

LABOUR AGREEMENT 2012-2017



BETWEEN

Catalyst

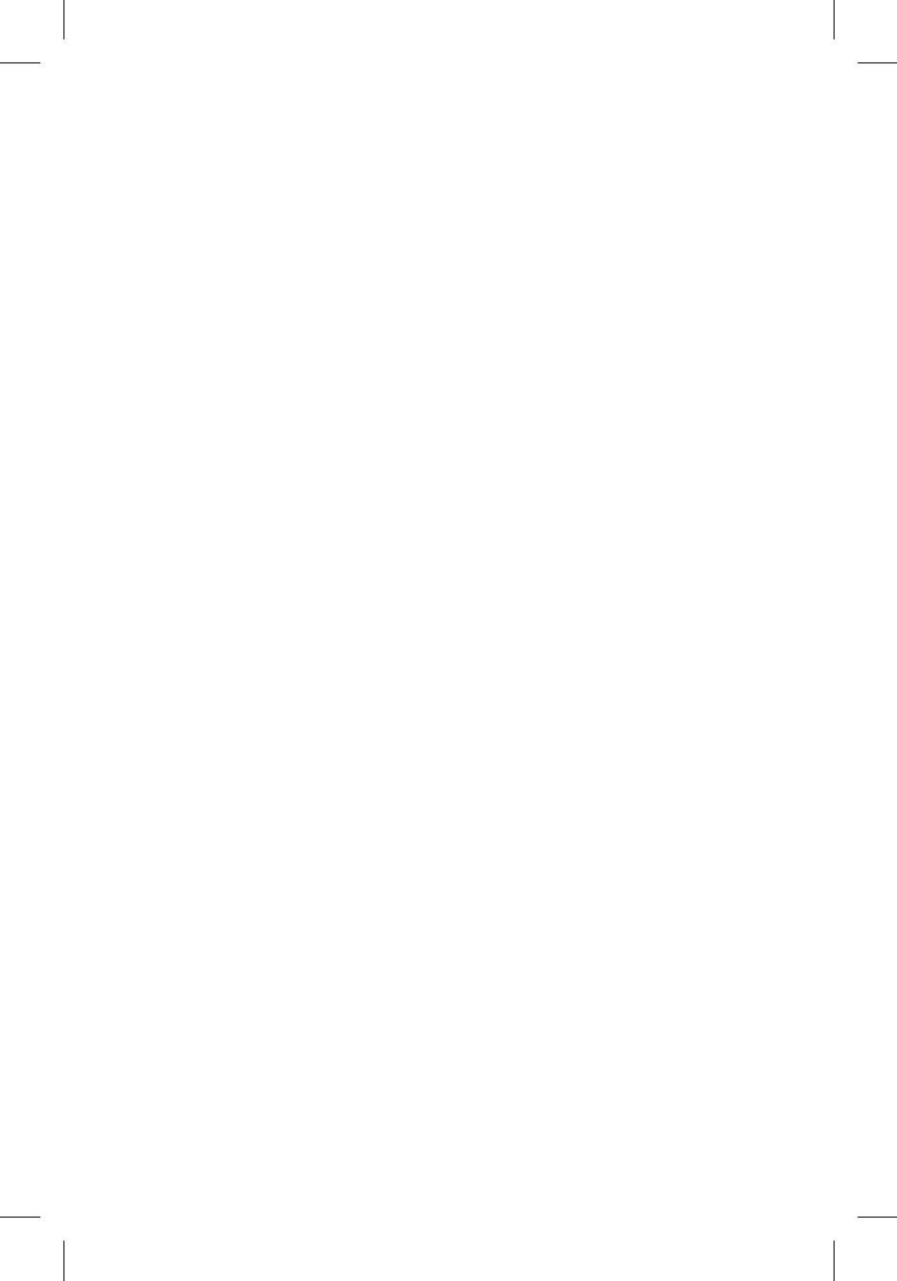


Powell River Division

AND



**COMMUNICATION, ENERGY
and PAPERWORKERS UNION
LOCAL 76**



**LABOUR AGREEMENT
OF THE PULP AND PAPER INDUSTRY
IN THE PROVINCE OF BRITISH COLUMBIA
2012 - 2017**

This AGREEMENT made this
10th day of March, 2012

BETWEEN

CATALYST PAPER
POWELL RIVER DIVISION

(Hereinafter referred to as the Company)

PARTY OF THE FIRST PART

- AND -

LOCAL 76 of the
COMMUNICATIONS, ENERGY &
PAPERWORKERS UNION OF CANADA

(Hereinafter referred to as the Union)

PARTY OF THE SECOND PART

WITNESSETH:

POWELL RIVER DIVISION LABOUR AGREEMENT 2012-2017

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AGREEMENT

ARTICLE I - GENERAL

Section 1: Purpose

The general purpose of this Agreement is, in the mutual interest of the employer and employee, to provide for the operation of the Plant hereinafter mentioned under methods which will further, to the fullest extent possible, the safety and physical welfare of the employees, economy of operation, quality and quantity of output, cleanliness of Plant and protection of property. It is recognized by this Agreement to be the duty of the Company and the Union to cooperate fully for the advancement of said conditions.

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

Section 2: Mutual Responsibilities

It is recognized by this Agreement to be the duty of the Company to explain fully the terms of this Agreement to all its officers, foremen and others engaged in a supervisory capacity and it is recognized to be the duty of the Union to explain fully to its members, its and their responsibilities and obligations under this Agreement.

Section 3: No Interruption of Work

It is agreed by the Union that there shall be no strikes, walkouts or other interruption of work during the period of this Agreement. It is agreed by the Company that there shall be no lockouts during the period of this Agreement.

Section 4: Human Rights

The Company and Union subscribe to and support the principles of the Human Rights Code of British Columbia, Section 8 of which reads as follows:

- “(1) Every person has the right of equality of opportunity based upon bona fide qualifications in respect of his occupation or employment, or in respect of an intended occupation, employment, advancement, or promotion; and, without limiting the generality of the foregoing;
- (a) no employer shall refuse to employ, or to continue to employ, or to advance or promote that person, or discriminate against that person in respect of employment or a condition of employment; and
 - (b) no employment agency shall refuse to refer him for employment, unless reasonable cause exists for such refusal or discrimination.
- (2) For the purposes of sub-section (1),
- (a) the race, religion, colour, age, marital status, ancestry, place of origin, or political belief of any person or class of persons shall not constitute reasonable cause;
 - (b) a provision respecting Canadian citizenship in any Act constitutes reasonable cause; (1974, Bill 178,s.6)
 - (c) the sex of any person shall not constitute reasonable cause unless it relates to the maintenance of public decency;
 - (d) a conviction for a criminal or summary conviction charge shall not constitute reasonable cause unless such charge relates to the occupation or employment, or to the intended occupation, employment, advancement, or promotion, of a person.
- (3) No provision of this section relating to age shall prohibit the operation of any term of a bona fide retirement, superannuation, or pension plan, or the terms or conditions of any bona fide group or employee insurance plan, or of any bona fide scheme based upon seniority.”

Section 5: Successorship

In the event of a change in employer status, members of Local 76 will retain all of their rights under the Collective Agreement.

ARTICLE II - DEFINITIONS

Wherever used in this Agreement, including Exhibits:

- (a) The word EMPLOYEES means all persons on the payroll of the Company at Powell River, excepting: those engaged in

administration, in actual supervision, in sales, engineering, technical and research, accounting, clerical, stenographic and other office work, or watchmen's functions excluding those employed on jobs listed in Exhibit "A".

A complete list of the job categories and rates of the EMPLOYEES under this Agreement is attached hereto as Exhibit "A".

- (b) The words TOUR WORKERS mean employees when engaged in operations scheduled in advance for at least twenty-four (24) hours continuous running; it being understood, however, that if a Tour Worker is temporarily assigned to work not connected with the continuous operation on which he is usually employed, his status as to tour or day work during such temporary assignment is determined by the nature of such assignment. All other employees are considered Day Workers.
- (c) The word DAY means a period of twenty-four (24) hours beginning at 8:00 a.m. or at the regular hour of changing shifts nearest to 8:00 a.m., at Powell River.
- (d) The word WEEK means a period of seven (7) calendar days beginning at 8:00 a.m., or at the regular hour of changing shifts nearest to 8:00 a.m., on the day on which the actual work week begins in Powell River.
- (e) GRIEVANCE, DISPUTE or COMPLAINT means any difference between the persons bound by this Agreement concerning its interpretation, application, operation, or any alleged violation thereof, and PARTY means either one of the parties to this Agreement.

ARTICLE III - BARGAINING AGENCY

Section 1: Recognition

The Company recognizes the Communication, Energy and Paperworkers Union of Canada and the Union as the only agency representing all employees as defined in this Agreement for the purpose of Collective Bargaining.

Section 2: Bulletin Boards

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

ARTICLE IV - UNION SECURITY

Section 1: Cooperation

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

Any new employee shall be introduced to the Shop Steward by his supervisor within three (3) days of starting work.

Section 2: Union Shop

All employees in the employment of the Company shall, as a condition of continued employment, maintain membership in good standing in the Union. New employees shall, as a condition of continued employment, become members of the Union thirty (30) days after becoming employed by the Company.

Section 3: Discharge of Non-Members

Any employee who fails to maintain his membership in good standing in the Union shall be discharged after seven (7) days written notice to the Company by the Union of the employee's failure to maintain his membership in good standing.

Section 4: Application for Membership

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

Section 5: Union Dues Deduction

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

ARTICLE V - STANDING COMMITTEE

Standing Committees shall be maintained in the following manner:

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

ARTICLE VI - HOURS OF WORK

Section 1: Basic Work Week

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

Section 2: Overtime

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

(1) Day Workers

- (a) For all work performed on Sunday (8:00 a.m. Sunday to 8:00 a.m. Monday) and on holidays as specified in Article XVII of this Agreement.
- (b) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive straight time hours.
- (c) For work performed on an employee's designated day off as provided for in Section 3 herein.
- (d) For work in excess of forty (40) hours average per week. By average is meant the number of weeks mutually agreed upon in advance as the correct schedule.
- (e) The Company agrees that employees may carry over statutory holiday time earned when sufficient straight-time hours are unavailable that week. The hours may be carried over after the week in which they are earned provided a regular work schedule is being followed.

