

**Labour Agreement
May 1, 2006 to April 30, 2012**

BETWEEN

**Catalyst Paper
Port Alberni Division**

AND

**Canadian Office & Professional
Employees Union
Local No. 15**

THIS AGREEMENT entered into this 3rd day of February 2006

BETWEEN:

CATALYST PAPER

Port Alberni Division
4000 Stamp Avenue,
Port Alberni, British Columbia,
(Hereinafter referred to as the “Company”)

and:

CANADIAN OFFICE AND PROFESSIONAL EMPLOYEES UNION, Local 15,

14625 – 108th Ave.
Surrey, B.C. V3R 1V9

(Hereinafter referred to as the “Union”)

INDEX

PREAMBLE	5
ARTICLE I – RECOGNITION	5
ARTICLE II – MANAGEMENT RIGHTS	5
ARTICLE III – UNION SECURITY	5
ARTICLE IV – WORK SCHEDULE AND OVERTIME	6
ARTICLE V – LEAVE OF ABSENCE	8
ARTICLE VI – SENIORITY	9
ARTICLE VII – BULLETIN BOARDS	12
ARTICLE VIII – SALARIES	13
ARTICLE IX – STANDING COMMITTEE	13
ARTICLE X – POSITION POSTING, UPGRADING, & TEMPORARY POSITIONS	14
ARTICLE XI – DEFINITION OF EMPLOYEES	16
ARTICLE XII – TECHNOLOGICAL CHANGES	17
ARTICLE XIII – GENERAL	18
ARTICLE XIV – DISCHARGE	19
ARTICLE XV - GRIEVANCE PROCEDURE	19
ARTICLE XVI – ARBITRATION	20
ARTICLE XVII – NOTICES	20
ARTICLE XVIII – STRIKES AND LOCKOUTS	20
ARTICLE XIX – DURATION OF AGREEMENT	21
SECTION 1 – SALARY SCHEDULE	22
SECTION 2 – SALARY SCHEDULE – TECHNICAL DEPARTMENT	23
SECTION 3 – CLASSIFICATION OF POSITIONS	24
SECTION 4 – RATES ON PROMOTIONS	25
SECTION 5 – RATES ON TRANSFERS	25
SECTION 6 – RATES ON SET BACKS	25
SECTION 7 – RATES ON DEMOTIONS	25
SECTION 8 – RATES ON REINSTATEMENTS	25
SECTION 9 – RATES ON RELIEF	26
SECTION 10 – RATE OF PAY – FLOATERS	26

LETTER OF UNDERSTANDING FLEXTIME	27
LETTER OF UNDERSTANDING BENEFITS	29
LETTER OF UNDERSTANDING LINE OF PROGRESSION, TECHNICAL	30
LETTER OF UNDERSTANDING WORK OPPORTUNITIES	31
LETTER OF UNDERSTANDING FLEXIBILITY IN WORK ASSIGNMENTS	32
LETTER OF UNDERSTANDING RE: COPE MEMBERS ASSIGNED TO WORK ON CAPITAL PROJECTS	32
LETTER OF UNDERSTANDING RESPECTING SUB-CONTRACTING OR RE- DIRECTION OF WORK PERFORMED BY COPE	33

PREAMBLE

It is recognized by this Agreement to be the duty of the Company, the Union and the employees to co-operate fully, individually and collectively. The Company and the Union agree to abide by the terms set out in this Agreement. The Union agrees that it will at all times, instruct its members and the Company agrees that it will at all times, instruct its supervisory staff to act in accordance with the terms contained in this Agreement.

It is also recognized that the Company, the Union and employees will continue to work together to improve productivity and competitive position.

The Company and Union subscribe to, and support, the principles of the Human Rights Code of B.C., and subsequent amendments.

ARTICLE I – RECOGNITION

The Company recognizes the Union as the sole collective bargaining agent for the office and technical employees covered by this Agreement as determined by the Labour Relations Board of British Columbia.

ARTICLE II – MANAGEMENT RIGHTS

All management rights heretofore exercised by the Company unless expressly limited by this Agreement, are reserved to and vested exclusively in the Company.

ARTICLE III – UNION SECURITY

Section 1

Any employee hired on or after July 1, 1981, or any employee who is now a member in good standing or who becomes reinstated as a member of the Union, shall as a condition of employment, maintain membership in good standing in the Union throughout the term of this Agreement and without limiting the generality of the foregoing, all employees hired on or after July 1, 1981 during the term of this Agreement shall as a condition of employment become a member of the Union thirty (30) days after becoming employed by the Company.

Section 2

Upon written authorization from the employee, the Company agrees to deduct from the salary of each employee in the bargaining unit employed for thirty (30) calendar days or more, an amount equivalent to the regular monthly dues. In addition, the Company will deduct initiation fees and assessments upon written authorization, from each bargaining unit employee. Such dues, fees and assessments will be remitted to the Union once monthly, together with a list of employees from whom such deductions are made.

The Union agrees to file initiation fees and dues deduction assignment forms with the Company for each employee prior to such deduction.

Section 3

In order to provide an orderly and speedy procedure for settling of grievances, the Company acknowledges the right of the Union to appoint or elect up to three (3) Job Stewards; whose duties, in addition to their responsibilities and the requirements of their positions with the Company, shall be to assist any employee in the bargaining unit represented by Steward, in preparing and presenting their grievance in accordance with the grievance procedure.

