

AGREEMENT BETWEEN

**CANEXUS LIMITED
NORTH VANCOUVER, B.C.**

AND

**COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA
LOCAL 697**

EFFECTIVE May 16, 2010

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ARTICLE 1 - DEFINITIONS

1:01 The word "employee" means employees in the Lab and all hourly-paid production, and maintenance persons on the payroll of Canexus Limited. at its North Vancouver, British Columbia plant, excepting those engaged in administration, in actual supervision, in sales, engineering, technical support, research and development, security, accounting, clerical, stenographic and other office work.

The use of the masculine gender in this agreement shall be deemed to refer to both male and female employees.

1:02 The word "Company" means Canexus Limited.

1:03 The word "Union" means Local 697, Communications, Energy and Paperworkers Union of Canada, which is the bargaining agent for the Company's employees.

1:04 The word "day" means a twenty-four (24) hour work period beginning at 11:00 p.m.; for twelve (12) hour rotating shift employees 7:00 a.m.

1:05 The words "work week" mean a period of seven (7) calendar days beginning at 11:00 p.m. on Sunday. For twelve (12) hour scheduled rotating shift employees, the "work week" commences at 7:00 a.m. Monday and ends at 7:00 a.m. the following Monday.

1:06 The words "job rate" means the hourly wage rate for any classification listed in Schedule "B", "Job Classifications and Job Rates".

1:07 The words "temporary employee" means employees who have been hired by the Company to work on a temporary basis during a set twelve (12) consecutive calendar month period. These temporary employees may be terminated or rehired any time during that twelve (12) month period. Temporary employees will not acquire seniority for permanent employee status unless they continue

to work for the Company beyond that twelve (12) month period at which time they will accumulate seniority for time actually worked from their original date of hire.

Notwithstanding Schedule "A" Progression Chart, temporary employee may be hired into Janitor, Warehouse and/or Laboratory.

All provisions of the collective agreement apply to temporary employees except those set out below:

- Article 13 (Seniority)
- Article 24 (Non-Occupational Disability Benefits)
- Article 25 (Occupational Disability Benefits)
- Article 30 (Benefit Plans) (except 30:03)
- Appendix "J" (Canexus Limited Long Term Disability Plan)

Notwithstanding the above, once a temporary employee works nine hundred and seventy (970) hours they will be eligible to participate in the benefit plans set out in Article 30 of the Collective Agreement.

Additionally, temporary employees will not be hired into a Department if permanent employees are on layoff. There will be no more than five temporary employees working at the Plant at any given time. Should a temporary employee become a regular employee, all provisions of Article 13:04(a) will apply from the date that the temporary employee becomes a regular employee. Temporary employees will not be eligible to apply for job postings. For the purposes of overtime, temporary employees will be the last person in their department to be offered available overtime.

ARTICLE 2 - GENERAL PURPOSE OF AGREEMENT

2:01 The general purpose of this Agreement is, to the extent and in the manner provided herein:

- (a) To provide for, and protect, the interest of the employees by setting forth and defining terms and conditions of employment, working hours, rates of pay and other working conditions.
- (b) To provide for continuous, harmonious and efficient operation of the plant.
- (c) To provide means for prompt and equitable settlement of differences which may arise between the Company and its employees.
- (d) To provide an orderly procedure for collective bargaining.
- (e) The Company and the Union are committed to the process of ongoing dialogue, as developed in relationship building, to address Company issues, Union issues and common objectives.

Where no agreement is found the parties may, upon mutual agreement, refer the issue to a 3rd party to facilitate resolution.

2.02 The Company and the Union recognize the right of all employees to work in an environment free from sexual or workplace harassment and to be treated fairly and with respect in the workplace. It is the intention of the Company and the Union to provide a workplace environment that is productive and promotes both the dignity and self-esteem of all employees.

2.03 The Company agrees to extend the Company's existing Employee and Family Assistance Program, excluding mandatory referral, to all North Vancouver employees covered by the Local 697 Agreement.

ARTICLE 3 - RECOGNITION

3:01 The Company recognizes Local 697, Communications, Energy and Paperworkers Union of Canada as the only agency representing all employees as defined in Section 1:01 of this Agreement for the purpose of collective bargaining in regard to rates of pay, wages, hours of work, and other conditions of employment.

ARTICLE 4 - UNION SECURITY

4:01 The Company will co-operate 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 expressed in Article 4.

4:02 Any employee who is now a member in good standing, or who becomes, or is reinstated as a member of the Union, shall, as a condition of continued employment, maintain such membership in good standing, throughout the term of this Agreement, subject to such procedure as may be mutually satisfactory to the National President of the Union and the Plant Manager. Any new employees shall, as a condition of continued employment, become a member of this Union thirty (30) days after their employment. In the event of a member being suspended or expelled from membership in the Union, the Union will so notify the Company in writing. The Company will take appropriate action regarding the employment of such employee not later than seven (7) calendar days following date of mailing such notice.

4:03 No employee shall be subject to any penalties against their application for membership or reinstatement, except as may be provided for in the Constitution of the Communications, Energy and Paperworkers Union of Canada.

4:04 In case a dispute arises as to whether or not an employee has failed to maintain their Union membership in good standing, the Union agrees to save harmless from, and indemnify the Company for, any liability that may arise from any acts of the Company, taken under the provisions of Article 4, as a result of its reliance on a representation of facts by the Union.

4:05 Upon written authorization of the employee, the Company will deduct a Union initiation fee and monthly Union dues in amounts designated by the Secretary-Treasurer of the Local Union. Such amounts will be determined in accordance with the constitution and by-laws of the National and Local Union.

Deductions will be made on the first pay day of each calendar month and remitted within ten (10) days to the Secretary-Treasurer of the Local Union together with a written statement containing the names of the employees for whom the deductions were made and the amount of each deduction.

4:06 If an employee is promoted to a permanent position outside the bargaining unit, the employee has the right for a six month period to return to their previous position and the Company has the right, for a six month period, to return the employee to the employee's former position if the employee cannot fulfill the necessary responsibilities of the job or if there is a layoff or downsizing.

During the six month period of time noted above, employees who move to a permanent position outside the bargaining unit will be governed by the following:

- (a) they will continue to pay union dues to Local 697 in order to remain a member in good standing;
- (b) they stop accruing seniority within the bargaining unit;
- (c) they are not entitled to any overtime under the Collective Agreement; and
- (d) they continue to be covered by the benefits set out in the Collective Agreement until such time as they become permanent in their position outside the bargaining unit.

The provisions of this section may only be exercised by an employee once during any three year period.

ARTICLE 5 - TERM OF AGREEMENT, NOTICES AND UNION NEGOTIATING COMMITTEE

5:01 This Agreement shall remain in effect from November 9, 2007, until Midnight, May 15, 2013, and thereafter from year to year, subject to the conditions as set out in (a) to (d) below and to Article 31:03.

- (a) This Agreement may be opened for collective bargaining as to changes as follows:

Either party desiring any changes shall mail to the other party notice in writing, by registered mail, on or before February 16, 2013, or any subsequent February 16, that a change is desired,

and if no such notice is given on or before any February 16, the earliest time at which such notice can be given is February 16 of the next year.

- (b) If notice of desire for change has been given, the parties shall, as soon as agreeable to the parties following such February 16, meet for Collective Bargaining, the Company being represented 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 15 following the February 16 on which notice was given, any changes in compensation to employee shall nevertheless be retroactive to said May 16.

- (c) In case negotiations conducted in accordance with (b) 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.
- (d) This Agreement shall terminate only upon the expiration of ten (10) days' notice in accordance with (c), above.
- (e) The parties agree that the operation of subsection (2) of Section 50 of the Labour Relations Code of British Columbia is hereby excluded.

5:02 All notices under Article 5 shall be by registered mail addressed to the Union President (or Vice President), representing the Union, and addressed to the Plant Manager of the North Vancouver Plant, representing the Company.

5:03 There shall be designated by the Union a Negotiating Committee of three (3) employees who shall represent the Union for purposes of negotiating a new or amended Agreement. The National Representative may attend and participate in negotiation meetings.

5:04 Each member of the Union Negotiating Committee shall have had at least one (1) year's continuous service with the Company immediately preceding the first negotiating meeting.

ARTICLE 6 - NO INTERRUPTION OF WORK

6:01 It is agreed that there shall be no strikes, walkouts or other interruptions of work, during the period of this Agreement.

6:02 It is agreed that there shall be no strikes, walkouts, or other interruptions of work, upon the termination of this Agreement, except with the express and specific sanction of the National Union signatory to this Agreement.

6:03 It is agreed that there shall be no lock outs by the Company during the period of this Agreement.

ARTICLE 7 - STATUTORY HOLIDAYS AND BANKED DAYS OFF

7:01 The following shall be recognized as Statutory Holidays during the contract year:

New Year's Day	Canada Day
Remembrance Day	Good Friday
Labour Day	Christmas Day
Victoria Day	Thanksgiving Day
Boxing Day	B.C. Day

7:02 The employee's birthday will be observed as a holiday in accordance with the present provisions with the following exceptions:

- (a) Where the employee's birthday falls on some other contractual holiday, day workers may select some other working day within the two (2) weeks following the employee's birthday, subject to company approval.
- (b) When a shift worker's birthday falls on some other contractual holiday and the employee is scheduled off, the employee's next scheduled day off will be considered as the employee's birthday holiday. When a shift worker's birthday falls on some other contractual holiday and the employee is scheduled to work, the employee's next scheduled straight-time working day will be considered as the employee's birthday holiday.
- (c) In the application of the foregoing, the principle of no pyramiding of premium pay shall apply.

7:03 The period of time recognized as a Statutory Holiday for ten (10) hour schedules is the twenty-four (24) hour period beginning at 11:00 p.m. of the day preceding the day recognized as the Statutory Holiday. For shift employees on a twelve (12) hour rotating schedule, the time period begins at 7:00 a.m. on the day recognized as a Statutory Holiday.

7:04 It is understood that day workers (maintenance, laboratory, warehouse and janitorial) can be asked, but will not be required to work on a Statutory Holiday except under emergency conditions and under Article 7:10.

7:05 When any of the holidays listed falls on Sunday, the immediately following Monday shall be observed as the holiday. When such holiday falls on Saturday, day workers will observe the previous Friday as the holiday. Should Friday also be the employee's scheduled day off, the holiday will be observed on Thursday. Should Monday be the employee's scheduled day off, the holiday will be observed on Tuesday.

Shift workers (Shift Operations and Day Shift Operations) will continue to observe the Statutory Holiday on the day the Statutory Holiday falls.

7:06 Overtime shall be paid for all work performed on recognized holidays, subject to articles 7:09 and 7:10.

7:07 In addition to any other compensation earned under the provisions of this Agreement, any employee who is on the Company's payroll on any of the foregoing recognized holidays shall be granted the scheduled hours' pay at the straight-time rate of the job in which the employee is classified on the day of the holiday, provided that:

- (a) Any new employee must have been on the Company's payroll for not less than thirty (30) calendar days immediately preceding the holiday, and
- (b) Such new employee must have worked a minimum of eighty-five (85) hours during such thirty (30) day qualifying period.

7:08 In order to qualify for holiday pay, an employee must have worked a full working day on the last day of the employee's regular schedule prior to such holiday, and a full working day on the first day of the employee's regular schedule following such holiday. When an employee is absent during all or part of such specified days for any of the following reasons, the employee shall, nevertheless, qualify for holiday pay:

- (a) The employee was on regular authorized vacation.
- (b) The employee was unable to work by reason of an industrial accident as recognized by the Workers' Compensation Board.
- (c) The employee was absent or late due to bona fide sickness or accident or other cause which, in Management's opinion, is a legitimate reason for absence. If absence from work during such period of sickness or accident, whether legitimate or not, exceeds thirty (30) calendar days immediately prior to the holiday, the employee shall not receive holiday pay. The employee will, however, be entitled to pay as outlined under Article 24.
- (d) The employee did not work the full days specified above on the employee's regular schedule because an exchange in regularly scheduled days off, agreed upon between employees and approved in advance by Management, resulted in a change in such regular working schedule, provided that the employee actually worked the changed schedule agreed upon.
- (e) The employee was absent on one or both of the days specified due to a death in the immediate family, as defined in Article 23.
- (f) The employee was absent on one or both of the days specified due to serving on a jury, as specified in Article 22.