(2) Tour Workers

- (a) For all work performed on Sunday (8:00 a.m. Sunday to 8:00 a.m. Monday) and on holidays as specified in Article XVII of this Agreement.
- (b) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive hours except:
 - (i) When such work in excess of eight (8) hours is caused by the change of shifts,
 - (ii) Overtime work by special arrangement between a Tour Worker and his mate to exchange shifts with the approval of his Supervisor, and when this can be accomplished without additional cost or penalty to the Company.

(c) For work in excess of forty (40) hours average per week. By average is meant the number of weeks mutually agreed upon in advance as the correct schedule.

(d) For work performed on an employee's designated day off as provided for in Section 3 herein.

In the payment of overtime on the basis provided above, the one basis which results in the payment of the largest amount of overtime shall be used.

(e) The Company agrees that employees may carry over statutory holiday time earned when sufficient straight-time hours are unavailable that week. The hours may be carried over after the week in which they are earned provided a regular work schedule is being followed.

(3) Banking of Overtime

(i) Tour Workers who work in excess of eight (8) consecutive hours shall have the option of receiving the overtime premium on the basis of this Section or of receiving straight time for hours in excess of eight (8) consecutive hours and taking equivalent time off in units of not less than four (4) hours at the hourly rate for the job when the work was performed, at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for purposes of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it is earned, the Company shall pay the deferred one-half premium pay. Tour Workers who choose to bank overtime may later re-elect to receive the deferred one-half premium pay.

(ii) Day Workers who work in excess of ten (10) hours in a day shall have the option of receiving the overtime premium on the basis of this Section or of receiving straight time for hours in excess of ten (10) hours in a day and taking equivalent time off in units of not less than four (4) hours at the hourly rate for the job when the work was performed, at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for purposes of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following

the contract year in which it is earned, the Company shall pay the deferred one-half premium pay. Day Workers who choose to bank overtime may later re-elect to receive the deferred one-half premium pay.

- (iii) When the banked time off is requested in writing seven (7) days in advance, employees shall receive written notice of the disposition of their request a minimum of seventy-two (72) hours prior to the requested time off. The payment of overtime shall not be a factor in cancelling approved time off.

Section 3: Days Off and Schedule of Shifts

- (a) i) The Company will designate regular periodic days off for each regular employee and will not change such designation without notice except in the case of breakdown.

In the event the day or days off are changed to follow the original designated day or days off, then forty-eight (48) hours notice will be given in advance of the original day or days off. In the event the day or days off are changed to precede the original designated day or days off, then forty (40) hours notice must be given in advance of the new day or days off.

When sufficient notice is not given prior to the initial day or days off, then overtime will be paid for work performed on the original day or days off.

The employees may change their day or days off by mutual arrangement with the Foreman and the Shop Steward of the department concerned without penalty to the employer.

- ii) Relief employees, employed to provide relief of employees who follow regular schedules, will be scheduled when required for coverage. The Company will designate regular, periodic days off for all other employees and will not change such designation without notice except in the case of breakdown. The Company shall use its best efforts.
 - (a) To schedule days off for relief employees on a consecutive basis; and
 - (b) To provide established schedules for relief employees.
- (b) Where a system of days off is now in effect, same shall remain in effect as long as mutually satisfactory to the Union and the Company, it being understood that this has reference to a mill system of days off and not to the individual employee's days off.

- (c) When the Company changes an employee's shift schedule after the start of the week without notification being given during the first eight (8) hours of his last shift preceding the new shift, the employee shall receive two (2) hours penalty payment at the straight time day rate for the first shift worked resulting from the change.

If the change in shifts during the week is temporary, the penalty payment is not payable for the second change in shifts when the employee returns to his previously established shift schedule.

When an employee's established shift schedule is changed, the Company will, whenever practicable, notify the employee personally of the change.

- (d) Where an employee is temporarily off work because of a shutdown of his job, department or plant of more than ten (10) days duration, the employee's regular schedule of hours per day and days per week, including his starting time and designated days off, shall, commencing with the eleventh (11th) day of such shutdown, be considered as having been suspended and shall not be in effect for the balance of said shutdown.

Call Time shall not be payable for assignments to extra work during such latter period or for assignments in connection with the resumption of operation of the job.

The ten (10) day period referred to above shall be exclusive of any recognized paid Statutory Holidays which may fall therein.

- (e) The Company will cooperate with any day worker called in after twelve midnight to ensure that this work does not preclude him/her working his regular eight (8) hour shift the following day. This may be accomplished by altering the hours of work to the mutual satisfaction of the employee and his supervisor. No penalty shall apply to the Company as a result of such an arrangement.

Section 4: Starting and Stopping Work

(a) Tour Workers

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

If a Tour Worker does not report for his regular shift, his mate shall notify the Foreman. He shall remain at his post until a substitute is secured, and, if necessary, he shall work an extra four (4) hours.

If work in excess of twelve (12) hours is required by refusal of a mate to report in, or when no other qualified relief is available, then the employee shall complete the extra shift. It is the duty of a Tour Worker to report for his regular shift, unless he has already arranged with his Foreman for a leave of absence. If unavoidably prevented from reporting, he must give notice to his Foreman, or at the office, if reasonably possible, at least four (4) hours before his tour goes on duty.

(b) Day Workers

Day Workers shall be at their respective posts ready to begin work at the time their pay starts and shall not quit work in advance of the time their pay stops. For example, if a Mechanic's pay time is from 8:00 a.m. to 12:00 noon and from 1:00 p.m. to 5:00 p.m., he shall be at his post ready to work at 8:00 a.m. and 1:00 p.m. and shall not quit work until 12:00 noon and 5:00 p.m.

Section 5: Meals

(a) Tour Workers

A hot meal, if not declined, shall be furnished at the usual meal time by and at the expense of the Company to any Tour Worker required to work more than nine (9) consecutive hours. If he continues to work, a meal which shall be hot if practicable shall be provided every four (4) hours thereafter. When an employee has to work one extra shift, arrangements shall be made, by the Company, to provide one meal at the start of the shift and another meal or lunch four (4) hours later. The meal shall be eaten on Company time.

(b) Day Workers

Any Day Worker required to work more than one (1) hour beyond the end of his regular scheduled eight (8) hour shift, shall be furnished a hot meal at the usual meal time by and at the expense of the Company. If he continues to work, a meal which shall be hot if practicable shall be provided every four (4) hours thereafter.

The meal may be eaten on Company time.

(c) All Workers

Any employee called in for an emergency before his shift commences, without time to arrange for his normal lunch or meal, will be given meals, hot if practicable, at the usual meal hours, or as close to that time as can conveniently be arranged.

ARTICLE VII - WAGES

Section 1: Wage Scale

The wage scale for the term of this Agreement is attached as Exhibit "A" and forms part of this Collective Agreement. Any new job rate will become part of Exhibit "A".

WAGE RATES

Effective May 1, 2012	reduction of May 1, 2011 wage rates by 10%
Effective May 1, 2013	0%
Effective May 1, 2014	0%
Effective May 1, 2015	2%
Effective May 1, 2016	2%

Section 2: Shift Differential

The base rate for the purpose of calculating shift differential shall be as follows:

<u>Date</u>	<u>Base Rate</u>
May 1st, 2012	\$24.78
May 1st, 2013	\$24.78
May 1st, 2014	\$24.78
May 1st, 2015	\$25.28
May 1st, 2016	\$25.79

(a) Tour Workers

- (i) Tour workers following compressed work week schedules shall be paid the following shift differential in addition to the hourly rate for all work performed as follows:

	% of base rate
8:00 am to 8:00 pm	2.50%
8:00 pm to 8:00 am	4.25%

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

	% of base rate
8:00 am to 4:00 pm	2.00%
4:00 pm to 12:00 am	3.55%
12:00 am to 8:00 am	4.50%

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

	% of base rate
4:00 pm to 12:00 am	2.25%
12:00 am to 8:00 am	3.25%

(b) Day Workers

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

	% of base rate
4:00 pm to 12:00 am	2.25%
12:00 am to 8:00 am	3.25%

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

(c) All Employees

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

ARTICLE VIII - JOB EVALUATION PLAN

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

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

ARTICLE IX - ALLOWANCE FOR FAILURE TO PROVIDE WORK

Section 1: No Work

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

Section 2: Where Shift Commenced

In any case where an employee has commenced his regular scheduled shift, he shall receive a minimum of four (4) hours pay except in cases of accident, breakdown, interruption of power, acts of God, or to cases of Call Time as provided in Article X hereof. In cases of accident, breakdown, interruption of power or acts of God, the employee shall receive a minimum of two (2) hours pay.

ARTICLE X - CALL TIME

Section 1: Qualifying Conditions

An employee shall receive two (2) hours Call Time at the straight time rate in addition to pay for time actually worked under the following conditions, if with less than 48 hours' notice:

- (a) Call to work following a shift
When required to report for work after completing his designated shift.
- (b) Call to work on a designated day off
When required to report for work on a designated day off.
- (c) Statutory Holiday Work
For any work performed on a holiday as specified in Article XVII.
- (d) Maintenance/Day Worker Start Times
The Company may alter the start time of an employee from the regular start/stop time by up to 2 hours (no earlier than 6 a.m.).

Section 2: Payment

- (a) The employee shall receive a minimum payment of four (4) straight time hours pay including payment for Call Time and time worked.
- (b) Not more than one (1) basis shall be used to cover the same period of work.

- (c) The Call Time payment will not be added to or paid in lieu of allowances payable under Articles VI, IX and XI.

ARTICLE XI - FOURDRINIER WIRE ALLOWANCE

Tour Workers called to put on Fourdrinier Wires at a time other than their regular tour and are dismissed before their tour is scheduled to begin shall be paid for the time worked plus three (3) hours but not less than a total of six (6) hours on any one wire.