Section 4

The Union shall notify the Company in writing of the name and length of appointment of each of the Job Stewards, before the Company shall be required to recognize them.

Section 5

The Company agrees that the Job Stewards shall be given reasonable freedom of action in investigating disputes at time periods mutually agreeable to the Company and Job Steward.

ARTICLE IV – WORK SCHEDULE AND OVERTIME

Section 1

The standard work day shall consist of 7 ½ hours and the standard work week shall consist of 37 ½ hours, Monday through Saturday. Each employee shall work five (5) days followed by Saturday and Sunday off duty or Sunday and Monday off duty.

Starting and finishing times of the standard work day shall be 8:00 a.m. to 4:30 p.m. respectively. However, certain employees may be required to observe other than the specific starting and finishing time.

In the event alternate traditional 5-day work week schedules are implemented elsewhere within Port Alberni Division, members of COPE will be given an opportunity to examine shift schedules with Management to determine the appropriateness of implementing trial alternate schedules (Departments and some positions are unique and will have to be reviewed separately.) Following the trial(s), agreement from both Management and Union will be required if further trials or a permanent schedule is implemented.

Section 2

A lunch period of one hour shall be provided and taken as close as possible to the middle of the working day.

Section 3

Each employee shall receive two relief periods of ten minutes each, one taken in the morning and one in the afternoon.

Section 4

Overtime shall consist of work in excess of the standard work day, or the standard work week and work performed on a Sunday, a holiday or on a regular scheduled day off.

Section 5

The rate of pay for each hour of overtime shall be one and one-half times the rate of pay for each hour of the standard work week or double the rate of pay for each hour of the standard work day.

Double time will be paid in the following circumstances:

- Hours over 10 ½ in a day.
- Hours over 7 ½ on a Sunday, Holiday or scheduled day off.
- Hours over 45 in a week excluding the hours worked in excess of 7 ½ hours in any one day, i.e. if employee worked 7 ½ hours each day for 7 consecutive days in a week, then all hours worked on the seventh day would be paid at double time.
- All hours worked on the following days:

New Years 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.
Dominion 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 6

Overtime shall be paid for no later than the pay day following the salary period in which the overtime was worked.

Section 7

An employee required to work more than one (1) hour beyond the end of the standard work day shall be provided a hot meal at the usual time by and at the expense of the Company. If the employee continues to work, a meal which shall be hot if practicable shall be provided every four (4) hours thereafter.

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

Section 8

An employee called to work after their scheduled hours in the day and after having left the Company's premises, shall be paid a minimum of four (4) hours' pay at straight time or the overtime rate for the hours worked, whichever is greater. An employee called to work on a day off duty (including Sundays and holidays) shall be paid a minimum of four (4) hours at straight time or the overtime rate for the hours worked, whichever is greater.

Section 9

In the event that an employee is called in to work on a vacation day, the employee will be permitted to re-schedule said day at a time mutually agreed upon by the employee and their supervisor.

Section 10

A shift differential of two dollars and fifty cents (\$2.50) per shift will be paid for all full shifts worked outside the recognized day hours.

ARTICLE V – LEAVE OF ABSENCE

Section 1

Employees will be granted reasonable leave of absence without pay during the term of this Agreement for the purpose of Union Business. The Company must be notified in writing one week in advance of the request for leave.

Section 2

An employee on leave of absence for Union Business will continue to accrue seniority in the bargaining unit for periods of up to six (6) months.

Section 3

Leave of absence without pay in cases of maternity and parental leave shall be granted in accordance with the Employment Standards Act, and subsequent amendments.

The Company will grant extended maternity leave 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 mother and/or child.

Section 4

Any employee summoned to Jury Duty or subpoenaed as a witness, on a day on which they would normally have worked, will be reimbursed by the Company for the difference between the amount received for such duty and the amount they would have earned had they worked on such days. Employees will furnish the Employer with such statement of earnings as may be supplied.

ARTICLE VI – SENIORITY

Section 1

An employee shall be considered on probation for a period of sixty (60) days from the last date of hiring.

Section 2

During the term of the 60 day probationary period a probationary employee shall be entitled to all rights and privileges of this agreement. After the completion of the probationary period their seniority shall be effective as of the original date of employment. Part-time seniority shall be based on one day seniority for each day or portion of a day worked.

Section 3

Seniority shall be applied and administered within the bargaining unit on an office-wide basis.

Section 4

When the Company fills bargaining unit job vacancies or newly created bargaining unit positions, it will do so from within the bargaining unit provided employees making application have the necessary qualifications to satisfactorily perform the job. The Company will provide on-the-job training as required during the trial period.

Section 5

Promotions shall be on the basis of ability, qualifications and seniority. If two or more employees have the same relative qualifications the employee with the greatest seniority shall be selected.

Section 6

- (a) An employee promoted to a higher rated position shall be on trial for the first thirty, (30) days. If during the first thirty, (30) days the employee is considered to be unsuitable for the position, or if the employee considers the position unsuitable for them, they shall be returned to their former position or one of equal rank.
- (b) Any employee transferring to a position of equal rank or lower will have the option of considering the position unsuitable for him/her within a pre-determined time limit to be set by the Company after consultation with the Standing Committee. If during that time period the employee is considered to be unsuitable for the position, or if the employee considers the positions unsuitable they shall be returned to their former position, at the former rate of pay.

