprentices will be paid the maintenance premiums in the usual proportion.

The same delineation which defines who is an Operator and who is a Maintenance employee shall apply to the payment of premiums. Maintenance employees will include; employees with TQ's, steam plant maintenance employees, roll grinders, roll balancers, lubrication mechanics and saw filers.

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 his/her 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 his/her 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 his/her 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/her trade is performing his/her trade core duties.
14. The Company agrees that no employee's regular job rate will be reduced when he/she are 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 Unions agree to establish and participate in a Presidents' 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 Presidents' Council will be composed of:
 - The President and CEO of Catalyst Paper
 - Senior Vice- President of Operations
 - Senior Vice President of Human Resources
 - Each Division General Manager
 - Each Division Human Resources Director
 - CEP Vice President
 - CEP National Representative(s)
 - Each Catalyst Paper Local Union President (or designate)
 - One additional delegate from each Local

The Company has agreed to pay all reasonable expenses for the attendance of each Local Union President (or his/her 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 Presidents' Council which will make every effort to resolve these disputes in accordance with the spirit and terms of this letter.
18. With respect to the implementation of flexible work practices at the Catalyst Paper mills, the parties agree that they will consult with respect to ways and means to avoid jurisdictional disputes between the unions.

LETTER OF UNDERSTANDING - REHIRING

December 19, 2008

Mr. M. Fenton
CEP National Representative
Canadian Paperworkers Union
1199 West Pender Street
Suite 540
Vancouver, BC V6E 2R1

Dear Mike,

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

"When hiring new employees, preference will be given to laid off former employees of the hiring mill in order of his/her previous mill seniority, providing:

- A. his/her recall rights under Section 3 of Article XXI - Seniority have expired;
- B. he/she have a current application on file;
- C. he/she 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/she fails to accept an offered position. Those hired under this practice will be new employees."

Yours truly,

Steve Boniferro
Senior Vice-President, Human Resources

LETTER BETWEEN THE PARTIES - COMMITMENT TO EMPLOYMENT

December 19, 2008

Mr. M. Fenton
CEP National Representative
Communications, Energy and Paperworkers Union
#540-1199 West Pender Street
Vancouver, B.C. V6E 2R1

Dear Mike,

Protecting and enhancing employment in the pulp and paper industry is a joint commitment of the Company and the Union. The Company and the 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 the 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 and make recommendations.
4. Both parties undertake to give active consideration to all recommendations and vigorously work towards implementation of recommendations where agreement is reached.

Yours truly,

Steve Boniferno
Senior Vice-President, Human Resources

LETTER OF UNDERSTANDING – TRADES QUALIFICATIONS

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 tradepersons in B.C.

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

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

Mike Fenton
CEP National Rep
Western Region

Steve Boniferno
Senior Vice-President, Human Resources
Catalyst Paper

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 his/her 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 each 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

Mike Fenton
CEP National Rep
Western Region

Steve Boniferro
Senior Vice-President, Human Resources
Catalyst Paper

2008-2012
CODIFICATION OF LOCAL AGREEMENTS
with
C.E.P. LOCAL 1132

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CODIFICATION OF LOCAL AGREEMENTS - 2008 - 2012

1. Retired Employee Benefits - Statutory Holiday Work

The Company agrees to provide for employees who have retired from active service in Local 1132 C.E.P. at Crofton the following coverage for his/her lifetime and the lifetime of the employee's spouse at retirement:

- (a) Full premium payment for the B.C. Medical Plan for the retired employee's lifetime and eligible dependents. It is understood that the employee may be eligible for a premium subsidy if qualified.
- (b) Full premium payment for a basic Extended Health Benefits Plan.
- (c) The Union agrees to provide full co-operation in obtaining the necessary number of employees required to work on Statutory Holidays as provided for in Article XVII, Section 3, Crofton Labour Agreement

2. Compressed Work Week

In order to implement a Compressed Work Week schedule, the parties hereby agree to the following terms and conditions:

- (a) Where it is determined that a department wants to implement the 12-Hour Shift Schedule there will be a 48 week trial period.
- (b) This trial period may be canceled by either party with thirty (30) days written notice or within seven (7) days if mutually agreed to by the Union and the Company.
- (c) The implementation of the Compressed Work Week will be on the conditions that there will be no extra cost to the Company and that the efficiency of any department will not decrease.
- (d) It is understood by both parties that problems may arise during the trial period. Should this occur, the parties will meet to discuss the problem and attempt to reach a satisfactory solution.

- (e) It is clearly understood by both parties that replacements must be available for relief purposes when required and that most of these replacements may come from employees on his/her scheduled days off.
- (f) 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 for less than full tour, will be paid overtime at the rate of time and one-half for hours worked in excess of forty for the first week upon entering the schedule and for the last week upon leaving the schedule.