If tour workers are called to put on a Fourdrinier Wire before their shift is scheduled to begin and work through into their regular shift they shall be paid for the time worked plus three (3) hours. If tour workers are asked to remain after their shift is scheduled to end, to put on a Fourdrinier Wire, they shall be paid for the time worked plus three (3) hours.

The above shall also apply to tour workers when working on machines other than their own.

In cases where more than one machine is involved, the above allowance shall be paid for each machine.

Tour workers asked to assist to put on a Fourdrinier Wire on a machine other than their own during their regular shift, shall receive three (3) hours extra time, but in no case shall more than three (3) hours extra time be allowed.

ARTICLE XII - JURY DUTY

Section 1: Wage Compensation

Any regular full time employee who is required to report for Jury Selection, Jury Duty, Coroner's Inquest or who is subpoenaed to serve as a witness in a court action, save and except actions involving the Company or Trade Unions, unless subpoenaed by the Crown, on a day when he/she would normally have worked, will be reimbursed by the Company for the difference between the pay received in such duty and his regular straight time hourly rate of pay for his regularly scheduled hours of work necessarily lost. It is understood that employees will be reimbursed by the Company for the difference between the pay received for such duty and his straight time rate of pay for his regularly scheduled hours of work in that week. The employee will be required to furnish proof of performing such service and such duty pay received.

Section 2: Holidays and Overtime

Hours paid for such duty will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays, but will not be counted as hours worked for the purpose of computing overtime.

ARTICLE XIII - BEREAVEMENT LEAVE

Section 1: Compensation

When death occurs to a member of a regular full-time employee's immediate family, the employee will be granted an appropriate leave of absence and he shall be compensated at his regular straight time hourly rate for hours lost from his regular schedule for a maximum of three (3) days.

Section 2: Definition of Family

Members of the employee's immediate family are defined as the employee's spouse, mother, father, brothers, sisters, sons, daughters, stepchildren, mother-in-law, father-in-law, sons-in-law, daughters-in-law, stepparents, grandparents and grandchildren.

Section 3: Effect on Vacation Entitlement

Compensable hours under the terms of this Article will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays, but will not be counted as hours worked for the purpose of computing overtime.

ARTICLE XIV - LEAVE OF ABSENCE

Section 1: Union and Public Office

The Company agrees that it is proper to grant leave to employees who have been elected or appointed to office in the Union, or who have been nominated, elected or appointed to Federal, Provincial, Municipal or Aboriginal office. However, it is not the intention of the Company to grant lifetime leaves of absence.

An employee appointed or elected to full-time office in his Union, or to Federal, Provincial, Municipal or Aboriginal office, shall be granted as much leave as is necessary during the term of such office.

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

Section 2: Steam Plant Leave

Steam plant personnel shall be granted leave in accordance with the provisions of Exhibit "E" (Steam Plant Vocational Leave) for the purpose of attending vocational school.

Section 3: First Aid Certificates

A First Aid Attendant authorized by the Company to attend classes or write examinations for obtaining, renewing or upgrading a first aid ticket will be compensated for lost earnings. The duration of the course shall include graveyard shifts on the day immediately preceding the day the course/exam begins and the day the course/exam finishes. The Company shall compensate the first aid attendant for travel each way for training at the straight time hourly rate. The maximum travel time shall be four (4) hours for traveling to the course and (4) four hours when returning from the course."

Section 4: Maternity Leave

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

Section 5: Other Leave

Granting of leave is a matter between the employees and the mill management. The Company will consider length of service and will endeavour to arrange leave of absence to suit the employee's wishes. Employees with ten (10) or more years' service will be given special consideration.

ARTICLE XV - VACATIONS

Section 1: Entitlement

Subject to the requirements of this Article, every employee is entitled to a vacation and vacation pay as follows:

	Length of Vacation	Vacation Pay, being the greater of:
An employee who is on the payroll on May 1st, who has been continuously employed during the qualifying period, and who has:		-% of the total wages earned by the employee during the preceding vacation period OR hours pay at the hourly rate of the employee's regular job.
A) been employed for less than one year and does not qualify under (B) below;	1/4 day for each full week of actual work performed during the preceding vacation period provided no vacation of less than one day will be granted.	
B) been employed for less than one year but has worked not less than 1500 hours during the preceding vacation period OR been employed for not less than one year and who has worked not less than 1200 hours during the preceding vacation period. The following hours will count as hours worked for the purpose of qualifying for a vacation: Vacations; Supplementary Vacations; Statutory Holidays; Special (Personal) Floating Holidays; Jury or Witness Duty; Bereavement Leave; Contractual Steam Plant, Apprenticeship and First Aid Leaves; Banked Days Off and Days Off in lieu of work performed on a Statutory Holiday;	2 weeks	3% or 80 hours
C) qualified for his 2nd vacation under this Agreement;	3 weeks	5% or 120 hours
D) qualified for his 7th vacation under this Agreement;	4 weeks	7% or 160 hours
E) qualified for his 14th vacation under this Agreement;	5 weeks	9% or 200 hours
F) qualified for his 23rd vacation under this Agreement;	6 weeks	11% or 240 hours
G) qualified for his 29th vacation under this Agreement;	7 weeks	13% or 280 hours

Section 2: Payment on Termination

In the event an employee's employment terminates either before or after he becomes entitled to a vacation with pay, or being entitled to it, before he takes it, he shall be paid on termination 3%, 5%, 7%, 9%, 11% or 13% (depending on whether he belongs in the category of employees described in (A), (B), (C), (D), (E), (F) or (G) above respectively) of his wages earned during the period of employment ending with his termination in respect of which no vacation or vacation pay to which he remains entitled has been paid or taken.

Section 3: General Rules

- (a) The vacation period is May 1 to April 30.
- (b) Vacations with pay provided in accordance with Section 1 above for employees in category (A) may not be counted when determining whether an employee has qualified for the vacations provided under Section 1 for employees in categories (C), (D), (E), (F) or (G).
- (c) Except as provided in Section 3(d) below, vacations with pay are not cumulative and must be taken during the vacation period.
- (d) A vacation with pay provided under Section 1 for employees in category (A) may be taken during the vacation period in which the entitlement thereto is established, or during the next following vacation period.
- (e) No employee may continue to work and draw vacation pay in lieu of taking the vacation.
- (f) The allocation of vacation times is to be decided by the Company. However, the Company will endeavour by discussion with the employees or the Union, to arrange vacations to suit the employee's wishes.
- (g) Time lost as a result of an accident recognized as compensable by Workers' Compensation Board, suffered during the course of employment with the Company, shall be considered as time worked for the purpose of calculating vacation entitlement upon return to work.
- (h) Time not exceeding one year, lost as the result of a non-occupational accident, illness or approved maternity leave, shall be considered as time worked for the purpose of qualifying for vacation provided at the time of the accident or illness or commencement of maternity leave, the employee has been on the

payroll for not less than one (1) year and returns to employment. It is understood that the employer may require that the employee provide a certificate from a qualified medical practitioner. Time exceeding one (1) year shall be recognized as uninterrupted service for the purpose of establishing vacation time off, upon return to work.

- (i) Time lost as the result of layoff shall not be considered as time worked for the purpose of qualifying for a vacation.
- (j) When operating conditions permit, the Company agrees in principle to granting two (2) days leave of absence to allow shift workers on a seven (7) day schedule a full seven (7) day tour off, for one (1) week's vacation - five (5) days with pay and two (2) without pay.

Due to mill start-ups, training and various operating schedules and practices involved, details should be resolved at mill level.

- (k) Employees who qualify for vacations in categories (C), (D), (E), (F) or (G) may elect to forfeit up to two (2) weeks' vacation time [subject to the Employment Standards minimum] and be paid the vacation pay that they would have received in lieu of those weeks.

Section 4: Computation of Vacation Pay

Where an employee's vacation pay for the current year is to be computed as a percentage of his "total wages earned" in the previous year, such "total wages earned" shall include the amount of vacation pay the employee received in the previous year.

ARTICLE XVI - SUPPLEMENTARY VACATIONS

Section 1: Eligibility

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

Years of Completed Continuous Service	Weeks of Supplementary Vacation
After Five (5)	One (1)
After Ten (10)	Two (2)
After Fifteen (15)	Two (2)
After Twenty (20)	Three (3)
After Twenty-Five (25)	Three (3)
After Thirty (30)	Four (4)
After Thirty-Five (35)	Four (4)
After Forty (40)	Five (5)

- (b) For the purpose of determining eligibility for Supplementary Vacation, an employee's service shall be calculated from the date of his joining the Company.

Section 2: General Provisions

- (a) The Supplementary Vacation may be taken in conjunction with the regular vacation to which the employee is entitled provided such regular vacation is not scheduled to be taken during the months of July or August, in which event the Supplementary Vacation shall be taken at a time to be agreed upon by the Company and the employee.
- (b) The Supplementary Vacation must be taken prior to the employee becoming eligible for his next earned period of Supplementary Vacation as provided for in Section 1(a) above.
- (c) One (1) weeks Supplementary Vacation pay shall be equal to forty (40) hours at the straight time hourly rate of the employee's regular job.
- (d) An employee may elect to take his Supplementary Vacation one day at a time according to the following schedule:
- After 5 years service - one (1) day per year
 - After 10 years service - two (2) days per year
 - After 15 years service - two (2) days per year
 - After 20 years service - three (3) days per year
 - After 25 years service - three (3) days per year
 - After 30 years service - four (4) days per year
 - After 35 years service - four (4) days per year
 - After 40 years service - five (5) days per year

If the employee wishes to elect this option, he must advise the Company, in writing, of his election in advance for that five (5) year period. However, employees may revoke this option at any time during the five (5) year period and take any remaining Supplementary Vacation days as weeks. Any remaining Supplementary Vacation days that cannot be taken in multiples of five (5) will be taken in one block.

Section 3: Partial Entitlement

At retirement or termination from the Company an employee who has completed five (5) or more years of service shall be entitled to that portion of Supplementary Vacation Pay proportionate to the number of years of service completed subsequent to his last five (5) year entitlement period.