Section 7

If a reduction in staff is necessary the Union shall be consulted by the Company and privileged to present recommendations which will be considered by the Company prior to a decision by the Company. In cases where time does not permit such prior consultation the Company will take temporary action only until the recommendations of the Union can be considered.

Section 8

In the event of a reduction of staff, the most junior employee shall be laid off first and the most senior employee last.

Section 9

- (a) An employee affected by a layoff, reduction of staff or position elimination shall have the option of displacing an employee with less seniority in the same or lower salary group provided they have the qualifications required to perform the job.
- (b) If no same or lower salary group position exists the employee shall be allowed to displace any employee with less seniority in the next higher group available.
- (c) The displaced employee shall follow the process established above in displacing employees with less seniority than them.
- (d) An employee so affected shall be on a trial period for the first thirty (30) days. If during the first thirty (30) days the employee is considered to be unsuitable for the position, or if the employee considers the position unsuitable for them, they shall be allowed to displace another employee with less seniority in the same or lower salary group than the position they originally had, provided such position exists. The trial basis may be extended by mutual agreement between the parties.
- (e) The Company will provide on-the-job or special training as required during the trial period.

Section 10

- (a) For permanent loss of employment, notice of layoff shall be given an employee, other than a probationary employee, or employees hired for work of known temporary duration, two weeks before they are scheduled to be laid off. Where an employee is laid off due to a Company decision to permanently eliminate a position then that employee may elect to terminate and not be eligible for recall as described in Section 11 of this Article. If the employee makes such election within thirty (30) days of the date the elimination is deemed permanent then the employee will receive severance pay on the following basis:

Years of Employment	Severance Allowance weeks/year
1 st ten years	2 weeks
Subsequent years	1 week

Maximum Severance Allowance 45 weeks.

For employees with a minimum of one (1) years employment during their last period of continuous service, severance allowance shall not be less than four (4) weeks pay. The employee may elect to defer receipt of this payment for up to 12 months.

- (b) No employee shall be eligible for severance payment under both Article XII Technological Change and Article VI, Seniority.
- (c) Where a temporary curtailment of mill operation is planned the Company will endeavor to give the Union as much notice as possible.
- (d) Enhancements in Severance Allowance achieved by the CEP through collective bargaining will be incorporated into this agreement.

Section 11

- (a) An employee who is laid off shall be subject to recall in order of seniority, subject to their qualifications to fill the available position, but shall have no rights as an employee under this agreement save the right of recall in order of seniority and welfare and benefit coverage in accordance with Section 11 (b). Employees shall retain their seniority for one year from the date of layoff, plus one additional month for each year of continuous service up to an additional 12 months. Employees who are on the recall list and are called back for temporary work assignments shall have their recall rights extended by one (1) day for every one (1) day or part thereof worked.
- (b) The following Company-paid benefit plans will remain in effect for employees with one (1) or more years seniority for six (6) months and for employees with more than four (4) months but less than one (1) year's seniority for three (3) months while on layoff:
 - (i) Group Life Insurance Plan
 - (ii) Provincial Health Plans and Extended Health Benefit Plan
 - (iii) Dental Care Plan

Section 12

Any notice of recall to an employee other than a probationary employee who has been laid off shall be made by registered mail to the last known address of the employee. The employee must respond to recall notice within 7 days of issuance or lose all rights of seniority. Bona fide reasons for failure to report shall not deprive an employee of their recall rights.

Section 13

Seniority shall mean length of continuous service, with the Company and its predecessors as an employee in the bargaining unit, and credit shall be given for all continuous service prior to certification, in positions included in the bargaining unit at the time of certification.

Section 14

Except as provided in Section 15 following, an employee who leaves the bargaining unit and subsequently returns, will be considered as a new employee from the date of re-entering the unit for the purpose of determining seniority credit.

Section 15

An employee, who, at the request of the Company, temporarily leaves the bargaining unit for a period of less than three (3) months to fill a Company position outside the scope of the bargaining unit, shall be credited with accumulative seniority, on returning to the bargaining unit. If the temporary leave referred to herein exceeds a period of three (3) months, the employee shall be credited with a maximum of three (3) months of that temporary leave.

Section 16

Seniority will accrue to periods not exceeding three (3) calendar months for those employees on approved Leave of Absence without pay. Employees on Union Leave or Maternity Leave will accrue seniority as outlined in Article V.

Section 17

No seniority shall accrue for short terms of temporary work except that temporary employees who attain regular status shall have seniority credited from date of entry as an employee of the Company on a continuous basis.

Section 18

Seniority lists will be made available by the Company at such times as may be required for the administration of this Agreement but not exceeding twice per 12 month period.

ARTICLE VII – BULLETIN BOARDS

Bulletin boards shall be made available to the Union for the purpose of posting Union notices relating to meetings and general Union activities. A copy of each notice shall be submitted to the Company before being posted.

ARTICLE VIII – SALARIES

Section 1

The salary schedules to be in effect for the period May 1, 2006 until April 30, 2012 inclusive, shall be set forth in Appendix “A”.