- (g) The employee was absent on one or both of the days specified due to a leave of absence, approved in advance by the Company.
- (h) The operation in which the employee is engaged is temporarily curtailed or discontinued by a decision of Management, and which curtailment or discontinuation changes or eliminates the employee's scheduled work day before, or the employee's scheduled work day after, such holiday; provided, however, that if such curtailment exceeds thirty (30) calendar days prior to or thirty (30) calendar days after the holiday, then such employee is not entitled to such Statutory Holiday pay.

7:09

- (a) Shift Operations & Day Operations workers may, upon written request, be permitted to bank Statutory Holidays and pay to a maximum of ten (10) per year. The banking year shall run May 1 to April 30, unless changed by mutual consent. Written request to bank Statutory Holidays and pay must be done by May 1.
- (b) Holidays banked may be taken as single days or in blocks. It is understood the granting of banked days as single days or in blocks is subject to the Company's ability to schedule those days at no extra cost to the Company.
- (c) Holidays banked are not cumulative and must be taken within the year, as stated above. If the banked days off are not taken as scheduled to be taken within twelve (12) months of May 1, the Company may pay in lieu of taking the banked days off.
- (d) Requests for such days off should be made well enough in advance to permit the Company to cover the job on a straight-time basis. However, if this is not possible, every effort will be made to grant the time off as requested.

7:10 Day workers will be permitted to work four (4) or eight (8) Statutory Holidays per calendar year for straight time pay and bank four (4) or eight (8) days to be paid at straight time.

- (a) To be done on a Departmental basis:
 - (i) Maintenance and Warehouse Shipping / Receiving
 - (ii) Janitorial
- (b) Request to bank the Statutory Holidays must be given to the Company by January 31 of each calendar year, stating what Statutory Holidays will be worked by the Department, on a straight time basis. (Christmas, Boxing and New Year's Days are not eligible for banking).
- (c) Banked days may be taken as single days or in blocks, subject to the Company's ability to schedule banked days at no extra cost to the Company. Banked days not used by the end of the calendar year shall be paid out.

- (d) Once a majority of employees in a Department has agreed to the above then all employees in the Department must work and bank all the agreed upon Statutory Holidays.
- (e) Employees who fail to qualify for Statutory Holiday pay as outlined in Article 7.07, shall not be eligible to bank Statutory Holidays.

ARTICLE 8 - CALL-IN

8:01 A Call-In is an occasion when an employee, after leaving the plant gate, is called in to work before the employee's next regularly scheduled reporting time. Work performed on a Call-In shall be paid for at the overtime rate. In addition, the Company will pay an amount equal to four (4) hours pay at the applicable straight time hourly rate. However, when an employee is told during working hours that the employee will have to come in after the employee's scheduled working hours but will be notified by telephone or any other manner the time for the employee to come in, the employee will qualify for Call-In.

8:02 When the hours worked on a Call-In are extended to the employee's regularly scheduled starting time, payment of overtime, as called for by this Article, shall cease at the employee's regularly scheduled starting time.

8:03 If a regularly scheduled Maintenance day employee works between the hours of 11:00 p.m. and 4:00 a.m. the employee shall not be required to report for the employee's regular shift without having eight (8) consecutive hours off the job. The employee shall not lose any scheduled time or pay as a result of this provision provided the employee returns to work at the end of eight (8) consecutive hours off the job.

Notwithstanding the above, an employee who is required to return to work with 4 hours or less remaining in the employee's regular shift will have the option of returning or not returning to work without jeopardizing the employee's regular pay up to the employee's last 4 hours.

ARTICLE 9 - HOURS OF WORK

9:01 Basic Work Day and Work Week

The weekly hours of work shall average forty (40). The work schedules which have been agreed upon shall not be changed except by mutual consent, as given below:

(a) Day Employees

- (i) Laboratory, maintenance, warehouse and janitor
- (ii) The normal work schedule shall be five (5) eight (8) hour days per week (Monday to Friday)

OR

(iii) Four (4) days at ten (10) hours per day (Monday to Thursday) or (Tuesday to Friday).

OR

(iv) The company reserves the right to split the ten (10) hour day group to provide five (5) days per week coverage in the Maintenance Department.

Day workers shall continue to take their vacations based on calendar weeks with the vacation to start on the first day of their regular scheduled work week.

(b) Shift Employees

Shift Operations and Day Operations.

It is hereby agreed that the Company recognizes the principle stressed by the Union, that shift schedules should be based on consecutive days of work followed by consecutive days off for all employees, and agrees to follow this principle whenever possible.

However, for the purpose of providing vacation relief coverage the Union agrees that the above principle may not always be practicable or possible to follow. Therefore, individual shift schedules which may deviate from these principles shall be worked where no practicable alternative of providing relief coverage is possible.

The Company agrees that shift workers shall take their vacation based on their shift schedules.

- (c) The duration of the work week will vary in accordance with the work schedules which will average forty (40) hours per week. The work day is defined in the schedules and TCP Adjustment Plan.
- (d) It is agreed that overtime may be worked to permit continuing efficient operation of the plant; such work to be paid for at the appropriate overtime rate provided for in Article 18.
- (e) Except in an emergency, and where no qualified replacement can be found, no employee shall be required to work more than sixteen (16) consecutive hours.

9:02 Shift Workers

- (a) A shift worker is one who is assigned to a job which is scheduled on regularly rotating shifts.
- (b) A shift worker shall be at their assigned place of work, ready to perform the assigned duties of their job, at the scheduled starting time for their shift.
- (c) A shift worker, assigned to a job on a shift which is scheduled to be followed immediately by another shift without lapse of time, shall not leave their assigned place of work until relieved by the employee scheduled for the same job on the succeeding shift, or until relieved by a replacement secured by the Shift Foreman. The Company agrees to secure such replacement as

soon as practicable for the employee who has completed their regular shift. If one is not available, the employee concerned shall work up to a maximum of sixteen (16) hours, except in an emergency, where an employee may be required to work longer.

- (d) A shift worker who is unavoidably prevented from reporting for work at their regularly scheduled starting time shall, whenever reasonably possible, give notice of that fact to the Shift Foreman at least four (4) hours before the employee's regularly scheduled starting time. The shift worker should further advise the date they expect to return to work, and if unable to return on the designated date they should so notify the Company in advance of their scheduled reporting hour.
- (e) Shift workers who provide shift relief by relieving upwards may, at times, be scheduled to relieve on a five (5) day schedule when their normal work schedule would have been four (4) days. Pay for the extra day worked in excess of their normally scheduled work week will be at two (2) times the job rate. They may also be scheduled to relieve on a four (4) day schedule when their normal work schedule would have been five (5) days. This extra day can, at the option of the employee, be made up that week or taken as an extra day off without pay. If the employee chooses to work the extra day, the work provided will not necessarily be in the employee's own area. Pay for the extra day will be at the employee's normal job rate.

9:03 Day Workers

- (a) A day worker is one who is assigned to a job which is scheduled from 7:00 a.m. to 3:30 p.m., 8:30 a.m. to 5:00 p.m., or 7:00 a.m. to 5:00 p.m, Monday to Friday. .

It is agreed by the Company and the Union that day workers may be scheduled on other than the above hours in order to perform work of an urgent nature, or to meet emergency situations, or to perform office janitorial work.

- (b) A day worker shall be at their assigned place of work ready to perform the duties of their job at their regularly scheduled starting time each day, and shall not cease work before their regularly scheduled quitting time.
- (c) A day worker who is unavoidably prevented from reporting for their regularly scheduled starting time shall, whenever reasonably possible, notify their immediate supervisor or if unavailable the Shift Foreman of the fact not later than fifteen (15) minutes before their regularly scheduled starting time. The day worker should further advise the date they expects to return to work, and if unable to return on the designated date, they should so notify the Company in advance of their scheduled reporting hour.

9:04 Change in Scheduled Days Off

- (a) The Company, whenever practicable, will designate regular, periodic, consecutive days off for each employee.

- (b) The Company shall not change such designated days off, except in case of emergency, without notice to the employee concerned.
- (c) Should an employee's day, or days, off be changed such that they follow the employee's originally scheduled day, or days, off forty-eight (48) hours notice shall be given in advance of the employee's originally scheduled day, or days, off. Should an employee's day, or days, off be changed such that they precede the employee's originally scheduled day, or days, off forty-eight (48) hours' notice shall be given in advance of the employee's rescheduled day, or days, off. Overtime shall be paid for all work performed on an employee's originally scheduled day, or days, off when forty-eight (48) hours notice has not been given as provided for above.
- (d) The exchange of shifts or regularly scheduled days off between employees shall be permitted without penalty to the Company, providing:
 - (i) The exchange is requested in advance on the form provided.
 - (ii) The employee desiring the exchange secures the written consent of the employee with whom they wish to arrange the exchange and the immediate supervisor or supervisors of the employees involved.

9:05 Change in Hours of Work

Two (2) times the job rate will be paid for the first shift when the employee's schedule has been changed without forty-eight (48) hours prior notice.

9:06 Allowance for Limitation of Work

- (a) If any employee reports for work at the employee's regularly scheduled reporting time and no work is provided, the employee shall receive two (2) hours pay at straight time for so reporting, providing that such employee was not notified prior to the employee's regularly scheduled reporting time that the employee should not report to work.
- (b) If an employee has commenced their regularly scheduled hours of work and is then informed that no work is available, the employee shall receive a minimum of four (4) hours pay at straight time, except that, if the employee's services are not required because of accident, breakdown, interruption of power, or Acts of God, the employee shall be paid only for those hours actually worked.
- (c) If there is a pre-arrangement with the employee to work before or after their regularly scheduled hours of work, for the purpose of loading tank cars or loading or unloading barges, the employee shall receive pay for not less than four and one-half (4 1/2) hours work at straight time for work performed in such cases. If an employee works more than two hours the employee will receive overtime but not the 4 1/2 hours straight time pay previously mentioned (barge time).

ARTICLE 10 - EFFICIENT MANAGEMENT AND OPERATION OF THE PLANT

10.01 Subject to the terms of this Agreement, the conduct of the Company's business, the efficient management and operation of the plant, and the direction of the working force are, in all respects, vested in the Company.

10.02 Supervisors and employees beyond the scope of this Agreement will not perform work so as to displace or exclude regular employees on their jobs, except that their activities will not be restricted in emergencies, in the training of employees, or in the development of improved operating procedures. Nothing in this article shall be construed as a prohibition of the Lab Supervisor to perform hands on work.

10.03 It is not the Company's intention to cause any present, regular, full-time employees in production, maintenance and the lab operations to be demoted or laid-off by bringing in an outside contractor to perform work on existing processes or equipment.

ARTICLE 11 - BULLETIN BOARDS

11.01 The Company will provide one (1) bulletin board for the use of the Union. Notices placed on this bulletin board shall be signed by a responsible officer of the Union.

11.02 All notices, except notices of Union meetings, Union social or recreational events and Union election notices shall, before posting, be submitted to the Company through the Plant Manager for approval by the Company.

11.03 Within the plant there shall be no distribution or posting by employees of pamphlets, advertising, cards, or any other kind of literature except as authorized by the Company.

ARTICLE 12 - SAFETY, HEALTH, AND ENVIRONMENT

12:01 The Company agrees to provide equipment, procedures and safety and environmental rules, which adequately provide safe and environmentally responsible working conditions for its employees.

12:02 The Union agrees to promote the development of environmental and safe working practices among its members in order to eliminate the number of injuries incurred.