ARTICLE XVII - STATUTORY HOLIDAYS 365 Days Running

Section 1: Recognized Days

The following shall be the recognized Statutory Holidays:

New Year's Day	40 hours, 4:00 p.m. December 31 to 8:00 a.m. January 2
Easter Monday	24 hours, 8:00 a.m. Monday to 8:00 a.m. Tuesday
Canada Day	24 hours, 8:00 a.m. July 1 to 8:00 a.m. July 2
Labour Day	24 hours, 8:00 a.m. Monday to 8:00 a.m. Tuesday
Christmas Eve	24 hours, 8:00 a.m. December 24 to 8:00 a.m. December 25
Christmas Day	24 hours, 8:00 a.m. December 25 to 8:00 a.m. December 26
Boxing Day	24 hours, 8:00 a.m. December 26 to 8:00 a.m. December 27

Section 2: Adjustment in Hours

The hours of commencing and ending, specified above, may be varied by mutual agreement of the Company and the Union Standing Committee and the specified hour of commencing or ending will be adjusted to coincide with the regular hours for changing shifts.

In the event that Canada Day falls on Sunday, the following Monday will be observed and the specified hours correspondingly changed.

Section 3: Holiday Work

- (a) The Company will provide the Union with not less than thirty (30) days notice of the general scope of operating and/or maintenance plans on statutory holidays. Unanticipated weather conditions or maintenance requirements may alter those plans.

- (b) On Christmas Eve, Christmas Day and Boxing Day, operational and maintenance manning required will be identified on a scheduled crew basis. Any employee scheduled to work who wishes to be excused from working on a particular statutory holiday will be accommodated provided a request for leave is requested seven (7) days in advance of the statutory holiday and provided that a trained volunteer can be found to replace him/her for the shift. If no trained volunteer is found, the employee will be required to work the shift.
- (c) Employees who work at Christmas shall be paid double time for work during that period identified in Clause "b" as above.

Section 4: Pay for Holiday Work

- (a) Overtime shall be paid for all work performed during holidays at the rates hereinafter specified.
- (b) An employee who works on such a holiday shall receive equal time off with pay at his straight time hourly rate. Such time off shall be treated in the same manner as a Special (Personal) Floating Holiday.
- (c) The time off and pay provided in (b) above replaces any time off and pay provisions in respect of the same statutory holiday work under current local arrangements.

Section 5: Qualifying Conditions

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

- (a) The employee must have been on the payroll for not less than the sixty (60) days just preceding the holiday and must have previously qualified for a statutory holiday as provided in (d) below, and
- (b) The employee must have worked at least one (1) day during the sixty (60) day qualifying period just preceding the holiday, and
- (c) The employee must have worked his scheduled work day before, and his scheduled work day after, such holiday, unless failure to work his scheduled work day before or after the holiday was due to any of the following events:
 - (i) When the employee is on his regular authorized paid vacation;

- (ii) When the employee is unable to work by reason of an industrial accident as recognized by the Workers' Compensation Board or non-occupational sickness or injury;
 - (iii) When the operation in which the employee is engaged is curtailed or discontinued by the decision of the Company and which curtailment or discontinuance changes or eliminates the employee's scheduled work day before, or his scheduled work day after, such holiday;
 - (iv) When a trade in shifts agreed upon between employees and approved in advance by the Company results in a temporary change of the scheduled work day before, or the scheduled work day after, the holiday, provided the employee works the shift agreed upon;
 - (v) When the employee is on a leave of absence authorized by the Company.
- (d) The employee who has been on the payroll for at least sixty (60) days but who has not previously qualified for a Statutory Holiday will qualify for the holiday if he has worked a minimum of one hundred and eighty (180) hours during the sixty (60) day qualifying period just preceding the holiday and meets the requirements of (b) and (c) above.
- (e) Time lost as the result of an accident as recognized by the Workers' Compensation Board, suffered during the course of employment, or time lost as a result of non-occupational sickness or injury shall be considered as time worked for the purpose of qualifying for a recognized paid holiday, it being understood that the employee will only be entitled to this credit for time while on Workers' Compensation or non-occupational sickness or injury for a period of up to but not exceeding one (1) year from the date of his sickness or injury.
- (f) It is understood and agreed, however, that an employee shall not receive the above provided holiday pay if he has agreed to work on such holiday and fails or refuses to work, except in the case where bona fide sickness, or other bona fide reason approved by the Company, prevents his working on such holiday.
- (g) An employee shall have the option of taking equivalent time off if a statutory holiday falls on a regular day off.

NOTE: When a statutory holiday falls on an employee's day off, they will have the option of taking equivalent time off with pay at a later date. The employee must provide seven (7) days notice

to the Supervisor/Pay Office before a statutory holiday that they intend to take this option. These days in lieu remaining at the end of the contract year in which it was earned may be carried over to the next contract year in order that it be taken. This time will be treated as a deferred stat.

ARTICLE XVIII - SPECIAL (PERSONAL) FLOATING HOLIDAYS

Section 1: Floating Holidays

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

Effective May 1st, 1998 there shall be five (5) twelve hour special personal floating holidays provided to those employees who are defined as tour workers.

Employees who normally work a combination of 8 and 12 hour shifts will be paid as per the schedule for the week in which he/she takes a Floating Holiday.

Section 2: Qualifying Conditions

For each Special (Personal) Floating Holiday taken an employee will be granted eight (8) hours pay (12 hours for tour workers) on the straight time rate of the employee's regular job subject to the following:

- (a) A new employee must have been on the payroll for not less than ninety (90) days to qualify for his first Special (Personal) Floating Holiday and on the payroll for one hundred and eighty (180) days to qualify for his second, third, fourth and fifth Special (Personal) Floating Holidays.
- (b) Employees will not qualify for Special (Personal) Floating Holidays if on leave of absence of more than nine (9) months in the contract year except in the case of sickness or injury.
- (c) If an employee is required to work on any of these Special (Personal) Floating Holidays, after a definite date has been designated for such holidays, the employee shall be paid overtime for such work at the rate of time and one-half. The employee will then be entitled to take the said holiday or holidays with pay at a later date to be mutually agreed upon.

- (d) When the holiday is requested in writing seven (7) days in advance, the payment of overtime shall not be a factor in the granting of Personal Floating Holidays. The employee shall receive written notice of the disposition of his request a minimum of seventy-two (72) hours prior to the requested Personal Floating Holiday.

ARTICLE XIX - WELFARE PLAN

Section 1: The Plan

There shall be a Welfare Plan pursuant to the terms and conditions of Exhibit "C", which is attached hereto and forms part of this Agreement. Membership in the Plan for all eligible employees shall be a condition of employment on and after July 1, 1973.

ARTICLE XX - PENSION PLAN

Section 1: The Plan

The Company agrees to contribute to the Pulp and Paper Industry Pension Trust Fund established pursuant to the Pulp and Paper Industry Pension Plan and the Pulp and Paper Industry Trust Agreement made effective July 1, 1975 and as amended from time to time.

Section 2: Contributions

The Company commits to the following with respect to the Pension Plan:

The Company contribution level will remain at 10% for the term of the agreement.

The Company agrees to allow employee contributions in excess of the current 3% level. Employee contributions will be in accordance with the schedule below:

Effective January 1, 2004	4.5%
Effective January 1, 2005	6.0%
Effective January 1, 2006	7.0%
Effective January 1, 2007	8.0%

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

Section 3: Bridge Benefit

- a) The Company shall provide employees with a pension bridge annuity of twenty dollars (\$20.00) per month per year of service at age sixty (60) or older who retire prior to attaining age sixty-five (65). The pension bridge benefit will not be payable beyond age sixty-five (65). The calculation of the pension bridge benefit shall be credited on the same basis as under the terms and conditions of the Pulp & Paper Industry Pension Plan.
- b) An employee who chooses to retire at age fifty-five (55) or later shall have access to the bridging benefit paid by the Company when they reach age sixty (60).

Section 4: Board of Trustees

A Board of Trustees will be established pursuant to the Pension Plan Summary dated December 6, 1975, to administer the said Plan.

The Company agrees to the revised governance of the plan as proposed below:

- 3 Trustees appointed by the member employers
- 3 Trustees elected or appointed by the CEP
- 3 Trustees elected or appointed by the PPWC

Section 5: Existing Plan

It is recognized that some employees may exercise the option to remain in the existing Pension Plan which was provided for in the 1973-74 B.C. Standard Labour Agreement as Article XX, and Exhibit "E". This Plan will continue in respect of such employees and the Joint Union/Management Pension Committee provided for therein will continue to function as necessary.

ARTICLE XXI - SENIORITY

Section 1: Principles

- (a) The Company recognizes the principles of seniority in their application to the promotion, demotion, transfer, lay-off, recall and permanent movement from day to shift positions of an employee, providing the employee has the qualifications and ability to perform the work.

In cases of permanent job transfers, it is not the Company's intent to give a junior employee preference over a senior employee on the basis that he has acquired experience by providing relief.

If an employee is moved out of a line of progression for any reason, the employer will not require retesting of the employee for him to return to that specific line of progression. No employee will be removed from the mill as the result of unilateral testing by the employer.

- (b) The Company and the Union recognize that it is desirable to reduce the effect of layoffs on employees and at the same time continue to recognize mill seniority, job qualifications and the role of lines of progression, job seniority and departmental seniority.
- (c) Arrangements to implement the above principles will be discussed by the Company and the Union.

Section 2: Probationary Period

Until an employee has been on the payroll of the Company for forty (40) calendar days, or until he/she has accumulated thirty (30) working days in a ninety (90) calendar day period, he/she shall be considered a probationary employee and shall have no rights under Article XXI with respect to seniority.

Section 3: Retention of Seniority

- (a) Any employee, other than a probationary employee, whose employment ceases through no fault of his own, shall retain seniority and shall be recalled on the following basis:
 - (i) An employee with less than one (1) years continuous service shall retain these rights for six (6) months from the date of lay-off.
 - (ii) An employee with one (1) or more years continuous service shall retain these rights for eighteen (18) months from the date of lay-off, plus two (2) additional months for each year's service up to an additional twenty four (24) months.
- (b) Failure of the employee to report for work within one (1) week of notice by registered mail at his last address reported to and received by the mill shall result in his termination of employment with the Company. Bona fide reasons for failure to report shall not deprive an employee of his recall rights.