Section 2

When a new position is created or an existing one changed, the Company will make a temporary evaluation and will advise the Union in writing of the rank of the position. In the event of a disagreement between the Union and the Company with regard to the ranking of the position, the matter shall be dealt with as provided in the Grievance Procedure, Article XV of this Agreement.

Section 3

Step rate changes shall be effective on the first or 16th of the month, whichever date is closest to the employee’s job anniversary date. Rate changes on promotion will be effective the date of promotion, provided the employee successfully completes the 30-day trial period.

ARTICLE IX – STANDING COMMITTEE

- (a) Each party to this Agreement shall appoint a Standing Committee not to exceed three (3) members.
- (b) Each party shall notify the other by letter of the names of their committee members and any changes which may take place from time to time.
- (c) The purpose of the Standing Committee shall be to meet together at the request of either committee to discuss matters related to the administration of the Collective Agreement and to attempt to resolve any problems that may arise or can be foreseen.

ARTICLE X – POSITION POSTING, UPGRADING, & TEMPORARY POSITIONS

Section 1 – Vacancies and New Positions Clerical

New positions and positions becoming vacant within the clerical section of the bargaining unit shall be posted for a minimum of three (3) working days with a copy to the Chief Steward. The job posting shall outline job title, group classification and necessary qualifications.

Section 2 – Technical

New positions and positions becoming vacant within the Technical section of the bargaining unit shall be filled pursuant to the Line of Progression Agreement and the bottom position will be posted for a minimum of three (3) working days with a copy to the Chief Steward. The job posting shall outline job title, group classification and necessary qualifications.

Section 3 – Position Upgrading

(a) Clerical

A clerical position, if upgraded by two or more salary groups will be posted as if it were vacant; however if a position is upgraded by one salary group, the incumbent, if the position is occupied, will remain in the position.

(b) Technical

A technical position if upgraded will be placed in the Line of Progression and will be filled according to the Line of Progression Agreement and if a vacancy results, the bottom job will be posted for a minimum of three (3) working days with a copy to the Chief Steward. The posting shall outline job title, group classification and necessary qualifications.

Section 4 – Temporary Postings

(a) Positions designated by the Company as temporary and vacancies occurring due to illness, injury, maternity leave or other authorized leaves of absences will be filled by employees hired on a temporary basis. An employee hired on a temporary basis shall be entitled to all the rights and privileges of this agreement.

(b) Positions designated by the Company as temporary positions shall not exceed three (3) months duration. Should the Company require an extension for a temporary position it will consult with the Standing Committee. The temporary position may continue as is for a period mutually agreed to or it shall become vacant and posted.

(c) Temporary positions created as a result of vacancies due to illness, injury, maternity leave or other authorized leaves of absences shall be filled on a temporary basis for the duration of the vacancy or for two (2) years, whichever is shorter. Should the vacancy remain for more than one year it shall become vacant and posted.

- (d) A regular full time or part time employee who has been displaced from their position due to Section 4 (c) shall:
- (1) Be returned to the same position they held prior to the leave provided they have more seniority than the incumbent or be entitled to review all postings circulated in the twelve (12) months preceding their return to work and choose to bump into one of these positions provided they have more seniority than the incumbent.
 - (2) If their former position has been eliminated prior to their return to work, be entitled to bump into a position in the same or lower salary group and their salary and benefits shall be in accordance with Appendix A, Section 5.
 - (3) Be entitled to choose to fill a vacant position in a lower salary group and their salary will be that of the position they fill.
- (e) Prior to temporary positions being filled, the Union Standing Committee shall be consulted and privileged to present recommendations which will be considered by the Company.

ARTICLE XI – DEFINITION OF EMPLOYEES

Section 1

PROBATIONARY EMPLOYEE

All new employees except temporary employees will be considered probationary for the first sixty (60) days of employment. After sixty (60) days employment, an employee will become regular. Temporary employees transferred to, or attaining regular status, shall have their temporary period of employment included in their probationary period.

Section 2

FULL TIME REGULAR

An employee hired to work on a full-time basis in a regular continuing position.

Section 3

PART-TIME REGULAR

An employee hired to work regular hours or days on a continuing basis but who works less than the normal working hours in a month.

Section 4

TEMPORARY

An employee hired for a specified period not exceeding four (4) months duration. A temporary employee attaining regular status will have rights under this Agreement which is based on length of service or seniority dated from the start of continuous employment.

ARTICLE XII – TECHNOLOGICAL CHANGES

Section 1

The Company will provide the Union with at least 180 days notice of intention to introduce automation, mechanization or equipment changes which might result in displacement or reduction of personnel or in changes of job classifications.

The company will give updates at each Standing Committee meeting. These updates will include details of anticipated change affecting the job status of individual employees. It is the intention to provide the individual affected with not less than 30 days notice prior to implementation of said change.

Section 2

Wherever practical, employees who become redundant due to such technological change will be offered alternative employment and appropriate training opportunities without loss of pay for such period of retraining.

Section 3

In cases where a job has been eliminated through Technological Change the incumbent shall elect:

- (a) To displace an employee with less seniority in the same salary group or lower salary group provided they have the ability and qualifications required to perform the job. Employees who are displaced from their jobs as a result of such bump-back procedure may themselves displace less senior employees in the same or lower classifications providing they have the ability and qualifications required to perform the job.
- (b) To be placed on the recall list in accordance with Article VI, Section 11.
- (c) Termination of employment as described in Section 4 of this Article.