12:03 The Company and the Union agree to the establishment of a Safety, Health, and Environment Committee which will meet once a month to jointly consider and make recommendations to management concerning all safety and environmental problems. Members of the Committee shall be designated in equal numbers by the Company and by the Union.

12:04 Employees will not be expected to operate with unsafe equipment, under unsafe working conditions and/or using environmentally unacceptable equipment or practices.

12:05 Employees are expected to report immediately to their Foreman any unsafe or environmentally unacceptable equipment or conditions.

12:06 It is agreed by the Company that an employee elected as a Safety, Health and Environmental Representative of Local 697 will be paid at straight time rate if the employee attends the monthly Safety, Health and Environment Committee meeting on the employee's day off.

ARTICLE 13 - SENIORITY

13:01 Seniority is defined as the total length of service acquired by an employee at the Company's North Vancouver plant.

13:02 Accrual of Seniority

Seniority shall be maintained and shall accrue during an absence from work resulting from an occupational injury or illness covered by the Workers' Compensation Board or the Company's Weekly Indemnity and Long Term Disability Plans, provided that such absences are approved by the Company. Disapproval by the Company of such Weekly Indemnity or Long Term Disability absences shall be based upon proper certification by a Company referral doctor.

Seniority shall be maintained, but will not accrue during the first six months that an employee is moved from their Local 697 position to a position outside the bargaining unit. If at the end of the six months the employee remains outside the bargaining unit, they will lose their seniority in Local 697.

13:03 Loss of Seniority

(a) Seniority shall be lost when an employee:

- (i) Voluntarily resigns.
- (ii) Is discharged for just cause.
- (iii) Fails to report for work within seven (7) calendar days when called back to work after lay-off. Notice of recall shall be by registered mail sent to the employee's address then on the Company's records, and the seven (7) days shall commence on the day following the date of mailing. It shall be the sole responsibility of the laid-off employee to advise the Company's Human Resources Department of their latest mailing address.

(iv) Is on lay-off based on the following acquired seniority:

Earned Seniority	Duration of layoff (i.e., point at which seniority and recall are lost)
less than six (6) successive months of service	more than six (6) months
more than six (6) successive months of service but less than twelve (12) successive months of service.	more than twelve (12) months
more than twelve (12) successive months of service.	more than twenty-four (24) months

13:04

(a) An employee shall be considered to be on probation and shall not be entitled to any seniority rights until the employee has worked six hundred and forty-six (646) straight-time working hours following the employee's date of hire. During the probationary period, the Company will determine the employee's suitability for continued employment. The Company may dismiss a probationary employee if they find the employee not suitable for employment. If such employee is continued in the employ of the Company after the expiration of the probationary period, the employee's length of service shall be computed from the employee's date of hire.

Written performance reviews will be conducted during the probationary period, with copies provided to the probationary employee. Additionally, the Company will notify in writing the President and Vice President of Local 697 of the performance appraisal completion. Upon request, the Company will review a probationary employee's performance appraisal with the Union.

(b) Notwithstanding 13.04 (a), students may be employed during the period April 1 to September 15 as temporary employees. Such temporary employees shall not acquire seniority for permanent employee status nor qualify for enrollment in the Company Pension Plan or any other benefit provided for in Articles 24 and 30. It is understood, however, that MSP coverage will be made available to a temporary employee who does not have coverage as a dependent. Such coverage will be available from the first day of the month following date of hire. Such temporary employees will not be eligible to apply for job postings. The principle of seniority, as set up in this Agreement, shall apply to temporary employees as a group. A temporary employee continued in employment beyond expiry of September 15th date shall acquire seniority from date of hire for the purpose of determining eligibility requirements for the Company Pension Plan and other benefit plans.

13:05 Promotion, Demotion, Lay-Off, Recall

- (a) Seniority will govern in case of promotion and demotion (except for cause) when ability, qualifications, efficiency, physical fitness are relatively equal, and minimum crew competencies are maintained.
- (b) Permanent vacancies in the Operations Department will be filled in accordance with the progression chart shown as Schedule "A".
- (c) Refusal to accept temporary promotions in jobs other than posted jobs, will be recorded to ensure that the employee who accepts such a temporary promotion will be given the first opportunity when the permanent position becomes open in preference to more senior employees who had refused the temporary promotion.
- (d) Preferred consideration will be given to seniority in cases of lay-off and recall from lay-off. In cases of temporary lay-off, preferred consideration shall mean that senior employees shall continue to be used in accordance with past practices. In addition, it shall also mean that, where possible, senior employees will be provided with such familiarization or training as may be required to enable them to exercise their seniority rights.
- (e) Nothing in Article 13 is to be construed as in any way preventing the Company from retaining or recalling an employee out of line of seniority when that employee's abilities are required for the continuing efficient operation and maintenance of the plant.
- (f) In any case of promotion to, demotion to, lay-off from or recall to classifications within the bargaining unit, the Department Head concerned shall notify the President of the Local Union, in writing, of the Company's proposed action at least seventy-two (72) hours in advance of the date the change is expected to occur. Such notification shall not be required in cases of emergency, unplanned employee absences or jobs which are posted.

13:06 Permanent Lay-Off

In the event an employee is permanently laid off the Company will provide the employee the opportunity to exercise the employee's plant seniority at the bottom of progression lines (namely Warehouse, Janitor, Product Distribution Operator, and Operator 6) and to train into that job (under Article 17:02). Maintenance and Lab are exempted from this Article.

Notwithstanding the above, Schedule "A" Progression Chart will first be applied.

13:07 Job Posting

- (a) When a permanent vacancy occurs in the classified jobs of Warehouse, Janitor, Product Distribution Operator (PDO) or Operator 6 the vacancy will be posted.

- (b) Job posting will be on a plant-wide basis and seniority will govern in cases of promotion and demotion when ability, qualifications, efficiency, and physical fitness are relatively equal.
- (c) Upon a vacancy occurring, the job will be posted for a period of seven (7) calendar days.
- (d) Company will notify the Union of its selection.
- (e) An employee may not be a successful bidder on more than one job posting every twelve (12) months.
- (f) The Job Vacancy form for posting shall contain the following:
 - (i) The name of the job and requirements (if any).
 - (ii) The hourly rate of pay.
 - (iii) The shift in which the job is open; Shift Operations or Day Shift Operations or Days.
 - (iv) The date and hour on which the notice was posted, and the date and hour on which the closing off time for which applications will be received.
 - (v) The place to which an employee may apply for the permanent vacancy.
 - (vi) A space provided to place the name of the employee who has been selected to fill the permanent vacancy.
- (g)
 - (i) Any employee interested in a posted job must make application within the time limit stated on the Job Posting. On a form provided, an employee may indicate their interest in a position, to which posting applies, prior to commencement of the employee's vacation or any other known period of absence.
 - (ii) If the successful applicant withdraws their name before they get on to the job or within one (1) week/set (with a minimum of thirty-six (36) hours) on the job, they can stay or go back to their job (at time of posting) and the next applicant is given the opportunity to do the posted job.

Successful applicants who have not previously worked on the job may withdraw their name within eighty (80) hours on the job and go back to their job (at the time of posting) and the next applicant is given the opportunity to do the posted job.
 - (iii) If, pursuant to the conditions set out above, the successful applicant withdraws their name after eighty (80) hours on the job and before one hundred and sixty (160) straight-time hours on the job, they can go back to their job (at time of posting) but

they cannot bid on another job for twelve (12) months and the next applicant is given the opportunity to do the posted job.

For clarification, the twelve (12) months referred to above, shall be measured from the date the employee gives written notification of their intent to return to their job (at time of posting).

- (iv) If the successful applicant is removed from the job by Management within two hundred and forty (240) hours on the job, the employee can go back to their original job (at the time of posting) without penalty and the next applicant is given the opportunity to do the posted job.
- (v) If the posted job becomes available after ninety (90) days from the time the job posting came down, then the job will be reposted.

(h) In the event that no one in the Plant makes application or if all applicants fail to qualify, then Management may hire someone for the job.

13:08 The Company shall, within thirty (30) calendar days of the date on which this Agreement is signed, furnish the Union with two (2) copies of a list showing the seniority of each employee then on the payroll and will thereafter revise such list each three (3) months.

ARTICLE 14 - ADJUSTMENT OF GRIEVANCES

14:01 Definition of Grievance

A grievance is defined as a dispute, complaint, or difference of opinion between the Company and the Union, or between the Company and an employee, concerning the interpretation, application, operation or alleged violation of this Agreement.

14:02 Union Grievance Committee

- (a) The Local Union shall select from its membership a Union Grievance Committee of three (3) individuals which shall represent the Local Union for the purposes stated in this Article of Agreement.
- (b) In order to be eligible for membership on the Union Grievance Committee, an employee must have been actively employed in the plant for one (1) year immediately preceding the employee's selection.

14:03 Procedure

- (a) It is agreed by the Company and the Union that meeting on grievances shall take place during regular working hours.
- (b) It is agreed by the Company and the Union that no employee shall lose straight-time pay for time absent from their job when they are within the plant and when such absence from the employee's job is for the purpose of processing grievances up to and including Step 3 of the grievance procedure outlined below.
- (c) It is agreed by the Company and the Union that, although clause "(b)", above, provides for an employee's absence from the employee's job for the purpose of processing grievances, the employee shall nevertheless secure permission from their immediate Supervisor before absenting themselves from their job and shall request such permission sufficiently in advance to permit the securing of adequate replacement. Such permission shall not be unreasonably requested, nor shall it be unreasonably denied.
- (d) The Company and the Union are agreed that it is important that the adjustment of grievances be made as speedily as possible according to the following procedure.

Step 1

An employee who feels they have a grievance as defined above, shall continue on their assigned duties. Should an employee wish to submit a grievance under this procedure, a written statement specifying the facts relating to the complaint shall be prepared and presented to the employee's Foreman by a Shop Steward. The grievance shall not be considered under this procedure unless the written grievance is submitted to the Foreman within fourteen (14) calendar days of the date of its occurrence nor shall the Company be liable for any monetary payment covering any incident or period prior to the date of the occurrence specified in the written statement. The Foreman shall, within seven (7) calendar days following receipt of the employee's submission of the grievance, give a written reply to the employee concerning the grievance.

Step 2

If settlement is not reached at the first step, the employee and Shop Steward concerned may, within seven (7) calendar days of the completion of Step 1, present the written grievance from Step 1 to the Department Head and request that a meeting be held to discuss the grievance. This meeting shall be held within seven (7) calendar days of the time the grievance was presented to the Department Head. The employee's Shop Steward and Chief Shop Steward shall be present at the meeting. The Department Head shall reply to the grievance, in writing, within seven (7) calendar days following the date on which the meeting was held.

Step 3

If settlement is not reached at the second step, the written grievance from Step 2 may, within seven (7) calendar days of the completion of Step 2, be presented to the Plant Manager by the Union. The Plant Manager, or a designated representative will, within seven (7) calendar days of the date the written grievance was received, arrange with the President of the Local Union, a mutually satisfactory date for a meeting between the Union Grievance Committee and the Plant Manager, or designated representative; such meeting to be scheduled for a date not later than seven (7) calendar days from the date on which the written grievance was received by the Plant Manager. The Plant Manager, or designated representative, will make reply to the grievance within seven (7) calendar days of the date of the Plant Manager's meeting with the Union Grievance Committee.

Step 4

If settlement is not reached at the third step, the written grievance from Step 3 may be referred to an Arbitrator by the Union and/or the Company. The party desiring arbitration shall notify the other party of its intent to seek arbitration by written notice, served by registered mail within thirty (30) calendar days of the completion of Step 3.

14:04 Grievance Concerning Discharge

Grievances concerning discharge or suspension for just cause will be taken up at Step 2 within seven (7) calendar days of the date of discharge or suspension. If it is determined that an injustice has been done the employee, the Company will take whatever action may be necessary to correct the injustice, including - if justified - reinstatement of the employee in the employee's job and payment for all, part, or none of the time lost from work by the employee.