Section 4: Training

To facilitate laid off employees exercising their mill seniority the following training will be provided:

- (a) Up to two (2) days where the layoff is estimated to be in excess of (10) days;
- (b) Up to five (5) days where the layoff is estimated to be in excess of (21) days;

- (c) Up to eight (8) days where the layoff is estimated to be in excess of thirtyfive (35) days;
- (d) Up to ten (10) days where the layoff is estimated to be in excess of sixty (60) days;
- (e) Where the layoff is estimated to be in excess of ninety (90) days the Company will discuss with the Local Union training provisions of up to fifteen (15) days;
- (f) Where a layoff results from a permanent partial plant closure or a temporary closure in excess of ninety (90) days, the Company will participate in a program of training or retraining for another job within the operations to facilitate the exercising of mill seniority, recognizing there will be limitations where special qualifications are required. Phasing in arrangements to implement the program shall be concluded prior to the closure.

Section 5: Lay-off and Vacation Entitlement

Time on lay-off shall not be considered as time worked for the purpose of qualifying for vacation pay or holiday pay.

Section 6: Welfare Coverage

- (a) An employee with one (1) or more years seniority may have his welfare coverage continued for six (6) months while on layoff.
- (b) An employee with more than four (4) months but less than one (1) years seniority may have his welfare coverage continued for three (3) months while on lay-off.
- (c) An employee who elects to maintain coverage while laid off will be required to pay the employee portion of the premium in advance on a monthly basis.
- (d) An employee who has welfare coverage as provided for in paragraphs (a) and (b) above, will on return to work have his welfare coverage extended by one (1) month for each month in which he works.
- (e) An employee whose welfare coverage under paragraphs (a) and (b) above has expired, will on return to work be eligible for coverage for the period of his employment.
- (f) An employee will qualify for a new period of welfare coverage as provided in paragraphs (a) and (b) above if he returns to work for at least ten (10) days within a floating period of thirty (30) consecutive days.

ARTICLE XXII - JOB SECURITY

Section 1: Objective

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

Section 2: Definition

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

Section 3: Joint Committee

A joint committee on automation will be established which shall consist of three (3) persons representing the Company and three (3) persons representing the Union. It shall be the function of the committee to study the effect of mechanization, technological changes and automation on employment in the mill at which it is appointed and to make such recommendations as are agreed upon, to the local mill manager, to ensure that the interests of the Company and of the employees are fairly and effectively protected.

Section 4: Required Notice

The Company will advise the appropriate committee or committees as soon as possible, and in any case not less than one hundred and eighty (180) days before the introduction thereof, of mechanization, technological changes and/or automation which the Company has decided to introduce and which will result in terminations or other significant changes in the employment status of employees.

The Company will advise the appropriate committee or committees as soon as possible, and in any case not less than thirty (30) days before the expected date of the change of the anticipated time sequence of final installation and production start-up and the anticipated effect on the job status of individual employees.

Section 5: Seniority Status

- (a) In the event that it is necessary, crews will be reduced in accordance with Article XXI - Seniority, of the Agreement.

- (b) An employee who is set back to a lower paid job because of mechanization, technological change or automation will receive the rate of his regular job at the time of the set-back for a period of six (6) months, and for a further period of six (6) months he will be paid an adjusted rate which will be midway between the rate of his regular job at the time of the set-back and the rate of his new regular job. At the end of this twelve (12) month period, the rate of his new regular job will apply. However, such employee will have the option of terminating his employment and accepting severance pay as outlined in Section 6(a) below, provided he exercises this option within the initial six (6) month period referred to above.
- (c) An employee assigned to an equal or higher rated job because of mechanization, technological change or automation will have the option of terminating his employment and accepting severance pay as outlined in Section 6(a) below if the job should be proved to be unsuitable, provided he exercises his option within six (6) months of starting on the job.

In case of a dispute concerning suitability of the job, the employee may process a grievance.

Section 6: Severance Allowance

- (a) An employee with one (1) or more years of continuous service for whom no job is available because of mechanization, technological change or automation will, upon termination, receive a severance allowance calculated by one of the two following methods based on his last period of continuous service, it being the choice of the affected employee as to which of such methods of calculation is used.

Years of Employment	Severance Allowance	
	Weeks/yr* OR% of Earnings	
1st twenty (20) years	2	4%
Subsequent years	1	2%

Maximum Severance Allowance is Fifty-two (52) weeks 2080 hours

**Computed on the basis of forty (40) straight time hours at the employee's regular rate.*

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

At the time of separation the employee shall have the option of receiving the severance allowance on termination, or he/she may elect to have his/her severance allowance held in abeyance for up to one (1) year from the date of termination. He/she may apply in writing at any time during the year, at which time his/her full severance allowance will be paid forthwith.

Where the right of recall and seniority retention under Article XXI is elected, the employee's severance allowance will be held in abeyance for the duration of his/her recall rights at which time the employee will be terminated and his/her severance allowance paid forthwith.

Where the employee renounces the right of recall during this period, the employee will be terminated and his/her severance allowance paid forthwith with all seniority and recall rights being forfeited.

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

No payment will be made under this section in cases where the employee has already qualified under Article XXIV, Section 5, Job Elimination, or under Article XXIII, Section 2, Permanent Mill Closure.

- (b) Such employees for whom no employment is available will be given at least thirty (30) days notice of separation.

Section 7: Training

The Company agrees to participate in a program of training or retraining for another job within the operation for those employees who are displaced under the circumstances set forth herein.

ARTICLE XXIII - PERMANENT MILL CLOSURE

Section 1: Notice

An employee terminated as a result of a permanent planned closure of the mill shall be given a minimum of sixty (60) days notice of closure.

Section 2: Severance Allowance

Such employees shall be entitled to a severance allowance of two (2) weeks pay per year of service to a maximum of sixty (60) weeks based on the employee's years of employment during the employee's last period of continuous service and is computed on the basis of forty (40) straight time hours per week at the employee's regular rate.

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

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

No payment will be made under this section in cases where the employee has already qualified under Article XXII, Section 6, Job Security, or under Article XXIV, Section 5, Job Elimination.

ARTICLE XXIV - JOB ELIMINATION

Section 1: Definition

Job elimination means permanent loss of employment as the result of Company decisions to eliminate positions, excluding those in Section 2 below.

Section 2: Exclusions

No payment will be made under Section 5 in cases:

- (a) Of curtailments of a temporary or indefinite duration.
- (b) Of employees hired for work of known or temporary duration.
- (c) Where the employee has already qualified under technological change or permanent mill closure provisions.

Section 3: Notice

The Company will advise the Standing Committee at least forty-five (45) days prior to such job elimination. Crew reduction will be in accordance with Article XXI - Seniority.

Section 4: Elimination Options

An employee who qualifies under Section 1 above may elect one of the following options:

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

Such employee must elect his option within thirty (30) days of notification that his loss of employment is permanent. If Option (2) is selected, the employee will be deemed to have terminated effective the last day worked. Where a temporary curtailment becomes permanent, severance eligibility will be determined by the status of the employee at the time of the temporary curtailment.

Section 5: Severance Allowance

Severance allowance will be calculated by one of the two following methods based on the last period of continuous service, it being the choice of the affected employee as to which of such methods of calculation is used:

Years of Employment	Severance Allowance	
	Weeks/yr* OR% of Earnings	
1st twenty (20) years	2	4%
Subsequent years	1	2%

Maximum Severance Allowance is Fifty-two (52) weeks 2080 hours.

**Computed on the basis of forty (40) straight time hours at the employee's regular rate.*

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

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

At the time of separation the employee shall have the option of receiving his severance allowance on termination, or he may elect to have his severance allowance held in abeyance for up to one (1) year from the date of termination. He/she may apply in writing at any time during the year, at which time his full severance allowance will be paid forthwith.

Where the right of recall and seniority retention under Article XXI is elected, the employee's severance allowance will be held in abeyance for the duration of his/her recall rights at which time the employee will be terminated and his/her severance allowance paid forthwith.

Where the employee renounces the right of recall during the period, the employee will be terminated and his/her severance allowance paid forthwith with all seniority and recall rights being forfeited.

ARTICLE XXV - CONTRACTING

- (a) The Company will notify the Union of their intention to have work performed by contractors in the mill, and will, emergencies excepted, afford the Union the opportunity to review it with the Company prior to a final decision being made. For this purpose, a Joint Contracting Committee will be established and it will be used as a forum to discuss the Company's contracting decisions.

In keeping with a joint commitment of the Company and the Union to provide as much maintenance and repair work as possible to the regular maintenance workforce, the Committee will also meet quarterly to make recommendations regarding the utilization of the mill maintenance workforce to minimize the use of contractors, both inside and out of the mill.

- (b) The Company will not bring a contractor into the mill:
- (i) Which directly results in the layoff of employees, or
 - (ii) To do the job of employees on layoff, or
 - (iii) To do the job of a displaced employee working outside his job category.
- (c) It is not the intent of the Company to replace its regular work force through the use of contract firms.

For greater clarity it is agreed that:

- (a) The changes which provide that it is not the intent of the Company to replace its regular work force through the use of contract firms will not set aside existing external work arrangements and practices.
- (b) Working under the flexible work practice provisions does not mean that an employee has been displaced and is working outside his job category.

ARTICLE XXVI - APPRENTICESHIP TRAINING PROGRAM

Section 1: Training Program

It is agreed that there shall be an Apprenticeship Training Program, the provisions of which are set forth in Exhibit "D", which is attached hereto and forms part of this Agreement.

Section 2: Apprenticeship Act

It is understood, however, that the grievance procedure as set forth in Article XXXI - Adjustment of Complaints, shall not be applicable to those matters covered by the Apprenticeship and Tradesmen's Qualification Act which, by said Act, are deemed to be outside the jurisdiction of the Union.

ARTICLE XXVII - COMPRESSED WORK WEEK

The Company and Union recognize the concept of the compressed work week. It is further understood that the compressed work week conditions will apply only to those departments that are on the compressed work week.