Section 4

Where an employee who has more than three (3) months service elects to terminate and not be eligible for recall as described in Section 3, they will receive severance pay on the following basis:

Years of Employment	Severance Allowance weeks/year
1 st ten years	2 weeks
Subsequent years	1 week
Maximum Severance Allowance	45 weeks

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

The employee will have the option of taking severance pay at the time of termination or within twelve months of termination.

Enhancements in Severance Allowance achieved by the CEP through collective bargaining will be incorporated into this agreement.

Section 5

In the event that work regularly performed by employees within the bargaining unit of Local 15, COPE is removed from the plant and consolidated at Vancouver, the Company agrees that the provisions which apply to technological change will apply to employees affected, whether or not a technological change has occurred.

ARTICLE XIII – GENERAL

Section 1

The Company agrees to provide adequate conditions such as proper lighting, ventilation and washroom and lunchroom facilities.

Section 2

STATUTORY HOLIDAYS QUALIFYING CONDITIONS

Any employee who is on the payroll of the Company on a Statutory Holiday will be granted 7 ½ hours pay at straight time rate of the employee's regular job subject to compliance with all the conditions set forth below.

- (a) the employee must have been employed for thirty (30) days
- (b) the employee must have worked at least one (1) day during the 15 days immediately preceding the Statutory Holiday unless:
 - (i) the employee is on an authorized paid vacation
 - (ii) the employee is unable to work by reason of an industrial accident as recognized by the Worker's Compensation Board or non-occupational sickness or injury

Section 3

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.

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

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 the time.

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

NOTE: Parties have agreed that training will be discussed individually and as part of Standing Committee.

ARTICLE XIV – DISCHARGE

It is hereby agreed that the Company has the right to discharge an employee for reasonable and sufficient cause. The Company agrees to advise the Union of such discharge and the reasons therefore.

ARTICLE XV - GRIEVANCE PROCEDURE

Section 1

All differences between the Company and the Union or between the Company and an employee or employees bound by this Agreement, concerning its interpretation, operation or alleged violation thereof, shall be settled in accordance with the following procedure. If the employee has a complaint against the Company, it should be referred to as a grievance and the procedure for settlement shall commence at Step 1. Grievances other than those involving employees may be initiated by Step 2 by either party.

Step 1

The employee involved shall first take up the grievance with the supervisor directly in charge of the work within five (5) working days of the happening of events giving rise to the grievance. The employee may be accompanied by a job steward.

Step 2

If the grievance is not satisfactorily settled at Step 1, the employee may within five (5) working days, submit the grievance in writing to the Standing Committee.

Step 3

If a satisfactory settlement is not reached at Step 2, the grievance shall be referred within five (5) working days to the Chief Officer of the Union and Mill Manager of the Company. Failing settlement within a further ten (10) working days of receipt of notice, the dispute may be referred to arbitration as set forth in Article XVI.

Section 2

If a grievance has not advanced to the next stage under Steps 1, 2, or 3, within the time provided, then the grievance shall be deemed to be abandoned, and all rights of recourse to the grievance procedure in respect of that complaint shall be at an end.

Section 3

The time limits set forth in this Article may be extended by mutual consent between the Union and the Company.

ARTICLE XVI – ARBITRATION

Section 1

Within ten (10) days of completion of the procedure described in Article XV, either party may notify the other in writing of its intention to proceed to arbitrate a matter remaining in dispute. The parties will then forthwith endeavor to agree upon the selection of a single arbitrator to hear the dispute. If unable to agree upon the selection of an Arbitrator, they will within thirty (30) days apply to have an Arbitrator appointed under the provisions of the Labour Relations Code of British Columbia. The Arbitrator shall have jurisdiction to determine whether a grievance is arbitratable but shall have no jurisdiction to alter the terms of this Agreement.

Section 2

The Arbitrator shall hear the dispute within thirty (30) days of their appointment and shall hand down a final and binding decision within a further fifteen (15) days.

Section 3

The parties agree that each will pay one-half of the fees and expenses of the Arbitrator.

ARTICLE XVII – NOTICES

For the purposes of this Agreement, any notice or other communication addressed by one party to the other at the address shown at the head of this Agreement and sent through Her Majesty's Mail shall be presumed unless the contrary is proved, to have been received by the addressee in the ordinary course of mail.

ARTICLE XVIII – STRIKES AND LOCKOUTS

There shall be no strike, slowdown or lockout during the term of this Agreement.

ARTICLE XIX – DURATION OF AGREEMENT

This Agreement shall be effective from May 1, 2006 to and including April 30, 2012 and shall automatically be renewed from year to year thereafter unless either party serves upon the other hereto notice in writing of the desire to terminate the Agreement at least sixty (60) days and not more than ninety (90) days prior to the date of expiration of the Agreement. The parties agree that the operation of Section 50 (2) and (3) of the Labour Relations Code of British Columbia is hereby excluded.