Any employee entering the twelve (12) hour shift schedule will be paid the overtime premium for hours worked in excess of eight (8) hours on the first twelve (12) hour shift, unless notification of entry was given during the first eight (8) hours of his/her last shift preceding the new twelve (12) hour shift.
- (g) Employees will give as much notice as they possibly can on requests for leave, so that they can be replaced at straight time. Otherwise, the necessity to work employees on their days off will effectively negate the benefits gained from the additional days free from work in the compressed work week.
- (h) 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 for all work in excess of forty four (44) hours in any one week (Sunday to Saturday), except:
 - (i) Overtime work by special arrangement between a Tour Worker and his/her mate to exchange shifts with the approval of his/her supervisor, and when this can be accomplished without additional cost or penalty to the Company.
 - (ii) The Compressed Work Week cycle will consist of four (4) weeks of forty eight (48) scheduled hours and four (4) weeks of thirty-six (36) scheduled hours.
 - (i) Tour Workers who work in excess of twelve (12) consecutive hours on a regular scheduled shift or in excess of eight (8) consecutive hours on a scheduled day off shall be given the option of receiving the overtime premium on the basis of Article VI, Section 2 (3) of the Crofton Labour Agreement,

or of receiving straight time for hours in excess of twelve (12) or eight (8) consecutive hours respectively and taking equivalent time off at the hourly rate of 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.

- (j) 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/her 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 schedule penalty payment is not payable for the second change in shifts when the employee returns to his/her previously established shift.
- (k) For purposes of the twelve (12) hour shift schedule the payment of night shift differential will be based on Tour work being scheduled 7:30-3:30, 3:30-11:30, and 11:30-7:30, in accordance with Article VII of the Crofton Labour Agreement.
- (l) An employee who has been employed for less than one year and does not qualify under (b) of Article XV - Vacations, of the Crofton Labour Agreement will receive a vacation to two hours for each 40 hours of actual work performed during the preceding vacation period. No vacation of less than one day will be granted.
- (m) Employees will be allowed to take vacations on a tour basis. For the purposes of the twelve (12) hour shift schedule, a tour will be the number of consecutive working days without a day off.
- (n) Employees on the Compressed Work Week schedule may apply for and receive five (5) shifts off as Floating Holidays.

Payment for Floating Holidays will be as stated in Article XVIII of the Crofton Labour Agreement.

- (o) For the purposes of the twelve (12) hour shift schedule, entitlement to Supplementary Vacations will be calculated on the basis of the number of weeks for which the employee has qualified, subject to all other conditions of Article XVI of the Crofton Labour Agreement.
- (p) Taking of Banked Overtime, Deferred Statutory Holidays, Floating Holidays, and Days in Lieu of Statutory Holidays.
 - (i) Banked Overtime, Deferred Statutory Holidays, Floating Holidays, and Days in Lieu of Statutory Holidays must be taken off in twelve (12) hour units.
 - (ii) Employees will be permitted to group Banked Overtime, Deferred Statutory Holidays, Floating Holidays, and Days in Lieu of Statutory Holidays to facilitate taking time off in twelve (12) hour units.
 - (iii) 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.
- (iv) Employees may take four (4) hours from grouped hours if so desired to supplement Statutory Holiday pay, if he/she would normally have worked a twelve (12) hour shift on that day.
- (v) With the above exceptions and those elsewhere in the Memorandum of Agreement, all other conditions of the Crofton Labour Agreement will apply to matters covered in the Item Q.
- (q) 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/she shall be compensated at his/her regular straight time hourly rate for hours lost from his/her regular schedule for a maximum of twenty-four (24) hours according to the provisions of Article XIII of the Crofton Labour Agreement.
- (r) Any regular full-time employee who is required to perform Jury Duty, or who is subpoenaed to serve as a witness in a Court action or Coroner's Inquest, save and except actions involving the Company or Trade unions, unless subpoenaed by the Crown, on a day on which he/she would normally

have worked, will be reimbursed by the Company for the difference between the pay received for such duty and his/her regular straight time hourly rate of pay for his/her regularly scheduled hours of work.

It is understood that such reimbursement shall not be for hours in excess of twelve (12) hours per day or forty (40) hours per week over the averaging period, less pay received for such duty. The employee will be required to furnish proof of performing such service and such duty pay received.

- (s) For the purposes of calculating overtime, the scheduled work week shall be reduced by eight (8) hours for each paid Statutory Holiday. For example:
 - (i) In a forty-eight (48) hour work week in which one (1) paid Statutory Holiday occurs, overtime will be paid for hours worked in excess of forty (40). Should it happen that two (2) recognized paid Statutory Holidays occur in one week, then overtime will be paid for hours worked in excess of thirty-two (32) of that particular week.
 - (ii) In a thirty-six (36) hour work week in which one (1) paid Statutory Holiday occurs, overtime will be paid for hours worked in excess of twenty-eight (28). Should it happen that two (2) recognized paid Statutory Holidays occur in one (1) week, then over-time will be paid for hours worked in excess of twenty (20) of that particular week.
- The foregoing applies only to 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 work week.
- (t) All hours worked on Sunday or Statutory Holidays will be used in the calculation of the scheduled work week.
 - (u) When a Statutory Holiday falls on an employee's regular day off, he/she may elect to take an alternate day by the end of the contract year following the contract year in which it is earned.