14:05 Arbitration

- (a) Within twenty-one (21) calendar days of the date of mailing Notice of Intent to Seek Arbitration, the parties shall select an Arbitrator.
- (b) The Arbitrator shall hear the grievance and provide a decision in accordance with the Labour Code in existence in the Province of B.C.
- (c) No question affecting the wage structure of the Company shall be considered arbitrable.
- (d) Each party shall pay any expenses involved in presenting its own case. The parties will share equally the expenses and fees of the Arbitrator.
- (e) The parties agree to specifically exclude the operation of subsection (1) of Section 87 of the Labour Relations Code of British Columbia.

14:06 Time Limits

- (a) If the Union, or the employee presenting the grievance, does not take the necessary action to process the grievance within the time limits specified for any step in Section 14:03 and 14:04, above, that particular grievance shall no longer be considered under this procedure.
- (b) If the Company representatives do not take the necessary action to process the grievance, or provide answers, within the time limits specified for any step in Section 14:03 and 14:04, above, the grievance may be referred to the next higher step, except that arbitration shall only be invoked upon the giving of proper notice as provided in Step 4 of Section 14:03, above.

14:07 National Representative

It is understood that a National Representative may accompany members of the Union Grievance Committee to any, or all, of the Union Grievance Committee's meetings with the Plant Manager, and the National Representative may call upon members of the Union, in reasonable numbers, to accompany the National Representative to meetings of the Union Grievance Committee with the Plant Manager.

ARTICLE 15 - VACATIONS

15:01 It is hereby understood and agreed that in the application of the following provisions governing vacations and vacation pay, no employee shall be treated less favourably than is provided for under the "Annual Holidays Act" (RSBC 1960, Chapter 11 and amendments thereto).

15:02 The vacation period shall be the twelve (12) month period commencing on May 1 and ending on the following April 30. Employees in their second (2nd), ninth (9th), seventeenth (17th) and twenty-fifth (25th) year of service shall qualify for the third (3rd), fourth (4th), fifth (5th) and sixth (6th) week of vacation on their anniversary date of hire. Such additional week shall be taken from the anniversary date to the following May 1 only.

15:03 Those employees on the Company's payroll on May 1 of any year who have been employed for less than twelve (12) months prior to said May 1, and who, therefore, do not qualify for two (2) weeks vacation, will - in the vacation period commencing on that date - be granted one-quarter (1/4) of a day's vacation with pay for each full week of work performed in the immediately preceding vacation period. No vacations of less than one (1) day nor more than ten (10) days, will be granted under this provision. Pay for such vacations will be computed at four percent (4%) of the employee's actual earnings during the vacation period in which the vacation was earned. Fractional entitlements will be rounded off to the nearest full day, e.g. an employee with three and one-quarter (3 1/4) days vacation credit will be granted three (3) days vacation; whereas, an employee with three and one-half (3 1/2) days or three and three-quarters (3 3/4) days vacation credit will be granted four (4) days vacation.

15:04 Employees on the Company's payroll on May 1 who have been employed by the Company for the full twelve (12) months of the preceding vacation period, and who have worked at least

1200 hours during that twelve (12) month period, shall be granted two (2) weeks vacation with pay. Pay for such two (2) weeks vacation shall be the pay the employee would have received had the employee worked the two (2) weeks on the employee's regular shift or four percent (4%) of the employee's actual earnings during the vacation period in which the vacation was earned, whichever is greater.

15:05 Employees on the Company's payroll on May 1 who have two (2) or more years seniority, and who have worked at least 1200 hours during the preceding twelve (12) month period, shall be granted three (3) weeks vacation with pay. Pay for such three (3) weeks vacation shall be the pay the employee would have received had the employee worked the three (3) weeks on the employee's regular shift, or six percent (6%) of the employee's actual earnings during the vacation period in which the vacation was earned, whichever is the greater.

15:06 Employees on the Company's payroll on May 1 who have nine (9) or more years seniority, and who have worked at least 1200 hours during the preceding twelve (12) month period, shall be granted four (4) weeks vacation with pay. Pay for such four (4) weeks vacation shall be the pay the employee would have received had the employee worked the four (4) weeks on the employee's regular shift, or eight percent (8%) of the employee's actual earnings during the vacation period in which the vacation was earned, whichever is the greater.

15:07 Employees on the Company's payroll on May 1 who have seventeen (17) or more years seniority, and who have worked at least 1200 hours during the preceding twelve (12) month vacation period, shall be granted five (5) weeks vacation with pay. Pay for such five (5) weeks vacation shall be the pay the employee would have received had the employee worked the five (5) weeks on the employee's regular shift, or ten percent (10%) of the employee's actual earnings during the vacation period in which the vacation was earned, whichever is the greater.

15:08 Employees on the Company's payroll on May 1 who have twenty-five(25) or more years seniority and who have worked at least 1200 hours during the preceding twelve (12) month vacation period, shall be granted six (6) weeks vacation with pay. Pay for such six (6) week vacation shall be the pay the employee would have received had the employee worked the six (6) weeks on the employee's regular shift, or twelve percent (12%) of the employee's actual earnings during the vacation period in which the vacation was earned, whichever is the greater.

15:09 Employees who fail to qualify for a full vacation by virtue of not working at least 1200 hours during the preceding twelve (12) month vacation period, shall be paid vacation pay based on the appropriate percentage only. Vacation time off will be pro-rated based on the reduced vacation pay.

15:10 Should a Statutory Holiday fall while an employee is on vacation, the employee shall be entitled to an additional day off with pay as provided in Article 7 "Statutory Holidays".

15:11 The following shall be considered as time worked for the purpose of qualifying for vacation:

- (a) Time not exceeding one (1) year, lost as a result of occupational or non-occupational injury or illness. In the event an employee on occupational disability leave returns to work following the expiry of the above-mentioned one (1) year period, the employee shall be entitled to a vacation as if the employee had worked the minimum of 1200 hours during the preceding vacation period. Such vacation shall be based on the employee's seniority as of May 1 preceding the employee's return to work.
- (b) Time spent on earned vacation.
- (c) Time spent on Statutory Holidays as defined in Article 7.
- (d) Time absent from work because of Jury Duty.
- (e) Time absent from work because of Death in Family.
- (f) Time absent from work on approved leaves of absence.
- (g) Time not to exceed thirty (30) calendar days lost due to lay-off.

15:12 No employee may continue to work and draw vacation pay in lieu of taking a vacation.

15:13 Vacations are not cumulative and must be taken in the vacation period immediately following the vacation period in which vacation was earned.

15:14 Vacation pay shall be issued to employees prior to their leaving on vacation.

15:15 The allotment of vacation dates shall be decided by Management. The Company will, as far as is practicable, give consideration to requests for vacation dates on the basis of seniority.

15:16 In addition to regular vacations, an employee is eligible for one week of supplementary vacation to be taken as a week off (including the employee's regular shift set) after completion of five (5), ten (10), fifteen (15), twenty (20), twenty-five (25), thirty (30) years and thirty-five (35) years of service.

- (a) One fifth of one week's vacation will be credited for each completed year of service up to thirty-five (35) years of service. At retirement or termination from the Company, an employee shall be entitled to that portion of supplementary vacation pay proportionate to the number of years of service completed subsequent to the employee's last five (5) years entitlement period.
- (b) One (1) week's supplementary vacation pay shall be the pay the employee would have received had the employee worked the week on the employee's regular shift.
- (c) Supplementary vacations must be taken prior to the date the employee becomes eligible for the employee's next earned period of supplementary vacation.

- (d) The allotment of supplementary vacation dates shall be decided in accordance with Article 15:15.

ARTICLE 16 - JOB CLASSIFICATIONS AND JOB RATES

16:01 Wages will be paid by direct deposit every second Thursday by 11:00 a.m. following a payroll closing of 11:00 p.m. on the preceding Sunday except 7:00 a.m. Monday for 12 hour scheduled rotating shift employees.

16:02 The job classifications and job rates during the term of this Agreement shall be in accordance with Schedule "B" appended hereto.

16:03 New job classifications to be created during the term of this Agreement shall be subject to discussions between the Company and the Union. In the event that agreement on the new classification or the job rate for such classification cannot be reached between the Company and the Union, the job classification shall nevertheless be established with an interim rate. The matter will then be referred to the next contract negotiations for finalization. The rate finally agreed upon shall be retroactive to the date of institution of the new classification.

ARTICLE 17 - WAGE RATE ADJUSTMENTS

17:01 Job Rate

Job rate shall be defined as the wage rate for any job classification listed in Schedule "B", "Job Classifications and Job Rates" and excludes all premium pay, bonuses, shift differentials, and allowances of any type or kind.

17:02 Training Rate

- (a) A training period of a minimum of One Hundred and Sixty (160) working hours up to Two Hundred and Forty (240) working hours will be provided. After the employee has worked the first forty-eight (48) hours of a training period on the new job the employee will receive an interim increase amounting to one-half (1/2) the difference between the job rate of the employee's immediately preceding job and the job rate of the job to which the employee has been transferred.
- (b) If, at the end of Two Hundred and Forty (240) working hours training period, the employee has not proven to the Company's satisfaction the employee's ability to perform the work capably alone, the employee will be returned to the employee's previous job at the job rate for that job.
- (c) Individuals who are assigned to train other employees will receive a 4% premium of their base rate for those hours they are assigned to train other employees.

17:03 Starting Rate

- (a) The minimum hiring rate for hourly paid employees shall be the starting rate, "eight (8) working weeks", as shown in Schedule "B", "Job Classifications and Job Rates". The employee after eight (8) working weeks shall receive the job rate of the job the employee is then holding.
- (b) The Company may waive the provisions of Section 17:03 (a), above, and pay the job rate for a job to a newly hired employee at the time of hire or at any time during the eight (8) week starting period if, in the Company's opinion, the newly hired employee has the necessary qualifications to justify such action.

17:04 Transfers

An employee shall receive the rate of pay of the job to which the employee is assigned except as provided below:

- (a) The employee has been transferred to a higher paid job but has not yet qualified for the higher job rate, as provided in Section 17:02, above.
- (b) The employee has been temporarily transferred to a lower paid job at the discretion of the Company. In this case the employee shall continue to receive the employee's regular rate of pay.
- (c) The employee has been temporarily transferred to a higher paid job for which the employee has completed the requirements of Section 17:02, above, for a period of less than one (1) hour. In this case the employee shall remain on the employee's regular rate of pay. (If assigned to a higher paid job for one (1) hour or more the employee shall receive the higher rate of pay for all the hours worked on such job.)
- (d) A temporary transfer is defined as one in which an employee is not reclassified.

17.05 Subject to the employer's discretion under 17.03 (b), summer students hired between April 1 to September 15 in accordance with clause 13.04 (a), shall be paid 60% of the "starting rate" in Schedule B for the first eight (8) working weeks. After the initial eight week period, the student will be paid 60% of the job rate for the classification of the duties the student performs.

ARTICLE 18 - OVERTIME

18:01 Overtime at the rate of two (2) times the job rate will be paid as follows:

- (a) For all hours worked in excess of the daily scheduled hours of work.

- (b) For hours worked in excess of the scheduled hours of work in the week.
- (c) For hours worked on the Statutory Holidays specified in Article 7, "Statutory Holidays" of this Agreement, except as specified in Article 7:10.
- (d) For hours worked on a Call-In.
- (e) For work performed during a regular lunch period, in accordance with Article 28.

18:02 Overtime shall be computed on the current job rate only. There shall be no pyramiding of overtime.

ARTICLE 19 - OVERTIME MEAL

19:01 When an employee covered by this Agreement is required at the end of the employee's prescribed shift to work overtime for two (2) hours or more, the employee shall be supplied with a meal and every four (4) hours thereafter.

19:02 The meal will be of a value up to Eleven Dollars (\$11) and the employee will be allowed up to one-half (1/2) hour on Company time to eat the meal.