FOR:

Catalyst Paper
Port Alberni Division

Vern Phillips
Director, Human Resources

R. Crema

M. Ruel

Canadian Office & Professional
Employees Union, Local 15

B. Hodson
Business Representative

D. Sjerven

J. Hill

S. Pierce

SECTION 1 – SALARY SCHEDULE

COPE RATES

PER ANNUM To Apr 30, 2007					PER MONTH To Apr 30, 2007					HOURLY RATE				
Step1	Step 2	Step 3	Step 4		Step1	Step 2	Step 3	Step 4		Step1	Step 2	Step 3	Step 4	
	44112	45534			2	3675.98	3794.53			2	22.62	23.35		
3	44897	46432	47141	47779	3	3741.39	3869.36	3928.46	3981.60	3	23.02	23.81	24.18	24.50
4	45070	46650	48402	49734	4	3755.87	3887.49	4033.50	4144.49	4	23.11	23.92	24.82	25.50
5	45766	47330	49081	51326	5	3813.82	3944.18	4090.11	4277.17	5	23.47	24.27	25.17	26.32
6	48126	49834	51775	53876	6	4010.48	4152.85	4314.58	4489.65	6	24.68	25.56	26.55	27.63
7	50979	52905	55092	57786	7	4248.29	4408.78	4590.96	4815.53	7	26.14	27.13	28.25	29.63
8	54108	56411	59220	62189	8	4509.03	4700.89	4934.97	5182.38	8	27.75	28.93	30.37	31.89
9	57959	60625	63738	67242	9	4829.93	5052.10	5311.50	5603.52	9	29.72	31.09	32.69	34.48
To April 30, 2008					To April 30, 2008									
2	45193	46644			2	3766.08	3887.00			2	23.18	23.92		
3	45994	47560	48283	48934	3	3832.79	3963.32	4023.60	4077.80	3	23.59	24.39	24.76	25.09
4	46171	47782	49569	50927	4	3847.57	3981.81	4130.74	4243.96	4	23.68	24.50	25.42	26.12
5	46880	48476	50262	52551	5	3906.67	4039.64	4188.48	4379.29	5	24.04	24.86	25.78	26.95
6	49287	51030	53009	55152	6	4107.26	4252.48	4417.45	4596.02	6	25.28	26.17	27.18	28.28
7	52198	54162	56392	59141	7	4349.83	4513.53	4699.36	4928.42	7	26.77	27.78	28.92	30.33
8	55389	57738	60603	63631	8	4615.78	4811.48	5050.24	5302.60	8	28.40	29.61	31.08	32.63
9	59317	62037	65212	68786	9	4943.10	5169.71	5434.31	5732.16	9	30.42	31.81	33.44	35.27

**Effective May 1, 2006 - \$0.10 per hour plus CEP General Wage Increase **

**Effective May 1, 2007 - \$0.10 per hour plus CEP General Wage Increase **

**Effective May 1, 2008 - \$0.10 per hour plus CEP General Wage Increase **

** The "CEP General Wage Increase" will be the general increase in wages accepted by COPE in the Port Alberni Operation for the remaining period starting May 1, 2008. COPE members will also receive any lump sum or similar payment negotiated generally by the CEP.

SECTION 2 – SALARY SCHEDULE – TECHNICAL DEPARTMENT

The following positions are included in this Section:

- Process Technician
- Customer Service Technician
- Statistician Technician
- Environmental Technician
- Pulp & Paper Technician
- Fibreloss & Services Technician

It is the practice within the Technical Department to assign tasks based on skills, ability and employee availability. To recognize the non-boundaries between the various jobs within the technical department and further create an environment of cooperation and skill enhancement opportunities throughout the department, the following salary policy shall apply:

Upon entry into the Technical Department, a probationary employee will enter the salary schedule at Group 7 – Step One.

Upon the employee's sixth anniversary with the Company, the employee will achieve Group 8, Step- 3.

Upon the technical employee's 17th anniversary of employment, the employee will achieve Group 9, Step 3.

As per Letter of Understanding – Line of Progression, Technical – vacancies within this department will be filled from within the Line of Progression.

SECTION 3 – CLASSIFICATION OF POSITIONS

Position Group	Position Title	Department
2	Office Courier	Mill Stores
4	OH & S Admin. Asst.	Health & Safety
4	Payroll Administrator	Time Office
4	Supply Management Clerk	Mill Stores
4	Reliability Clerk	Maintenance
4	Scheduler Transportation	Programming
6	Floater	Personnel
6	Accounting Assistant	Accounting
7	Fibreloss & Services Technician	Technical
7	Project Accountant	Accounting
7	Paper Mill Scheduler	Paper Mill
8	Program Scheduler - Truck	Programming
8	Pulp & Paper Technician	Technical
8	Environmental Technician	Technical
8	Statistician Technician	Technical
8	Customer Service Technician	Technical
9	Process Technician	Technical

SECTION 4 – RATES ON PROMOTIONS

An employee who is promoted to a higher position group shall receive the greater of: the minimum rate of the higher group, or an increase of 5% in their salary, adjusted, if it falls between steps, to the higher of these two steps in the new position group, or if it falls beyond the highest step, to the highest step in the position group. The new rate will be paid effective the date of promotion, provided the employee successfully completes the thirty (30) day trial period.