- (v) The twelve (12) hour shift times of 7:30 a.m. to 7:30 p.m. and 7:30 p.m. to 7:30 a.m. will define a DAY as a period of twenty-four (24) hours beginning at 7:30 a.m. and a WEEK as a period of seven calendar days beginning at 7:30 a.m., Sunday.
- (w) Weekly Indemnity benefits will continue to be calculated on the basis of even (7) calendar days and that loss of income has occurred.
- (x) Except and unless specifically varied in this Agreement, all of the terms and conditions of the Crofton Labour Agreement shall apply.

3. Safety Footwear

Company subsidy for Safety Boots/Shoes allowance will be 60% of cost.

4. Moulded Hearing Protection

The Company will provide one (1) pair of Custom Moulded Hearing Protection at 100% of the purchase price. Subsequent Custom Moulded Hearing Protection will be provided on a fifty/fifty (50/50) cost sharing basis between the Company and the Employee.

5. Subsidy for Safety Glass Frames

Safety Glass Frames for prescription glasses will be provided at no cost to employee.

6. Maintenance of Air Conditioning Equipment

Company will maintain the operation of air conditioning equipment in control rooms and comfort stations on a priority basis.

The Company will repair on a priority basis any equipment that directly affects air quality.

7. Laundering of Coveralls

Company will launder coveralls issued to Stock Preparation Operators.

8. Mutual Change of Shift

Company will allow two employees, at the identical job level, to apply for a mutual change of shift.

9. Summer Student Seniority

It is hereby agreed that all students hired for the purpose of summer vacation relief during the period May 1 to September 15 will be subject to the following terms and conditions:

- (a) Students will be employees covered by the Collective Agreement between the parties subject only to the conditions contained herein.
- (b) Students will be hired on a temporary basis. Employment will terminate not later than September 15 of the year in which he/she are hired.
- (c) Each student will be provided with a copy of this Agreement and will be required to acknowledge receipt by dating and signing the Declaration to that effect in the form set out below.

This agreement may be canceled by either party, on thirty days written notice, during the period September 15 to April 1.

I, _____, Student, acknowledge that I received a true copy of this Memorandum of Agreement on the _____ day of _____, 20____.

(Signature)

10. Scheduling Less Than a Full Tour / Week Off

Tour Workers will be allowed to schedule less than a full tour vacation off subject to the normal number allowed off, when less than 40 hours remain, commencing at 8:30 a.m. on the Tuesday of the preceding week, on a first-come, first-served basis for the following tour.

Day workers will be allowed to schedule less than a full week off, when less than 40 hours remain, subject to the normal number allowed off, commencing on Friday morning of the preceding week on a first-come, first-served basis, for the following week.

11. Municipal Elections Leave of Absence

The Company will make every effort to allow employees Leave of Absence (without pay) from day shift to vote in Municipal Elections.

12. Joint Health and Welfare Committee

A Joint Health and Welfare Committee will be established to discuss and develop an employee Alcohol and Drug Program. The Joint Welfare Committee will be involved in the local administration of the Pulp and Paper Industry Pension Plan.

The Company agrees to provide monthly status reports to the C.E.P. Health and Welfare delegate outlining who is off and the expected return to work date if known.

13. Janitor Services

The Newsprint Janitor will mop out the dry end lunchroom once per day, Monday to Friday and Utility hands will continue to provide weekend cleanup.

14. Juice

When temperature conditions are extreme during the installations of wet and dryer felts, the Company will provide juice to Newsprint department employees.

15. Radios

Employees will be permitted to bring radios into the mill, provided there is no interference with normal duties.

16. Vacation Pay

Annual Vacation Pay will be made available to all employees by the second regular pay day in May.

17. Newsprint Scale

The Newsprint Scale Averaging period will be updated every four weeks based on the previous 12 weeks operating speeds.

18. Union Education Fund

The Company will remit Ten thousand dollars (\$10,000) per calendar year to the Local 1132 Union Education Fund.

19. Wait Listing

The Company will consider applications for vacations during non-prime time where applications have been submitted for at least a full tour of vacation and do not incur additional costs for the Company.

20. Extended Health Benefits

It is agreed that Extended Health Benefits coverage will be extended to dependants of employees up to a maximum of \$100,000 in the event of a work related death (as defined by WorkSafeBC).

Dependants are defined as the dependants of the employee registered with the Extended Health Care Provider at the time of the death. This coverage of dependants will continue until the dependants reach the age of majority (19 years of age).

21. Relief Levels

Relief levels in CEP Local 1132 will be maintained at a minimum of one relief employee for every four positions that require relief (4:1).

When levels fall below this level the Company will hire or recall to re-establish the ratio.

22. Employees on Temporary Layoff – Opportunity to Elect a Severance Option

For the term of this Collective Agreement, the Company and 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

Mike Fenton
CEP National Rep
Western Region

Steve Boniferno
Senior Vice-President, Human Resources
Catalyst Paper