ARTICLE XXVIII - SAFETY AND OCCUPATIONAL HEALTH

Section 1: Principle

Employees and the Company are to comply with established safety rules as amended by the Joint Safety Committees from time to time. Employees will not be expected to operate with unsafe equipment or under unsafe working conditions. Employees are expected to report immediately any unsafe equipment. An employee who has reasonable cause to believe that an unsafe condition exists may refuse to work under such conditions without being subject to discipline.

Section 2: Joint Safety Committee

- (a) The Union and the Company shall cooperate in selecting one or more Safety Committees, which will meet at least once a month to consider all safety and occupational health problems.
- (b) The local Joint Safety Committee shall consist of equal representation from Company and Union. This Committee shall

meet at least once a month to consider all safety and occupational health problems.

Section 3: Safety Education

The Union undertakes to promote safety and occupational health education among its members in an effort to overcome accidents and occupational health problems.

The Company undertakes to promote safety and occupational health education among all its employees in an effort to overcome accidents and occupational health problems.

Section 4: Joint Labour/Management Safety Conference

1. A Joint Labour / Management Safety Conference of two (2) days will be held annually.
2. It shall be the basic principle of this Conference to assist the delegates in the development of an effective safety program through the promotion and implementation of best practices for an effective safety program in each mill.
3. To accomplish the implementation of an effective safety program in the mill, each Local Union shall have two (2) delegates in attendance at the safety conference. The two (2) delegates shall be compensated by their respective employer for any loss of wages. Travel and hotel expenses of the delegates shall not be paid by their respective employers.
4. A senior management representative shall attend the conference. Senior company officials and representatives of WorkSafe BC will be encouraged to attend. Additional delegates of either labour or management will be permitted to attend on an observer basis.
5. The agenda shall address issues that will promote occupational health and safety in their respective workplaces. Agenda items shall be submitted to the respective representative no later than November 30th prior to the conference.
6. The Planning Committee shall initially meet no later than one hundred and eighty (180) days prior to the established date of the conference and then schedule follow up meetings in accordance as required by the planning committee.
7. The Planning Committee shall be comprised of the following members:
 - a. One (1) CEP Local Union member
 - b. One (1) PPWC Local Union member

- c. One (1) CEP representative from the Regional Office
 - d. One (1) PPWC representative from the National Office
 - e. One (1) Employer representative from the employer group
 - f. One (1) Industry representative
 - g. One (1) Conference Facilitator
8. The Occupational Health and Safety Conference shall be funded on the basis of an industry contribution of three cents (\$.03) per employee per hour worked into a Jointly Trusteed Occupational Health and Safety Conference Fund.

The funding shall provide that when the monies in the Joint Trusteed Occupational Health and Safety Conference Fund reach Two Hundred Thousand Dollars (\$200,000.00), the funding will be discontinued until the fund has been reduced to Fifty Thousand Dollars (\$50,000.00).

The Jointly Trusteed Fund will be used for the payment of wage loss for Local Union planning committee attendees and conference expenses.

ARTICLE XXIX - ENVIRONMENTAL PROTECTION

If the Union requests, a Joint Environmental Protection Committee will be established at the mill.

The purpose of the Committee will be to receive information, review problem areas and make appropriate suggestions regarding compliance including challenges related to climate change.

ARTICLE XXX - DISCIPLINARY ACTION

The Company has the right to discipline or discharge employees for just and reasonable cause.

The disciplinary record of an employee, including letters of reprimand or warnings, shall not be used against him/her at any time after twelve (12) months.

In cases involving suspension, the disciplinary notice will remain on the employee's file for twenty-four (24) months and not used after that period provided no other discipline has occurred during that time.

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

ARTICLE XXXI - ADJUSTMENT OF COMPLAINTS

Section 1: Grievance Procedure

- Step One** Should there be any dispute or complaint as to the interpretation of any clauses of this Agreement, or any grievance arising out of the operation of this Agreement, except in the cases of discharge or suspension, the employee shall continue to work as per the conditions existing prior to the time the dispute, complaint or grievance arose, and such dispute, complaint or grievance shall first be taken up with the Foreman by the employee with the Shop Steward.
- Step Two** If no satisfactory settlement is made, the employee may, within thirty (30) days, refer the question to the Union Standing Committee. Within three (3) days after written notification by either the Union or the Standing Committee to the other of the existence and general outline of any dispute, complaint or grievance, the Company Standing Committee and the Union Standing Committee shall agree on a mutually satisfactory date for a meeting thereon, but in no case longer than five (5) days after such notice is given. Subjects not listed on the written notice shall nevertheless be dealt with. Grievances other than those involving individual employees may be initiated at the Step Two by either party.
- Step Three** If there is no satisfactory resolution at second step then the question may, within seven (7) days upon written request of either Standing Committee be referred to the President of the Local and the Senior Mill Manager. They will then have thirty (30) days to deal with, and answer the grievance. Either party may elect to involve outside help at this step such as a regional Union representative and/or a Management representative from outside Powell River.
- Step Four** If there is no satisfactory resolution at third step then the matter may, within thirty (30) days, be referred to an Arbitrator.

The time periods may be extended by mutual agreement by Management and the Local Union.

Where a grievance arising from the discharge of an employee progresses to arbitration, either party may elect, in writing, to utilize the procedure outlined in Section 5 below as an alternative to the arbitration procedure set out in Section 4.

Section 2: National Officer

It is understood that in all discussions concerning grievances, any National Officer may accompany the Union Standing Committee in their meetings and the National Officer may call upon members of the Union Standing Committee or any other employee to accompany them in their meetings with Company officials.

Section 3: Time Limit

- (a) In the event a grievance has not advanced to the next step within the time limit set forth in Section 1, then the grievance shall be deemed to be abandoned and all rights of recourse to the Adjustment of Complaints under this Agreement in respect of this grievance shall be at an end.
- (b) The time limit between steps may be extended by mutual consent.

Section 4: Arbitration Procedure

- (a) The Company and the Union will endeavour to agree upon the selection of the Arbitrator. In the event the Company and the Union are unable to agree upon the selection of the Arbitrator, they will apply, within the thirty (30) day period, to have the Arbitrator appointed under the provisions of Section 86 of the Labour Relations Code of British Columbia.
- (b) After the Arbitrator has been chosen he shall meet and hear evidence of both sides and render a decision within fifteen (15) days after he has concluded his hearings, said decision to be final and binding upon all parties to this Agreement.
- (c) The parties shall bear in equal portions the fees and expenses of the Arbitrator and rental of any premises used for the hearing.
- (d) The Arbitrator shall be restricted to interpreting and applying the provisions of this Agreement and shall have no authority to alter, modify, subtract from or supplement them in any way.

- (e) In the case of discharge or suspension which the Arbitrator has determined to have been unjust the Arbitrator shall order the reinstatement of the employee and shall award him back pay. In the case of back pay, should there be any doubt in the opinion of the Arbitrator, the Arbitrator may order all or part back pay as he deems fit.

Section 5: Expedited Arbitration

- (a) A panel of six (6) arbitrators, each of whom shall be appointed for a two (2) year term, shall be selected by mutual agreement of the Pulp and Paper Employee Relations Forum on behalf of its member companies and the Communication, Energy & Paperworkers Union on behalf of its local unions. Grievances processed under this section shall be assigned to the Arbitrators on a rotational basis.
- (b) An Arbitrator must meet and hear the evidence of both parties within fifteen (15) days after assignment. If an Arbitrator is unable to commit himself to do so, the grievance shall immediately be assigned to the next Arbitrator in order of rotation.
- (c) The unavailability of counsel shall not be a reason to delay an Arbitration under this section.
- (d) The parties will endeavour to agree on a statement of material facts which may be submitted to the Arbitrator in advance of the hearing.
- (e) The Arbitrator will give his decision and his written reasons within one week after the hearing. The reasons need not accompany the decision. Neither the decision nor the reasons will form precedent.
- (f) The provisions of Sections 4(b), (c), (d) and (e) as it applies to discharge, shall apply to this section.

ARTICLE XXXII - DURATION AND AMENDING PROCEDURE

Section 1: Term of Agreement

This Agreement shall be in effect from midnight April 30, 2012 to midnight April 30, 2017, and thereafter from year to year subject to the conditions as set out in Sections 2 to 5 which follow hereunder.

Section 2: Labour Relations Code

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

Section 3: Notice of Re-opening

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

Either party desiring any change shall mail to the other party notice in writing, by registered mail, on or after January 1, 2017, but in any event not later than midnight, April 30, 2017, that a change is desired, and, if no such notice is given by either party on or after the said January 1 and before the said April 30, the earliest time at which such notice may be given by either party is the corresponding period in the following year.

All notices given under the provisions herein on behalf of the Union shall be given by the Union (or its representative) and similarly notices on behalf of the Company shall be given by the Vice-President, Human Resources of the Company (or his representative).

Section 4: Collective Bargaining

If notice of desire for changes has been given in accordance with Section 3 above, the parties shall, as soon as agreeable to the parties following such date of notice, meet for bargaining, the Company being represented in such negotiations by a Bargaining Committee appointed by the Company, and the Union being represented by a Bargaining Committee selected by said Union. Any agreement on changes arrived at and approved in such negotiations shall be binding upon the parties to this Agreement. If such negotiations cannot be completed prior to the May 1 following the date on which such notice was given, any changes in compensation to employees shall nevertheless be retroactive to the said May 1.

Section 5: Termination

In case negotiations conducted in accordance with Section 4 above break down, either party may terminate this Agreement upon the expiration of ten (10) days notice in writing mailed by registered mail to the other party.

SIGNATURES OF PARTIES TO AGREEMENT

**Dated This 10th Day of March 2012
in Vancouver, B.C.**

FOR COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION

Dave Schaub, CEP National Representative

Don Boucher, CEP Western Region, Administrative Vice-President

Bob Hughf, CEP National Representative

Mike Verdiel, President, CEP Local 76

John Belrose, 1st Vice President Local 76

Mike Rumley, 2nd Vice President Local 76

Bill Spence, 3rd Vice President Local 76

FOR CATALYST PAPER CORPORATION

Steve Boniferro, Senior Vice President, Human Resources

Robert Stepusin, Senior Vice President, Business Improvement

EXHIBIT "A"

JOB CATEGORIES AND WAGE RATES

It is agreed that the schedule of job rates listed below will be considered as part of this agreement and that all men hired, transferred or promoted to any job, excluding Mechanics' jobs, will receive the job rate for such jobs on the dates so specified.