19:03 Employees may accept a meal ticket (value up to Ten Dollars (\$10.00) plus one-half (1/2) hour overtime pay in lieu of 19:01 and 19:02 valid for sixty (60) days from date of issue.

19:04 Employees may submit their meal tickets to the Company for reimbursement of a maximum of ten dollars (\$10.00).

ARTICLE 20 - SHIFT DIFFERENTIAL

20:01 Except as provided in Sections 20:04 and 20:05 below, a shift differential of 8.0% of the Operator 6 rate (exclusive of all premiums) shall be paid for all hours worked on 12 hour rotating shifts between 7:00 p.m. and 7:00 a.m.

20:02 The shift differential outlined above shall be paid to 10 hour shift workers only when they are performing work at straight time rate between 7:00 pm and 06:30 am. The 10 hour shift workers who have worked their normal day by 4:30 pm but continue work beyond 4:30 at overtime rates shall not qualify for payment of shift differential.

20:03 The shift differential outlined in 20:01 shall be paid to day workers only when they are performing work at straight time rate between 7:00 p.m. and 7:00 a.m. Those day workers who have worked their normal day by 4:30 p.m. but continue to work beyond 4:30 p.m. at overtime rates shall not qualify for payment of shift differential.

20:04 A 10 hour shift worker who is working on straight-time between the hours of 7:00 p.m. and 6:30 a.m., as in Section 20:02, above, and who qualifies for overtime by working more than ten (10) consecutive hours, shall however, continue to receive appropriate shift differential.

20:05 A day worker who is working on straight-time between the hours of 7:00 p.m. and 7:00 a.m., as in Section 20:03, above, and who qualifies for overtime by working more than ten (10) consecutive hours, shall however, continue to receive appropriate shift differential.

20:06 Shift differentials shall not be included with the employees job rate for the purpose of calculating overtime payments.

ARTICLE 21 - SUNDAY PREMIUM

21:01 The Company will pay a premium to shift workers of 8% of the Operator 6 rate (exclusive of all premiums) for all hours worked on Sunday.

21:02 Sunday Premium shall not be included with the employee's job rate for the purpose of calculating overtime payments.

ARTICLE 22 - JURY DUTY

22:01

(a) An employee who receives a subpoena for jury or witness duty shall be granted Leave of Absence for that purpose, provided the Company is properly notified. The Company shall continue regular straight time pay for all hours lost from work as a result of the subpoena and subsequent jury or witness duty.

(b) Shift workers will not be required to work a scheduled night in the twenty-four (24) hour period immediately preceding or following jury duty.

22:02 The employee agrees to pay the Company the full amount of regular straight time pay received or the full amount of the jury pay (excluding travel allowance) whichever is the lesser, within one (1) week of conclusion of service.

ARTICLE 23 - DEATH IN FAMILY

23:01 In the event of a death in an employee's immediate family, the Company will grant as an excused absence such time as may reasonably be needed to attend events associated with and immediately following the death.

23:02 The Company will pay such employee straight time pay for any of the employee's preceding scheduled working days lost up to a maximum of four (4) days (when on an eight (8) hour or ten (10) hour schedule) and up to three (3) days when on a twelve (12) hour schedule ending on the day of the service or funeral, or in the case of a service or funeral held more than Five Hundred (500) miles from the plant, ending on the day following the service or funeral. No pay allowance will be made when the employee does not attend the service or the funeral.

23:03 Immediate family means, father, mother, child, spouse, brother, sister, father-in-law, mother-in-law, grandparents and grandchildren, daughter-in-law and son-in-law.

ARTICLE 24 - NON-OCCUPATIONAL DISABILITY BENEFITS

24:01 A Company non-contributory plan will provide non-occupational disability weekly indemnity benefits when illness or injury prevent the employee from working. The benefits, based on the employee's length of continuous service, will be as follows:

- (a) For employees with less than three (3) months continuous service, they will be eligible for weekly indemnity benefits based on one hundred percent (100%) of scheduled weekly earnings at their permanently classified job rate for the first two (2) weeks and two-thirds (2/3) of scheduled weekly earnings at their permanently classified job rate for the next twenty-four (24) weeks.
- (b) For employees with three (3) months or more but less than one year of continuous service, they will be eligible for weekly indemnity benefits based on one hundred percent (100%) of scheduled weekly earnings at their permanently classified job rate for the first fifteen (15) weeks and two-thirds (2/3) of scheduled weekly earnings at their permanently classified job rate for the next eleven (11) weeks.
- (c) For employees with one year or more they will be eligible for weekly indemnity benefits based on One Hundred percent (100%) of scheduled weekly earnings at their permanently classified job rate to a maximum of twenty-six (26) weeks.
- (d) Employees covered by this Agreement shall be entitled to the benefits provided by the Canexus Limited Long Term Disability Program. See Article 30 and Appendix "I".
- (e) Eligibility for benefits commence on the first (1st) day of absence from work as a result of non-occupational illness or injury.

24:02 In order to receive benefits under Section 24:01 a Loss of Time Benefit Form must be completed and the following conditions shall prevail:

- (a) During the period for which benefits are payable, the employee must be absent from work due to non-occupational illness or injury.

- (b) If requested by the Company an employee must obtain an Attending Physician's Statement on the Loss of Time Benefit Form to confirm the employee's absence for a valid non-occupational disability or illness.
- (c) A Doctor's statement is required, on the form provided, for any such absence in excess of two days. The employee is expected to see the Doctor within the first three days of illness.
- (d) A charge, if any, made by the physician for such certificate will be the responsibility of the employee.
- (e) To expedite compensation an employee must forward the completed Loss of Time Benefit form to payroll prior to pay close.
- (f) To continue to receive benefits during an extended absence an employee must provide periodic Doctor's statements on the Loss of Time Benefit form supplied by the Company. If the employee's physician requires the payment of a fee to complete the form, the Company will reimburse the employee up to a maximum of \$25.00.
- (g) The disability must not be covered by Workers' Compensation.

ARTICLE 25 - OCCUPATIONAL DISABILITY BENEFITS

25:01 An employee who qualifies for Workers' Compensation Board time-loss compensation will be paid Eighty percent (80%) of their scheduled earnings less the amount of Workers' Compensation Board time-loss compensation payments.

25:02 Benefits will be provided as specified in Section 24:01 Non-Occupational Disability Benefits, until the claim is accepted by the Workers' Compensation Board. After the claim is accepted, adjustments will be made to provide a total benefit equal to that benefit provided under Section 25:01 which will commence effective on the same day Workers' Compensation Board time-loss compensation commences. Such benefits will continue until the termination of the Workers' Compensation Board payments, or the elapse of twenty-six (26) weeks from the date of the disability (as determined by the Workers' Compensation Board) whichever is the earlier.

ARTICLE 26 - TRAINING PROGRAMME

26:01 It is agreed that during the term of this Collective Agreement the Company and the Union will form a Training Committee to address the ongoing challenges of training. The mandate of the Committee is to review and recommend training programs that will enhance the knowledge and skills of the employees and provide opportunities within the bargaining unit.

The Committee will be six in number, three from each side, and will include a representative of the Union Executive and the Plant Manager (or the Plant Manager's designated representative) and others as deemed appropriate by the respective parties.

The initial expectation of the Committee is to research and make recommendations to Management and the Union Executive on three specific projects:

1. The development and implementation of a Trades Apprenticeship program.
2. The development and implementation of a program whereby employees will have an opportunity to upgrade their skills and qualifications (i.e., to that of Power Engineer or Chemical Technologist).
3. Improvements to existing Plant training programs and identification of training opportunities. In addition, the Committee may review associated program(s) to manage those opportunities and where applicable, recognize the application of knowledge.

Upon mutual acceptance by the Company and the Union, the program(s) identified above will be implemented as soon as practicably possible. It is agreed that the Company and/or the Union have the right to refuse to implement any of the recommendations of the Committee.

ARTICLE 27 - LEAVE OF ABSENCE

27:01 Employees may obtain a leave of absence not to exceed thirty (30) calendar days when approved in advance by Management. The granting or denying of such leaves of absence shall be at the sole discretion of the Company. Such leaves of absence shall be without pay.

27:02 Leave of absence of up to eight (8) weeks may be granted at the discretion of the Company and subject to the following provisions:

- (a) Company will require three (3) months prior notice of leave of absence.
- (b) Union agrees that those employees granted the six (6), seven (7) or eight (8) weeks leave of absence will not accept employment with another employer during such leave of absence.
- (c) Leave of absence will be without pay.
- (d) Scheduling of leaves will be at the Company's discretion.
- (e) Seniority will accrue during the leave of absence.
- (f) MSP, EHB, LTD, Dental Plan, Group Insurance, Pension Plan and the Union Supplementary Benefit Fund will be maintained.

27:03

- (a) It is agreed by the Company and the Union that employees to a maximum of three (3) attending a Grievance or Union-Management meeting will be allowed to leave their job one-half (1/2) hour prior to the scheduled meeting time without loss of straight-time pay.
- (b) Employees attending a Union/Management meeting on their scheduled day off will be compensated at their straight time rate for time in attendance at the meeting.

27:04 It is agreed by the Company and the Union that the Chief Shop Steward will be allowed one (1) hour away from the Chief Shop Steward's job, without loss of straight-time pay, to meet with newly-hired employees. New employees will be scheduled to meet with the Chief Shop Steward as soon as possible.

27:05 The Company will pay up to a maximum of 150 hours (in aggregate) for Union Executive to attend to Union Business on Leaves of Absence.

- The Union will reimburse the Company for said hours on a quarterly basis.
- The Union will provide a list of authorized executive eligible for wage continuance.
- Request to be submitted to the Plant Manager 72 hours in advance, including the date(s) and time(s) of absence and the names.

ARTICLE 28 - WORKING THROUGH LUNCH PERIOD

28:01 When a day worker is required to:

- (a) work any part of their lunch period, overtime to be paid and a one-half (1/2) hour given to eat lunch,

OR

- (b) work through their lunch period, they will be permitted (if granted by their Foreman) to leave one-half (1/2) hour before their scheduled normal quitting time in lieu of overtime pay.

ARTICLE 29 - SEVERANCE PAY

29:01 Employees with one or more years of continuous service who are permanently laid off or discharged as a result of Company initiated action dealing with technological change, automation, permanent plant closure or lack of work, shall be paid severance pay in an amount equal to two (2) weeks' pay plus two weeks' pay per complete year of continuous service thereafter. The rate of pay will be at the employee's regular base rate (exclusive of any other premiums). Severance pay for a partial year of service will be calculated on a prorated basis. Severance pay is not payable in the event of a voluntary quit, discharge for cause, death, or retirement. Employees with less than one

year of service will not receive severance pay. The above calculation shall be multiplied by 1.15 to determine the severance payment.

29:02 At the time of separation, the employee shall have the option of receiving their severance allowance on termination, or the employee may elect to have their severance allowance held in abeyance for up to one year from the date of termination. The employee may apply in writing at any time during the year, at which time the employee's full severance allowance will be paid forthwith.

29:03 When an employee is terminated as a direct result of automation, technological change or plant closure, the Company in co-operation with the Government agrees to participate in every practicable way in training and retraining any employee. The Company will give as much prior notice as possible, however, no less than six (6) months' notice shall be given.

The Company will work with the Union consistent with the spirit and intent of Section 54, Bill 84, 1992, of the B.C. Labour Relations Code.

29:04 Employees who receive severance pay shall be automatically terminated and, therefore, lose all rights and privileges under this Agreement. However, if a severed employee feels their rights have been violated, the grievance procedure will be available to the employee.

ARTICLE 30 - BENEFIT PLANS

30:01 All benefit plans in effect at the time of signing this Agreement shall be available to employees covered by this Agreement. Any proposed changes will be discussed with the Union and will only be made with the approval of the Union.