Employees shall progress automatically up the salary range for their job groupings in accordance with the required service on the job. However, if an employee is placed on a length of service step higher than the minimum required by their service, i.e. on being hired or by promotion, they shall progress up the salary range thereafter as though they had the required service on the job.

SECTION 5 – RATES ON TRANSFERS

An employee transferred from one position to another within the same position group shall receive the same salary as paid in the former position.

SECTION 6 – RATES ON SET BACKS

An employee who is set back to a lower position because of a reduction of staff will maintain their existing rate of pay until such time as the rate of pay for the lower position equals the rate the employee was receiving at the time of the set back. Negotiated increases will not be passed on to the employee until the rate of the new position exceeds their rate at the time of the set back.

SECTION 7 – RATES ON DEMOTIONS

An employee who is demoted to a lower position for reasons other than a reduction of staff shall receive the rate appropriate to the lower position group.

SECTION 8 – RATES ON REINSTATEMENTS

An employee who is recalled to work and reinstated shall be paid the rate within the range currently prevailing in that group appropriate to the employee's service in that group.

SECTION 9 – RATES ON RELIEF

An employee assigned to a higher position group within the bargaining unit on a temporary basis will receive a higher rate from the first day of such assignment if the employee is providing the necessary relief coverage. The higher rate will be the greater of the minimum rate of the higher position group or an increase of 5% per group adjusted if it falls between steps to the higher of these two steps in the higher position group, or if it falls beyond the highest step, to the highest step in the new position group.

It is understood that the higher rate will not apply for any period of training or re-training.

SECTION 10 – RATE OF PAY – FLOATERS

A floater will be reviewed on the anniversary date in their position and if during the preceding year they have worked for more than 50% of the time (a minimum of 120 days) in a group higher than their listed classification in Appendix “A” they will be paid the rate of one group higher than the listed classification.

If a floater position becomes vacant, it will be filled at the original group listed in Appendix “A”, Section 3.

Employees other than floaters who have worked more than 50% of the time (a minimum of 120 days) in a group higher than their regular rate in the twelve (12) months immediately preceding their Scheduled Annual Vacation will receive Annual Vacation pay for this period at one group higher than their listed classification.

Employees who work on a higher group job on the day preceding a Statutory Holiday shall receive pay for this Statutory Holiday at the higher rate.

**LETTER OF UNDERSTANDING
FLEXITIME**

BETWEEN:

Catalyst Paper
Port Alberni Division
Stamp Avenue, Port Alberni, B.C.
(Hereinafter referred to as the "Company")

AND:

COPE
Local 15
14625 – 108th Ave.
Surrey, B.C. V3R
(Hereinafter referred to as the "Union")

The parties agree to a continuation of the flexitime trial which allows for some employees to re-arrange their work schedules to provide leave days in accordance with the following principles:

1. The 37 ½ hour work week for each employee shall be preserved as an average. In return for the opportunity for employees to accumulate up to 11 Special Leave Days, it is agreed that the necessary hours will be worked to maintain the equivalence of the 37 ½ hour work week. This time will be spread over the remaining work days in the year.
2. The program will be continued on the basis that there be no increase in cost and all workload requirements will be met.
3. The schedules worked in order to earn Leave Days will be subject to management approval.
4. The trial shall be subject to the following terms and conditions:
 - (a) The trial shall be continued to June 30, 1991, on the basis that Union and Management agree to work together to resolve departmental problems.
 - (b) Management reserves the right to cancel the trial in whole or in part, if it is determined by Management that normal workload requirement or deadline is not met or there is an increase in costs. It is understood a decision by Management to cancel the trial is subject to the grievance procedure.

5. During the trial period, the terms of the Collective Agreement will be modified by this addendum to accommodate the rearranged work schedules without incurring additional cost.
 - (a) Overtime will be paid for hours in excess of the scheduled daily or weekly hours, except as provided in (b) below.
 - (b) In the event that an employee is required to work on their scheduled Leave Day they will work without additional compensation and the Leave Day will be taken prior to employee's next scheduled Leave Day or Statutory Holiday.
 - (c) To facilitate the re-arranged work schedules, all employees involved will cooperate fully toward achieving the workload requirements and meeting the deadlines. They will perform whatever duties and assume whatever responsibilities are necessary to allow each to take their designated Leave Days.
 - (d) Employees required to assume additional duties and responsibilities as a consequence of rearranged work schedules will not be entitled to position group re-evaluation.
 - (e) The lunch period may be modified to accommodate the re-arranged work schedule, but cannot be less than one half hour.
 - (f) In keeping with our intent not to accumulate Leave Days, each employee involved in the trial will be expected to take their earned leave time off within approximately two (2) weeks of accumulation.

6. Flextime will not be permitted to be accumulated or taken off during Prime Vacation Periods. These are defined as the months of July and August, School Spring Break and the Christmas period, (December 24th, to January 2nd).

7. Time may only be accumulated towards Leave Days on days worked in excess of 7 ½ hours. Time away from work for doctor's appointments, personal business, etc. are not considered as hours worked for the purpose of accumulating flex time.

Time may not be accumulated towards Leave Days while on vacation, sickness, injury or Leave of Absence.

Management expects that personal leave time will be taken on leave days wherever practical.

8. The parties recognize there will be some single person departments where the implementation of Flextime may not be feasible under the terms outlined above. Standing Committee will review problem areas with a view towards resolution.