TRAINING WAGE RATE - TIME FROM DATE OF HIRE

The following training wage grid applies to employees hired after May 1, 2012, except for Stationary Engineers and Mechanical Trades as defined in Exhibit 1-Definition of Mechanica Trades who shall receive the rates identified for their classifications.

- 0-6 MONTHS - 70% of the rate of job position being performed.
- 7-12 MONTHS - 80% of the rate of job position being performed.
- 13-18 MONTHS - 90% of the rate of job position being performed.
- 19-24 MONTHS - 95% of the rate of job position being performed.

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
LABOUR RATE	24.780	24.780	24.780	25.280	25.790

MAINTENANCE

Mechanics					
Working Foreman	36.005	36.005	36.005	36.725	37.460
Journeyman Mechanic	33.495	33.495	33.495	34.165	34.850
Mechanics & Apprentices					
"A" Mechanic (5th Year Apprentice)	33.495	33.495	33.495	34.165	34.850
"B" Mechanic (4th Year Apprentice)	31.045	31.045	31.045	31.665	32.300
"C+" Mechanic (3rd Year Apprentice)	28.525	28.525	28.525	29.095	29.675
"C" Mechanic (2nd Year Apprentice)	27.340	27.340	27.340	27.885	28.445
"D" Mechanic (1st Year Apprentice)	26.880	26.880	26.880	27.420	27.970
Trade Utility: - after 18 months	25.090	25.090	25.090	25.590	26.100
- next 12 months	24.865	24.865	24.865	25.360	25.865
- 0 - 6 months	24.780	24.780	24.780	25.280	25.790

APPRENTICEHIP WAGE RATE - TIME FROM DATE OF INDENTURE

The following training wage grid shall apply for all apprentices indentured after May 1, 2012. All apprentices indentured on April 30, 2012 shall continue to be paid in accordance with the grid contained in the 2008-2012 Labour Agreement

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
1st year Apprentice					
0-6 MONTHS - 74% of journeyman rate or base rate whichever is greater	24.785	24.785	24.785	25.280	25.790
7-12 MONTHS - 74.5% of journeyman rate	24.955	24.955	24.955	25.455	25.965
2nd year Apprentice - 76% of journeyman rate.	25.455	25.455	25.455	25.965	26.485
3rd year Apprentice - 82% of journeyman rate.	27.465	27.465	27.465	28.015	28.575
4th year Apprentice - 90% of journeyman rate.	30.145	30.145	30.145	30.750	31.365
5th year Apprentice/ Journeyman rate - 100% of journeyman rate	33.495	33.495	33.495	34.165	34.850
Miscellaneous Maintenance Rates					
Working Foreman - Demolition Crew	35.920	35.920	35.920	36.640	37.370
Head Roll Balancer/Vibration Analyst	36.555	36.555	36.555	36.265	36.990
Head Roll Grinder	35.155	35.155	35.155	35.860	36.575
* Head Electrician (Radio Repairs)	34.315	34.315	34.315	35.000	35.700
Machinist - Big Lathe	33.895	33.895	33.895	34.575	35.265
Roll Grinder	33.895	33.895	33.895	34.575	35.265
Roll Balancer/Vibration Analyst	33.895	33.895	33.895	34.575	35.265
Slitter Grinder	33.495	33.495	33.495	34.165	34.850
Roofer	33.495	33.495	33.495	34.165	34.850
Salvage Man "A"	33.495	33.495	33.495	34.165	34.850
* Steel Man	33.495	33.495	33.495	34.165	34.850
Steel Man	31.045	31.045	31.045	31.665	32.300
Demolition Crew	31.095	31.095	31.095	31.715	32.350
Tool Crib Attendant	33.495	33.495	33.495	34.165	34.850
- Journeyman Mechanic					
(17) Tool Crib Attendant: - over 24 months	28.570 E	28.570 E	28.570 E	29.140 E	29.725 E
(13) - 19 - 24 months	27.655 E	27.655 E	27.655 E	28.210 E	28.775 E
(9) - 13 - 18 months	26.735 E	26.735 E	26.735 E	27.270 E	27.815 E
(7) - 0 - 12 months	26.290 E	26.290 E	26.290 E	26.815 E	27.350 E
(3) Asbestos Abatement Worker	25.380 E	25.380 E	25.380 E	25.890 E	26.410 E

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
LUBRICATION					
(31) Head Oiler	31.800 E	31.800 E	31.800 E	32.435 E	33.085 E
** Lubrication Mechanic	31.045	31.045	31.045	31.665	32.300
(9) Oiler: - over 60 days	26.735 E	26.735 E	26.735 E	27.270 E	27.815 E
(1) Oiler Trainee: - 30 - 60 days	24.975 E	24.975 E	24.975 E	25.475 E	25.985 E
(0) - 0 - 30 days	24.780 E	24.780 E	24.780 E	25.280 E	25.790 E

* Present Incumbent only - New man would receive rate after one (1) year on the job.

** Lube Mechanic after three (3) years as an Oiler.

Spray Painting and Sandblasting - eight (8) cents above regular rate.

METRIC TOOLS

The company will make available tradesmen's tools required upon the introduction of the metric system.

FIBRE HANDLING

(25) Teeshu Captain - (350 T Master)	30.425 E	30.425 E	30.425 E	31.035 E	31.655 E
(23) Teeshu Captain - (Small Craft Cert.)	29.950 E	29.950 E	29.950 E	30.550 E	31.160 E
(16) Fibre Handler	28.360 E	28.360 E	28.360 E	28.925 E	29.505 E
(5) Relief Fibre Handler	25.820 E	25.820 E	25.820 E	26.335 E	26.860 E

Pile driver rates based on ten (10) cents per hour above regular rates.

MECHANICAL PULP BLEACHING

(23) Bleach Operator #1	29.950 E	29.950 E	29.950 E	30.550 E	31.160 E
(15) Bleach Operator #2	28.120 E	28.120 E	28.120 E	28.680 E	29.255 E

TMP

(40) Operator #1	34.095 H	34.095 H	34.095 H	34.775 H	35.470 H
(27) Operator #2	30.860 E	30.860 E	30.860 E	31.475 E	32.105 E
(7) Operator #3	26.505 H	26.505 H	26.505 H	27.035 H	27.575 H

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
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FINISHING ROOMS

(22) Upper Wrap Line Operator	29.720 E	29.720 E	29.720 E	30.315 E	30.920 E
(12) Assistant Operator	27.430 E	27.430 E	27.430 E	27.980 E	28.540 E
(9) Supplies Coordinator	26.735 E	26.735 E	26.735 E	27.270 E	27.815 E
(8) Core Sawyer	26.505 E	26.505 E	26.505 E	27.035 E	27.575 E

ELECTRICAL - Power Generation

Maintenance Operator	33.495	33.495	33.495	34.165	34.850
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NO. 2 STEAM PLANT

(64) Shift Engineer - 2nd	39.380 E	39.380 E	39.380 E	40.170 E	40.975 E
(50) Assistant Shift Engineer - 3rd	36.850 H	36.850 H	36.850 H	37.585 H	38.335 H
(42) Control Room Engineer - 3rd, P.B. 19	34.330 E	34.330 E	34.330 E	35.015 E	35.715 E
(31) Service Engineer/ETO - 3rd	31.800 E	31.800 E	31.800 E	32.435 E	33.085 E
(14) Assistant Engineer, 4th	27.895 E	27.895 E	27.895 E	28.455 E	29.025 E

1. Employees holding a 4th class ticket, where no ticket is required, will receive thirty-five (35) cents per hour over their job rate.
2. Employees holding a 3rd class ticket, where a 4th class ticket is required, will receive fifty (50) cents per hour over their job rate.
3. Employees holding a 2nd class ticket, where a 3rd class ticket is required, will receive fifty-five (55) cents per hour over their job rate.
4. Employees holding a 1st class ticket, where a 2nd class ticket is required, will receive sixty-five (65) cents per hour over their job rate.

Note: Only one of the bonuses is applicable - no stacking

GENERAL YARD CREW

Working Foreman	29.950	29.950	29.950	30.550	31.160
(16) Grove Crane Operator	28.360 E	28.360 E	28.360 E	28.925 E	29.505 E
(8) Backhoe Operator	26.505 E	26.505 E	26.505 E	27.035 E	27.575 E
(7) Heavy Equipment Operator	26.290 E	26.290 E	26.290 E	26.815 E	27.350 E
(6) Power Sweeper Operator	26.060 E	26.060 E	26.060 E	26.580 E	27.110 E
(6) Front End Loader	26.060 E	26.060 E	26.060 E	26.580 E	27.110 E
(5) Temporary Strawboss	25.820 E	25.820 E	25.820 E	26.335 E	26.860 E
(5) Truck Driver - Air	25.820 E	25.820 E	25.820 E	26.335 E	26.860 E

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
(5) Packer Truck Operator	25.820 E	25.820 E	25.820 E	26.335 E	26.860 E
(5) Stacker Operator	25.820 E	25.820 E	25.820 E	26.335 E	26.860 E
(3) Jackhammer Driller	25.380 E	25.380 E	25.380 E	25.890 E	26.410 E
(3) Truck Driver	25.380 E	25.380 E	25.380 E	25.890 E	26.410 E
(2) Jet Pump Operator	25.180 E	25.180 E	25.180 E	25.685 E	26.200 E
(1) Jet Pump Helper	24.975 E	24.975 E	24.975 E	25.475 E	25.985 E
(1) Cement Mixer Operator	24.975 E	24.975 E	24.975 E	25.475 E	25.985 E
(1) Paper Machine Cleaner	24.975 E	24.975 E	24.975 E	25.475 E	25.985 E
(1/2) Mortar Mixer	24.860 E	24.860 E	24.860 E	25.355 E	25.860 E
(1/2) Concrete Man	24.860 E	24.860 E	24.860 E	25.355 E	25.860 E
(1/2) Gardener	24.860 E	24.860 E	24.860 E	25.355 E	25.860 E
Labourer	24.780	24.780	24.780	25.280	25.790