30:02 Employees hired on or after September 1, 2007, will be enrolled in the Canexus Limited Pension Plan (Defined Contribution option), the DC Pension Plan, on the first of the month following the completion of three full months of employment.

Employees hired on or before August 31, 2007, will be grandfathered in terms of their pension plan participation on that date. To meet this commitment, the Company will continue providing a Pension Plan (Defined Benefit option), the DB Plan and a Pension Plan (Defined Contribution option), the DC Plan for those employees.

The Company Long Term Disability Plan will also apply as per 24:01 (d).

30:03 The Company's share of premium payments for Medical Services Plan of British Columbia and Extended Health Benefits Plan will be Seventy Percent (70%) and the employee's share will be Thirty Percent (30%).

30:04 The Dental Plan premiums One Hundred Percent (100%) paid by Employer.

30:05 The Canexus Limited Employees' Savings Plan in effect January 01, 1984 will be designated Employee Savings Plan for Company Employees.

30:06 The Company agrees to pay into a Union Supplementary Benefit Fund an amount equal to that set out below per regularly scheduled hour for each regular fulltime employee in the bargaining unit. The payment for the fund will be made monthly by the Company.

The first 30 cents of the contribution is fixed; the remainder will be increased by the same percentage as subsequent wage increases. Accordingly, contributions to the Union Supplementary Benefit Fund during the term of this Agreement will be:

July 20, 2007:	\$0.554
May 16, 2008:	\$0.566
May 16, 2009:	\$0.577
May 16, 2010:	\$0.587
May 16, 2011:	\$0.597
May 16, 2012:	\$0.607

Please refer to Letter of Understanding #8

30:07 The Company Parental Leave policy for B.C. is available to all employees.

ARTICLE 31 - UNDERSTANDING OF AGREEMENT

31:01 The Company agrees to explain fully the terms of this Agreement to all its Foremen and others engaged in a supervisory capacity.

31:02 The Union agrees to explain fully to its members its and their responsibilities, rights and obligations under this agreement.

31:03 A Joint Committee comprising of one (1) Union representative and one (1) Management representative will explain fully the terms of this Agreement to all employees at the North Vancouver plant.

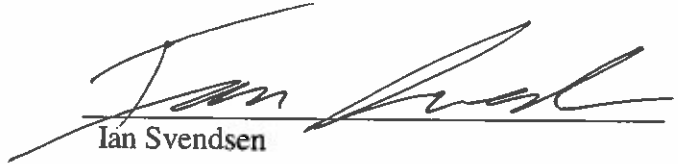
Signed this 24 day of JANUARY, 2011.

FOR CANEXUS LIMITED

**FOR COMMUNICATIONS, ENERGY
AND PAPERWORKERS UNION OF
CANADA, LOCAL 697.**



Rick Denton



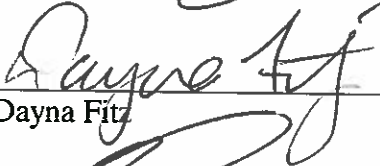
Ian Svendsen




Rob Schultz



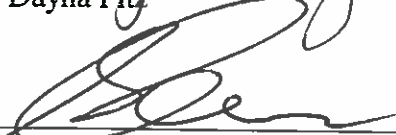
Mike Lewis



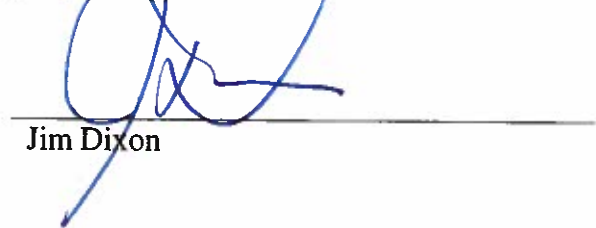
Dayna Fitz



Nick Erskine-Shaw

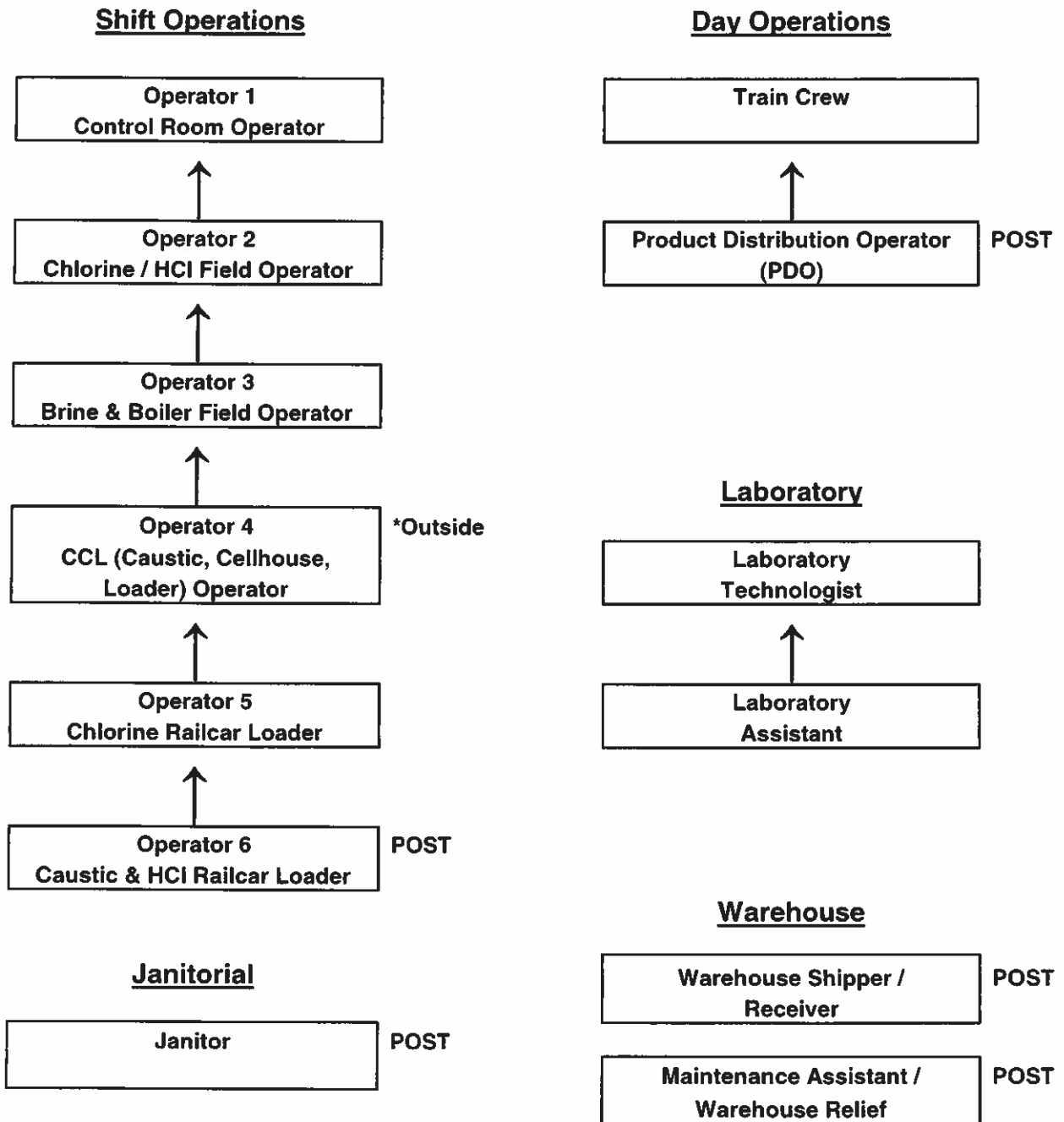


George Cowan



Jim Dixon

SCHEDULE "A" PROGRESSION CHART



* - Require a minimum of 24 fully trained to Operator 4 or higher position to be self relieving. If the minimum at this level, or any of the above levels 1, 2, or 3 is not met the company has the ability to hire from outside the plant into the Operator 4 position in order to maintain the required minimum numbers at these levels. Any new hire would also be fully trained in Operator 5 & 6 positions.

Schedule "B"
Job Classifications and Job Rates

		1-Mar 2010	16-May 2010	16-May 2011	16-May 2012 *
Shift Operations Crews:					
Relief Shift Foreman ¹		47.15	48.80	50.51	52.15
Operator 1 – Control Room Operator		41.91	43.38	44.90	46.36
Operator 2 – Chlorine / HCl Field Operator		40.22	41.63	43.09	44.49
Operator 3 – Brine & Boiler Field Operator		38.30	39.64	41.03	42.36
Operator 4 – CCL Operator		37.33	38.64	39.99	41.29
Operator 5 – Chlorine Railcar Loader		36.03	37.29	38.60	39.85
Operator 6 – Caustic & HCl Railcar Loader		35.44	36.68	37.96	39.19
Steam Tickets Premium ⁵	4 th Class	48.31	50.00	51.75	53.43
Monthly Rate	3 rd Class	48.31	50.00	51.75	53.43
Day Operations Crews:					
Relief Foreman ²		41.12	42.56***	43.42	44.83
Locomotive Engineer / Conductor		36.03	37.29	38.60	39.85
Product Distribution Operator / Switchman		34.44	35.65	36.90	38.10
Laboratory:					
Laboratory Technologist		39.59	40.98	42.41	43.79
Laboratory Assistant		33.18	34.34	35.54	36.70
Maintenance:					
Relief Foreman ³		45.26	46.84	48.48	50.06
Maintenance Man "A"		40.22	41.63	43.09	44.49
Maintenance Man "B"		35.91	37.17	38.47	39.72
Maintenance Man "C"		34.59	35.80	37.05	38.25
Maintenance Man "D"		33.18	34.34	35.54	36.70
Dual Trades Premium, Monthly Rate ⁴		96.62	100.00	103.50	106.86
Warehouse Shipper / Receiver		33.85	35.03	36.26	37.44
Maintenance Assistant / Warehouse Relief		33.85	35.03	36.26	37.44
Janitor		21.07	21.81	22.57	23.30
Starting Rate - 8 working weeks		29.09	30.11	31.16	32.17
Student Rate		**	**	**	**

¹ Operator 1 Rate + 12.5%

² Locomotive Engineer / Conductor + 12.5%

³ Maintenance Man "A" Rate + 12.5%

⁴ Dual Trades of Electrical & Instrumentation, Millwright & Heavy Duty Mechanic, or Millwright & Welder – utilizing skills regularly

⁵ Steam Tickets are additive, thereby a 3rd class ticket = \$100 / month

* Please refer to Letter of Understanding #8

** Set to 60% of job worked in

*** Red circled (wage frozen) – 2011 becomes Train Crew rate + 12.5%

A P P E N D I X "A"
J O B S E C U R I T Y

- (a) The Company shall notify the Union six (6) months in advance of intent to institute changes in working methods or facilities which will involve the discharge or lay-off of any employee.
- (b) The Company, in co-operation with the Government, agrees to participate in every way possible in training and re-training an employee.

A P P E N D I X "B"
P A R T I - O U T S I D E C O N T R A C T O R S

The Company agrees that routine maintenance will not be contracted out. The Union agrees that outside contractors may be used in three situations: during plant shutdown, major projects and for those jobs that require special skills not available in the bargaining unit. In any other situations where the Company fails to use our maintenance employees, the Company agrees to pay the eligible maintenance employee(s) the amount of wages the employee(s) would have received if the employee(s) had done the work (assuming a maintenance employee was available). Notification will be given to the Maintenance Shop Steward when maintenance work is being contemplated, well enough in advance that there will be enough time to call a Union Management meeting to discuss the subject. When such notification is not possible due to the urgent nature of work required, notification will be given to the Maintenance Shop Steward as soon as possible.

A P P E N D I X "C"
M A I N T E N A N C E O V E R T I M E P R O C E D U R E

OBJECTIVE

To ensure availability and equal overtime opportunity for the Maintenance employees.