Signed this 13th day of October, 1988 at Port Alberni, B.C.

Office & Technical Employees
Union, Local 15

Catalyst Paper.
Port Alberni Division

**LETTER OF UNDERSTANDING
BENEFITS**

Catalyst Paper
Port Alberni Division
4000 Stamp Avenue
Port Alberni, BC
V9Y 5J7

May, 1995
(Re-issued August 2000)
(Re-issued February 2006)

D. Sjerven
Chief Steward
COPE, Local 15

Dear Dave:

This will confirm our mutual agreement that during the period covered by the Collective Agreement in effect from May 1, 2006 to April 30, 2012, the employees of Catalyst Paper Port Alberni Division who are covered by the Agreement will be entitled to the same vacation, statutory holiday and employee welfare benefits which are available to other salaried employees of Port Alberni Division.

Yours truly,
Catalyst Paper
Port Alberni Division
Norm Kofler
Employee Relations Supervisor

**LETTER OF UNDERSTANDING
LINE OF PROGRESSION, TECHNICAL**

BETWEEN:

Catalyst Paper
Port Alberni Division
Stamp Avenue, Port Alberni, B.C.
(Hereinafter referred to as the “Company”)

AND:

Canadian Office And Professional Employees Union
Local 15
14625 – 108th Ave.
Surrey, B.C. V3R 1V9
(Hereinafter referred to as the “Union”)

The parties agree that a Line of Progression exists in the Technical Department.

Vacancies will be filled from within the Line of Progression. For the purposes of posting, the entry job into the Department will be the only job posted.

The Department will continue to relieve per current practice.

Office & Technical Employees
Union, Local 15
Barry Hodson
April 12, 2000

Catalyst Paper
Port Alberni Div.
Kathy Gomez
April 12, 2000

LETTER OF UNDERSTANDING WORK OPPORTUNITIES

The following letter of understanding will apply to work opportunities for COPE members:

“It is the desire of the parties to take advantage of job opportunities that come available.

Either party can bring to Standing Committee the opportunities that they feel should be explored.

This letter confirms that this understanding does not give COPE jurisdiction on these opportunities; however these issues may be discussed by Standing Committee.

At each Standing Committee meeting the status of this letter will be reviewed to see if we are accomplishing our common objective.

“This agreement can be cancelled upon 30 days written notice being issued by either party.”

**LETTER OF UNDERSTANDING
FLEXIBILITY IN WORK ASSIGNMENTS**

The following letter of understanding will apply to the flexibility of work assignments:

“The parties recognize the value of cooperation when assigning emergency relief for a period of five consecutive working days or less. This may result in an employee who normally would have relieved remaining on their current position and another employee assuming the vacant position.

No employee will receive less pay than they would have received had this agreement not taken place. Furthermore, the provisions of Appendix A, Section 10, apply to such assignment.

“This agreement is not intended to lessen the amount of training taking place.”

LETTER OF UNDERSTANDING

Re: COPE Members Assigned to Work on Capital Projects

It is the desire of the Parties to make available job opportunities that come available due to Capital Projects for Port Alberni Division at the mill site for laid off COPE members.

In order to assist laid off employees the Company agrees to recommend to the Project Engineering Firm the hiring of laid off employees for positions which they are qualified or may become qualified through a reasonable familiarization period.

Those laid off employees will be temporary employees of the Engineering Firm and their salary and benefits will be determined by the hiring Engineering Firms. The terms and benefits of the Collective Agreement between Port Alberni Division and COPE, Local 15, will not apply to the laid off employees while temporarily employed on a Capital Project except that time spent in these positions shall be attributed toward their recall periods and seniority continuation in accordance with Article VI – Seniority Section 11.

Laid off employees not afforded an opportunity to work on a Capital Project shall not lose their seniority standing in relation to those employees who are working on Capital Projects.

Further, the Standing Committee shall explore job enhancement opportunities for laid off COPE members.

The Union confirms that this understanding does not give COPE jurisdiction on Capital Projects work and that it is not a COPE effort to obtain union certification for employees of Firms employed on Capital Projects.

This understanding will exist for the duration of this Agreement unless extended through negotiations.

LETTER OF UNDERSTANDING

RESPECTING SUB-CONTRACTING OR RE-DIRECTION OF WORK PERFORMED BY COPE

- a) COPE fully understands and appreciates that the number of bargaining unit positions may be reduced over time for a variety of reasons. However, the conditions set out in this letter of understanding apply to the sub-contracting or redirection of work performed by COPE.
- b) The Company will notify the Union when consideration is being given to redirecting duties normally performed by COPE to another location or by other employees, management or contractors. The Company will then meaningfully consult with the Union respecting such changes in advance of the changes being introduced. However, once such consultation has taken place, the Company may then proceed with implementation of the changes.
- c) If bargaining unit positions are downgraded as a result of sub-contracting or the redirection of work, the employees in those positions will retain their existing classifications and will continue to receive all the wage increases applying to those classifications.
- d) During the term of the collective agreement, no current regular employee in the bargaining unit will be subject to lay off as the result of sub-contracting or the redirection of duties normally performed by COPE.”

This letter of understanding will expire on April 30, 2012 and will be subject to negotiations at that time.