PROCEDURE

1. Every week the Overtime Board will be rearranged according to the overtime hours earned starting with the employee with the lowest overtime hours on top. (Call-In hours are counted).
2. By Noon of each working day each employee must indicate whether or not they are available to be held over for overtime.
3. By 4:30 p.m. of each working day each employee must indicate whether or not they are available for Call-In.
4. In the case of assigned overtime, the employee doing the job will be the first asked to continue that job on overtime.

5. A list will be kept indicating overtime hours earned (Call-In hours are counted) year to date. The list will be updated and posted every two weeks.
6. The employee(s) indicating availability and at the top of the Overtime Board will be the first asked to work overtime (assuming #4 has been done and the employee can do the job).
7. Any employee with lower earned overtime hours than the employee who actually works, will be charged with the overtime hours as having been worked, except where #4 applies.
8. An employee's position on the Overtime Board will be frozen when the employee goes on one (1) week or more of vacation.
9. New maintenance employees will not be eligible for Call-In for a period of 60 calendar days from their starting date. New employees will start out with the same number of earned overtime hours as the employee with the highest earned overtime hours.
10. In the case of special skills, Management retains the right to assign or call in on overtime any employee regardless of the employee's position on the Overtime Board. Whenever an employee is assigned or called-in out of order, no other employee will be charged with the overtime hours.
11. If the "available side" is exhausted, the Company will start at the top of the "not available" side of the Overtime Board.
12. All employees agree that each employee who indicates they are available for overtime will make every effort to respond.

APPENDIX "D"

SHIFT OPERATIONS CALL-IN PROCEDURE

GENERAL REQUIREMENTS

To provide continuity for continuous operation, it is essential that relief will take place in the event that an employee does not report for their regularly scheduled shift. Accordingly, for successful operation of the 12-hour shift, coverage must be readily available.

Therefore, each employee must make every effort to respond. Furthermore, it is essential that maximum notice be given by any employee unable to work their scheduled shift to enable coverage to be arranged to minimize compulsory hold-over of an Operator on shift.

PROCEDURE

The Shift Operating crews will be listed every Wednesday Noon, starting with the employee with the lowest overtime on the top, (Call-In hours are counted). The hours used will be cut off 7:00 a.m. Monday.

1. Employees given the opportunity to work overtime must meet the following conditions:

- (a) Employee is on days-off.
 - (b) Employee is not scheduled to work the immediately preceding or immediately following shifts.
 - (c) Employee has the lowest earned overtime hours of those on days off.
 - (d) Employee is qualified to do the job (tests, tickets etc. make them qualified).
2. Any Operator personally contacted will provide relief for the shift.
 3. In the case of scheduling, the Company reserves the right to fill the position at straight time.
 4. Whenever overtime is being scheduled, the overtime list current at the time of scheduling will be used, subject to #1 and #7 below.
 5. If the overtime is four (4) hours or less, the Company reserves the right to schedule the next Operator in early or hold the Operator over.
 6. Each Operator will be charged with overtime hours as they are earned. These will be posted weekly. The only exception will be if an Operator is personally contacted and is unable to come in, then the Operator will be charged with the overtime hours of the Operator who does the job. Scheduled Statutory Holidays to be exempted.
 7. It is agreed that each employee in the employee's department will be eligible for Call-In for every position in the employee's department subject to #1 above. It is the employee's responsibility to keep themselves current with the other jobs in their department. Opportunity will be given for employees to perform the other jobs.
 8. Any errors or omissions will be corrected by having the aggrieved employee come in on the employee's days-off to recover the employee's missed overtime hours (including Call-In hours).

APPENDIX "E"

DAY OPERATIONS OVERTIME PROCEDURE

OBJECTIVE

To ensure availability and equal overtime opportunity for the Day Operations employees.

PROCEDURE

1. Every week the Overtime Board will be rearranged according to the overtime hours earned, starting with the employee, with the lowest overtime on the top. (Call-In hours are counted).

2. An hour before the end of each shift, each employee will indicate if they are available for overtime.
3. Employees on days-off indicating availability and having the lowest earned overtime hours will be the first asked to come in on overtime.
4. If the overtime required is four hours or less, then the Company reserves the right to hold the Employee over. (Exception to #3).
5. Each Employee will be charged with paid overtime hours as they earn them. These will be posted weekly. The only exception will be if an Employee is personally contacted and is unable to come in, then the employee will be charged with the paid overtime hours of the Employee who does the job.
6. New employees (including students) to this department, will be charged with the highest overtime hours at the time they are qualified to do the job.
7. Any errors or omissions will be corrected by having the aggrieved employee come in on the employee's day off (not the employee's last day off) to recover the employee's missed overtime hours (including any Call-In hours the employee may have missed).
8. All employees agree that each employee who indicates they are available for overtime will make every effort to respond.

A P P E N D I X "F"
WAREHOUSE SHIPPING/RECEIVING OVERTIME PROCEDURE

The employee doing the job is usually the first asked to stay over or come in on the employee's day off, if overtime is required.

JANITORIAL OVERTIME PROCEDURE

The employee whose area is involved is usually the first one asked to stay over or come in on the employee's day off, if overtime is required.

For vacation coverage, and no replacement is brought in, the one janitor is asked to stay over four hours.

A P P E N D I X "G"
12-HOUR ROTATING SHIFT SCHEDULE
FOR SHIFT OPERATIONS CREWS

WORK DAY AND WORK WEEK

For the purpose of this Agreement, a day shall be a twenty-four (24) consecutive hour period commencing at 7:00 a.m.; a week shall commence at 7:00 a.m. Monday and end at 7:00 a.m. the following Monday.

SHIFT DIFFERENTIAL

Shift differential will be applied to only the 12-hour night shift. Article 20.03 of the Collective Agreement applies.

OVERTIME

There will be no overtime payments made to a 12-hour shift employee working in accordance with the 12-hour shift schedule.

Article 18.01 (a), (b), (c), (d) and (e), also Article 18.02 of the Collective Agreement will apply.

BANKED DAYS

- 1. Statutory Holidays banked at 9 hours per day to a maximum of 10 days (90 hours).
- 2. Banked days off shall be taken in equivalent 12-hour shifts.
 - (a) Employees banking the maximum will be allowed seven (7) 12-hour shifts off.
 - (b) Banked days taken must be blocks of 4 shifts (e.g. 2 day shifts followed by 2 night shifts) unless banked time is being taken in conjunction with vacation as per the provision outlined in the section headed Vacation.

Exception to this may be approved by the Company provided relief coverage is available at no extra cost to the Company.

- 3. Any banked hours not used in combination with vacations, and cannot be used as stated above, will be paid out at the end of the banking year.

STATUTORY HOLIDAYS

Period of time recognized as a Statutory Holiday is the 24-hour period beginning at 7:00 a.m. of the day recognized as the Statutory Holiday. Employee will be paid nine (9) hours.

VACATION

- 1. The concept of vacation will change from weeks off to 12-hour shifts off.

2 weeks	=	80 hours	=	7 12-hour shifts off
3 weeks	=	120 hours	=	10 12-hour shifts off
4 weeks	=	160 hours	=	13 12-hour shifts off
5 weeks	=	200 hours	=	17 12-hour shifts off
6 weeks	=	240 hours	=	20 12-hour shifts off

2. Vacation must be taken in blocks of 4 shifts, i.e. 2 day shifts followed by 2 night shifts. One block of four (4) shifts will represent forty (40) hours of vacation time (i.e. one week's vacation) and eight (8) hours of banked statutory holiday time. Employees must combine banked time to make up each block of four (4) shifts. Employees having insufficient time banked will be granted an unpaid leave of absence to complete each block of four (4) shifts.
3. Vacation pay for each week (block of 4 shifts) of vacation, shall be equal to the greater of:
 - a) 45 hours at the employee's classified rate, or
 - b) 2% of actual earnings during the vacation period in which the vacation was earned.

Any employee who elects to withdraw eight (8) hours of banked statutory holiday time, shall also receive eight (8) hours of banked statutory holiday pay.

4. Supplemental vacation must be taken in one block of four (4) shifts, such time off to consist of forty (40) hours of supplemental vacation and eight (8) hours of banked Statutory Holiday time. Employees having insufficient time banked will be granted an unpaid leave of absence.

Supplemental vacation pay shall be equal to forty-five (45) hours pay at an employee's classified rate. An employee withdrawing eight (8) hours of banked Statutory Holiday time will also receive eight (8) hours of banked Statutory Holiday pay.

5. It is understood that 12-hour shift employees who take vacation while assigned to work schedules other than the 12-hour/48 hour one, will be entitled to vacation pay as provided for in 3 and 4 above.

A P P E N D I X "H"

10-HOUR SHIFT SCHEDULE FOR DAY OPERATIONS CREWS

WORK DAY AND WORK WEEK

For the purpose of this Agreement, a day shall be a twenty-four (24) consecutive hour period commencing at 6:30 a.m.; a week shall commence at 6:30 a.m. Monday and end at 6:30 a.m. the following Monday.

OVERTIME

There will be no overtime payments made to a 10-hour shift employee working in accordance with the 10-hour shift schedule.

Article 18.01 (a), (b), (c), (d) and (e), also Article 18.02 of the Collective Agreement will apply.

BANKED DAYS

1. Statutory Holidays banked at 9 hours per day to a maximum of 10 days (90 hours).

2. Banked days off shall be taken in equivalent 10-hour shifts.
 - (a) Employees banking the maximum will be allowed nine (9) 10-hour shifts off.
 - (b) Banked days taken must be blocks of shifts (e.g. 4 consecutive day shifts) unless banked time is being taken in conjunction with vacation as per the provision outlined in the section headed Vacation.

Exception to this may be approved by the Company provided relief coverage is available at no extra cost to the Company.

3. Any banked hours not used in combination with vacations, and cannot be used as stated above, will be paid out at the end of the banking year.

STATUTORY HOLIDAYS

Period of time recognized as a Statutory Holiday is the 24-hour period beginning at 6:30 a.m. of the day recognized as the Statutory Holiday. Employee will be paid nine (9) hours.

VACATION

1. The concept of vacation will change from weeks off to 10-hour shifts off.

2 weeks	=	80 hours	=	8 10-hour shifts off
3 weeks	=	120 hours	=	12 10-hour shifts off
4 weeks	=	160 hours	=	16 10-hour shifts off
5 weeks	=	200 hours	=	20 10-hour shifts off
6 weeks	=	240 hours	=	24 10-hour shifts off

2. Vacation must be taken in blocks of 4 shifts, i.e. 4 day shifts. One block of four (4) shifts will represent forty (40) hours of vacation time (i.e. one week's vacation). If vacation is taken as part of a block of 5 shifts, employees must combine ten (10) hours of banked time with one week of vacation to make up each block of five(5) shifts. Employees having insufficient time banked will be granted an unpaid leave of absence to complete each block of five (5) shifts.
3. Vacation pay for each week (block of 4 shifts) of vacation, shall be equal to the greater of:
 - a) 45 hours at the employee's classified rate, or
 - b) 2% of actual earnings during the vacation period in which the vacation was earned.

Any employee who elects to withdraw ten (10) hours of banked statutory holiday time, shall also receive ten (10) hours of banked statutory holiday pay.

4. Supplemental vacation must be taken in one block of four (4) shifts, such time off to consist of forty (40) hours of supplemental vacation. If vacation is taken as part of a block of 5 shifts,

employees must combine ten (10) hours of banked time with one week of vacation to make up each block of five(5) shifts. Employees having insufficient time banked will be granted an unpaid leave of absence to complete each block of five (5) shifts.

Supplemental vacation pay shall be equal to forty-five (45) hours pay at an employee's classified rate.

5. It is understood that 10-hour shift employees who take vacation while assigned to work schedules other than the 10-hour one, will be entitled to vacation pay as provided for in 3 and 4 above.

A P P E N D I X "I" CANEXUS LIMITED LONG TERM DISABILITY PLAN

The Plan is designed to provide an employee with a continuing income if the employee's disability should last longer than six (6) months.

The plan will pay employees a monthly benefit equal to: 70% of the employee's regular pay, to a benefit maximum of \$4,000.00 per month. However, the combination of Company and Governments benefits cannot exceed 85% of the employee's regular pay.

Monthly benefits from this plan will be payable to the employee for two (2) years as long as the employee's disability prevents the employee from performing the duties of the position the employee held at the time the employee's disability commenced.

After this two (2) year period, in order for an employee to continue to receive benefits from the Long Term Disability Plan, the severity of the employee's disability must be such that the employee is unable to perform the duties of any job for which the employee is reasonably trained or qualified. Payments will continue throughout the period of the employee's total disability or, until the employee reaches age 65.

REHABILITATION PROGRAM

If an employee is able to do so, the employee may resume employment in a rehabilitation program which is approved by the Insurance Company.

An Employee's monthly benefit from the Long Term Disability Plan will be reduced by 50% of the income the employee receives as a result of the employee's employment.

This part of the Long Term Disability Plan allows employees to work and continue to receive partial benefits for up to two (2) years. The intent is to provide employees with assistance in returning to full time employment.

EXCLUSIONS

Benefits from the Long Term Disability Plan will not be paid:

1. If the employee's injuries are sustained while employed with another company or as a result of wars, riots, or civil disturbances.
2. If the employee's disabilities are a result of pregnancy or non-psychotic mental disorders.
3. If the employee's injuries are self-inflicted.
4. If the employee's injuries are obtained while committing a crime or assault.

CONTINUATION OF COVERAGE

While employees are receiving benefits under the Long Term Disability Plan, Canexus Limited will continue to pay the cost of the employee's coverage under the Basic Group Life Plan, as well as the Supplementary Health and Dental Care Plans. The Company will also continue to contribute towards the cost of the employee's Provincial Health Care coverage for up to two (2) years.

In addition, an employee's Pension Plan Credits will continue to accumulate based on the employee's salary prior to the employee's disability.

ACCIDENTAL DISMEMBERMENT BENEFITS

The plan provides for a lump sum benefit payment should an employee suffer, within 365 days of an accident, the permanent and total loss of the employee's sight, speech, hearing and/or limbs. Employees are protected by this plan twenty-four (24) hours per day, seven (7) days a week even if the employee is working elsewhere.

IF AN EMPLOYEE SUFFERS LOSS OF:

**THE EMPLOYEE WILL
RECEIVE AMOUNT EQUAL TO:**

Both hands, both feet or sight of both eyes.....	The Principal Sum
One hand and one foot.....	The Principal Sum
One hand and sight of one eye.....	The Principal Sum
One foot and sight of one eye.....	The Principal Sum
Speech and hearing in both ears.....	The Principal Sum
One arm or one leg.....	3/4 Principal Sum
One hand or one foot or sight of one eye.....	1/2 Principal Sum
Speech.....	1/2 Principal Sum
Hearing in both ears.....	1/2 Principal Sum
Thumb and index finger or at least four fingers of one hand.....	1/4 Principal Sum
All toes of one foot.....	1/8 Principal Sum

OR THE LOSS OF USE OF:

Both legs or both arms or both hands.....	The Principal Sum
One leg or one arm.....	3/4 Principal Sum
One hand.....	1/2 Principal Sum

"The Principal Sum" is an amount equal to two and one half (2 1/2) times the employee's regular annual salary (to a maximum of \$400,000.00).

ADDITIONAL INFORMATION

The insurance company has the right at any time to select a doctor to examine the employee at the insurance company's own expense.

GOVERNMENT PLANS

THE CANADA PENSION PLAN - may provide a disability benefit which is based on the Government pension an employee would have received if the employee had been sixty-five (65) years of age at the time the employee's disability occurred. To qualify for benefits an employee must have contributed to this Government plan for the minimum specified period. Employees may be asked by the Administrator of the Government plan to undergo medical examinations and take reasonable rehabilitative measures.

Benefits begin after four (4) months of disability have elapsed and continue for as long as the employee is classed as disabled, up to age sixty-five (65). The plan also pays disabled contributors' benefits on behalf of dependent children.

Any benefits payable under the Salary Continuance or Long Term Disability Plans will be reduced by the initial amount of any benefits paid or payable under the disability or retirement provisions of the Canada Pension Plan (excluding any benefits for which dependents may qualify).

APPENDIX "J"

Letters of Intent

1. Short Return Shifts

Where a straight time shift is worked and is subsequently followed by a short return (8 hour break) straight time shift, the second shift will be paid at two (2) times the employee's job rate.

2. Plant Closure

As discussed with Local 697 representatives during the course of the 1991-92 negotiations, in the event of a permanent or partial plant closure, the Company is prepared to extend to affected North Vancouver employees the employment adjustment program implemented at both Nanaimo and Squamish.

LETTER OF UNDERSTANDING #1 Composite Crewing - Instrument/Electrical Group

The Company and the Union agree to work together in the development of a cooperative work environment in the Instrument/Electrical Group that would recognize the sharing of certain skills and allow back-up support from one trade to the other. Individuals will participate on a voluntary basis.

LETTER OF UNDERSTANDING #2 Input to Benefits

In response to Local 697's concern regarding benefits, the Company's division and corporate management agree to meet on an as needed basis, upon request by Local 697 executive, to provide the Union an opportunity for input to improvements to Company benefit plans. The Company agrees to pay any mutually agreed upon costs.

**LETTER OF UNDERSTANDING #3
National Bargaining**

Local 697 commits to the CEP National Bargaining Pattern (wages and term) for the term of the current Collective Agreement. It is Local 697's intention and expectation to continue with the National Bargaining Pattern indefinitely.

**LETTER OF UNDERSTANDING #4
Performance Bonus**

The Company and Local 697 agree that Local 697 will be given an opportunity to provide consultation to the proposed objectives and method of payment for any Performance Bonus awarded to members of Local 697 by the Board of Directors.

**LETTER OF UNDERSTANDING #5
Flexible Week for Thanksgiving Statutory Holiday**

The Company agrees that upon receipt of a request from day workers scheduled to work Thanksgiving, the Department Manager(s) may agree to shift the work week such that the Thanksgiving Statutory Holiday is a scheduled day off. The request will not be granted if there is any additional cost(s) incurred by the Company to accommodate the adjusted work week.

**LETTER OF UNDERSTANDING #6
Maintenance Review Committee**

The purpose of the Committee is to discuss and attempt to resolve the issues, perceived and/or otherwise, created by contracting out. To facilitate this process, the Committee will meet upon request of the Union and as required, to review jobs that have been contracted out or are about to be contracted out.

The Committee will be a maximum of six in number, with a maximum of three from each side, and will include a representative of the Union Executive and the Maintenance Department Manager.

Nothing in this Letter of Understanding may be construed as either party changing its position regarding the issue(s) of contracting out. If different decisions are made regarding contracting out as a result of this Committee, neither party may rely on such change(s) in subsequent arbitration hearings involving the interpretation of Article 10:03 and/or Appendix "B". In addition, nothing in this Letter of Understanding is intended to prevent the Company from contracting out work. If/when such work is contracted out, the work will proceed without prejudice to the right of either party under the Collective Agreement.

Either party may terminate this Committee upon thirty (30) days written notice to the other party at which time the parties will meet to discuss the termination of this letter.

**LETTER OF UNDERSTANDING #7
Regarding Stage 3 Grievance Meetings**

The Company and Union confirm the importance of discussing grievances in a timely manner. Notwithstanding the provisions of Article 14.03 Step 3, the parties agree to meet on the third Wednesday of every month to discuss any outstanding grievances which are at Step 3 of the grievance process.

It is also agreed that the parties may, by mutual agreement, elevate any outstanding grievance to Step 3 of the grievance process for purposes of discussing the grievance at the aforementioned meeting.

**LETTER OF UNDERSTANDING #8
Wage Rate Adjustments**

The Company and Union agree that notwithstanding Article 5, should Canexus decide to convert the North Vancouver Plant to membrane technology, the Company and Union agree that Schedule "B" will be adjusted by 3.5% effective May 16, 2010, and 3.5% effective May 16, 2011. The wage increase implemented on May 16, 2012, shall be the same percentage increase as determined by the CEP National Energy Program Agreement for the year 2012.

Additionally, the CEP Local 697 undertakes that it will not request or expect any other item contained in any CEP National Energy Program Agreement(s) negotiated/settled during the term of this collective agreement; the only item to be incorporated from any CEP National Energy Program Agreement(s) settled during the term of this collective agreement is the wage increase (%) for the year 2012.

LETTER OF UNDERSTANDING #9
Hours of Work – Laboratory Technologists

The Company and Union agree that the following will apply regarding the days and hours of work for all Laboratory Technologists covered by the Collective Agreement:

1. The weekly hours of work for Laboratory Technologists will average forty (40) and these employees will continue to be “day employees” as defined in Article 9:01(a).
2. Article 9:03(a) of the Collective Agreement will not apply to the extent that the work schedules for Laboratory Technologists will be something other than Monday through Friday: 7:00 a.m. to 3:30 p.m.
3. To meet the needs of the Lab, the parties agree that the scheduled days and hours of work may be adjusted from time to time. Should this occur, articles 9:04 and 9:05 will apply and the Laboratory Technologists will be deemed to have a new schedule.

LETTER OF UNDERSTANDING #10
Collective Agreement Expiry

Any and all unresolved bargaining issues between the parties with respect to the 2007 – 2013 Collective Agreement will be determined through binding arbitration in accordance with the following Letter of Understanding # X.

Notwithstanding Article 5.01 of the Agreement, the Final Offer Selection (F.O.S.) procedure outlined below shall be available to the parties to assist in the resolution of negotiations.

PROCESS

1. After the parties have bargained in good faith either one may give notice to the other that it intends to proceed to resolve outstanding issues through F.O.S.
2. The Company and the Union mutually agree to elect a single Arbitrator who has the power to make a final and binding F.O.S. If there is no agreement within seven (7) days of notice being given, the party requesting the F.O.S. is authorized to apply to the Minister of Labour for the appointment of an Arbitrator. The seven (7) day time limit may be extended through the mutual agreement of both parties.
3. At least thirty (30) days prior to the meeting with the F.O.S. Arbitrator, the Company and the Union will each set out in writing, one final position, structured clause by clause, the language it is seeking to have

included in the final agreement whether it be amendments of old clauses and/or the introduction of new clauses. Either during the course of negotiations or prior to setting out their respective final position, the parties shall communicate to ensure that there is a commonality with respect to the specific number and subject of clauses comprising the final position. The Company's and Union's written final positions are to be given to the Arbitrator at the outset of the F.O.S. hearing.

4. The Arbitrator shall sit, hear the parties, and shall make an award within ten (10) days from the final day of the hearing, provided the time may be extended by the parties.
5. After due deliberation, the Arbitrator shall select the final written position of one or the other party. The selection of the Arbitrator shall be final and binding upon the parties, and the Arbitrator shall not be free and has no jurisdiction to do otherwise than select the final position of either the Company or the Union.
6. The Arbitrator shall deliver their award in writing to each of the parties.
7. The new collective agreement shall be in force and effect on the date the Arbitrator's award is issued.
8. Each party shall pay its own cost and expense of arbitration, including one half of the cost and expenses of the Arbitrator.
9. All notices shall be by registered mail addressed to the Union President, representing the Union and addressed to the Plant Manager for the North Vancouver Plant representing the Company.

LETTER OF UNDERSTANDING #11
Technology Conversion Project {TCP} Adjustment Plan

The Company and Union agree to the terms of the Adjustment Plan as of October 05, 2007 as well as subsequent documents submitted by the Mediator. The Memorandum of Agreement sets out the terms contained in the Adjustment Plan. Where there is a conflict between the Collective Agreement and the Adjustment Plan, the terms of the Adjustment Plan will take precedence. The Adjustment Plan was ratified and signed on October 12, 2007.