Janitorial

(4) Janitor Lead Hand	25.595 E	25.595 E	25.595 E	26.105 E	26.625 E
(0) Janitor	24.780 E	24.780 E	24.780 E	25.280 E	25.790 E

TECHNICAL SERVICES

(16) Technician	28.360 E	28.360 E	28.360 E	28.925 E	29.505 E
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MILL STORES

Leadhand	30.230	30.230	30.230 E	30.835	31.450
(15) Receiver/Shipper	28.120 E	28.120 E	28.120 E	28.680 E	29.255 E
(9) Warehouseman (after 1 year)	26.735 E	26.735 E	26.735 E	27.270 E	27.815 E
(5) Warehouseman (2nd 6 mths.)	25.820 E	25.820 E	25.820 E	26.335 E	26.860 E
(3) Warehouseman (1st 6 months)	25.380 E	25.380 E	25.380 E	25.890 E	26.410 E
(5) Mobile Delivery	25.820 E	25.820 E	25.820 E	26.335 E	26.860 E

STANDARD GAUGE RAILROAD

(14) Locomotive Operator	27.895 E	27.895 E	27.895 E	28.455 E	29.025 E
(10) Senior Switchman	26.955 E	26.955 E	26.955 E	27.495 E	28.045 E
(6) Junior Switchman	26.060 E	26.060 E	26.060 E	26.580 E	27.110 E
(12) Trackman	27.430 E	27.430 E	27.430 E	27.980 E	28.540 E

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
DISTRIBUTION SERVICES					
(18) Distribution Coordinator	28.805 E	28.805 E	28.805 E	29.380 E	29.970 E
(17) Lead Loader	28.570 E	28.570 E	28.570 E	29.140 E	29.725 E
(11) Loader	27.205 E	27.205 E	27.205 E	27.750 E	28.305 E

BARGE LOADING - DEEP SEA

Lead Loader	31.235	31.235	31.235	31.860	32.495
Loader	29.355	29.355	29.355	29.940	30.540

Power Lift Truck Operator - Warehouse to final positioning of product aboard the Barge. The operator will receive a split rate based on 50% of the time at the "Power Lift Truck Operator in Barge" rate and 50% of the time at his regular Lift Truck Operator's rate.

Other personnel working aboard a deep sea barge shall receive an equivalent rate specified for like duties connected with deep sea ship loading.

A deep sea barge within the meaning of this agreement shall be defined as any scow or barge, which in the course of its current voyage from the mill to a foreign port, crosses a line drawn from Cape Flattery to Lat. 50°00'N, Long. 130°00'W, Lat. 56°00'N, Long. 138°00'W, to Cape Spencer.

Deep sea ship loading rates and conditions will also apply for the barge and container loading of pulp and paper destined for foreign ports by water beyond the above defined line which in the course of the voyage is trans-shipped through another port within the above defined line.

It is understood and agreed that the above statement does not apply to current barge loading.

Time and one-half shall be paid to deep sea ship loading crews for work performed after 4:30 p.m. and on Saturdays.

DIRTY MONEY

While engaged in the following work, employees who are not provided with coveralls will be paid fifteen (15) cents per hour above the job rate:

- 1) Clay unloading.
- 2) Sulphur unloading.
- 3) All interior cleaning of recausticizing equipment.
(This will also include adding sack lime to the recausticizing system).

JOB EVALUATION PLAN CONVERSION TABLE BY STEPS

STEP	May 1 2012	May 1 2013	May 1 2014	May 1 2015	May1 2016
BASE	24.780	24.780	24.780	25.280	25.790
1/2	24.860	24.860	24.860	25.355	25.860
1	24.975	24.975	24.975	25.475	25.985
2	25.180	25.180	25.180	25.685	26.200
3	25.380	25.380	25.380	25.890	26.410
4	25.595	25.595	25.595	26.105	26.625
5	25.820	25.820	25.820	26.335	26.860
6	26.060	26.060	26.060	26.580	27.110
7	26.290	26.290	26.290	26.815	27.350
8	26.505	26.505	26.505	27.035	27.575
9	26.735	26.735	26.735	27.270	27.815
10	26.955	26.955	26.955	27.495	28.045
11	27.205	27.205	27.205	27.750	28.305
12	27.430	27.430	27.430	27.980	28.540
13	27.655	27.655	27.655	28.210	28.775
14	27.895	27.895	27.895	28.455	29.025
15	28.120	28.120	28.120	28.680	29.255
16	28.360	28.360	28.360	28.925	29.505
17	28.570	28.570	28.570	29.140	29.725
18	28.805	28.805	28.805	29.380	29.970
19	29.030	29.030	29.030	29.610	30.200
20	29.260	29.260	29.260	29.845	30.440
21	29.500	29.500	29.500	30.090	30.690
22	29.720	29.720	29.720	30.315	30.920
23	29.950	29.950	29.950	30.550	31.160
24	30.185	30.185	30.185	30.790	31.405
25	30.425	30.425	30.425	31.035	31.655
26	30.650	30.650	30.650	31.265	31.890
27	30.860	30.860	30.860	31.475	32.105
28	31.095	31.095	31.095	31.715	32.350
29	31.335	31.335	31.335	31.960	32.600
30	31.575	31.575	31.575	32.205	32.850

STEP	May 1 2012	May 1 2013	May 1 2014	May 1 2015	May1 2016
31	31.800	31.800	31.800	32.435	33.085
32	32.025	32.025	32.025	32.665	33.320
33	32.260	32.260	32.260	32.905	33.565
34	32.490	32.490	32.490	33.140	33.805
35	32.715	32.715	32.715	33.370	34.035
36	32.960	32.960	32.960	33.620	34.290
37	33.175	33.175	33.175	33.840	34.515
38	33.395	33.395	33.395	34.065	34.745
39	33.640	33.640	33.640	34.315	35.000
40	33.870	33.870	33.870	34.545	35.235
41	34.095	34.095	34.095	34.775	35.470
42	34.330	34.330	34.330	35.015	35.715
43	34.555	34.555	34.555	35.245	35.950
44	34.785	34.785	34.785	35.480	36.190
45	35.020	35.020	35.020	35.720	36.435
46	35.260	35.260	35.260	35.965	36.685
47	35.475	35.475	35.475	36.185	36.910
48	35.705	35.705	35.705	36.420	37.150
49	35.930	35.930	35.930	36.650	37.385
50	36.160	36.160	36.160	36.885	37.625
51	36.405	36.405	36.405	37.135	37.880
52	36.615	36.615	36.615	37.345	38.090
53	36.850	36.850	36.850	37.585	38.335
54	37.090	37.090	37.090	37.830	38.585
55	37.305	37.305	37.305	38.050	38.810
56	37.550	37.550	37.550	38.300	39.065
57	37.770	37.770	37.770	38.525	39.295
58	38.000	38.000	38.000	38.760	39.535
59	38.225	38.225	38.225	38.990	39.770
60	38.465	38.465	38.465	39.235	40.020
61	38.710	38.710	38.710	39.485	40.275
62	38.930	38.930	38.930	39.710	40.505
63	39.155	39.155	39.155	39.940	40.740
64	39.380	39.380	39.380	40.170	40.975
65	39.590	39.590	39.590	40.380	41.190

STEP	May 1 2012	May 1 2013	May 1 2014	May 1 2015	May1 2016
66	39.830	39.830	39.830	40.625	41.440
67	40.055	40.055	40.055	40.855	41.670
68	40.290	40.290	40.290	41.095	41.915
69	40.525	40.525	40.525	41.335	42.160
70	40.755	40.755	40.755	41.570	42.400
71	40.975	40.975	40.975	41.795	42.630
72	41.205	41.205	41.205	42.030	42.870
73	41.430	41.430	41.430	42.260	43.105
74	41.655	41.655	41.655	42.490	43.340
75	41.880	41.880	41.880	42.720	43.575
76	42.115	42.115	42.115	42.955	43.815
77	42.345	42.345	42.345	43.190	44.055
78	42.575	42.575	42.575	43.425	44.295
79	42.800	42.800	42.800	43.655	44.530
80	43.035	43.035	43.035	43.895	44.775
81	43.255	43.255	43.255	44.120	45.000
82	43.475	43.475	43.475	44.345	45.230
83	43.705	43.705	43.705	44.580	45.470
84	43.940	43.940	43.940	44.820	45.715
85	44.170	44.170	44.170	45.055	45.955
86	44.385	44.385	44.385	45.275	46.180
87	44.615	44.615	44.615	45.505	46.415
88	44.845	44.845	44.845	45.740	46.655
89	45.080	45.080	45.080	45.980	46.900
90	45.300	45.300	45.300	46.205	47.130
91	45.535	45.535	45.535	46.445	47.375
92	45.765	45.765	45.765	46.680	47.615
93	46.000	46.000	46.000	46.920	47.860
94	46.220	46.220	46.220	47.145	48.090
95	46.435	46.435	46.435	47.365	48.310
96	46.675	46.675	46.675	47.610	48.560
97	46.910	46.910	46.910	47.850	48.805
98	47.140	47.140	47.140	48.085	49.045
99	47.360	47.360	47.360	48.305	49.270
100	47.585	47.585	47.585	48.535	49.505

EXHIBIT "B" JOB EVALUATION PLAN

1. The Job Evaluation Plan

The Job Evaluation Plan is a plan developed for the purpose of uniformly evaluating and appraising jobs according to the skill, working conditions and responsibility factors required by and contained in each job, thereby resulting in the establishment of a uniform method of wage rate determination.

2. The Scope and Limitations of the Plan

- (a) The Job Evaluation Plan shall not be applied to the following job fields covered by Exhibit "A" of the Labour Agreement:
 - (i) Mechanical Trades (See Exhibit "1" attached for definition).
 - (ii) Longshoring.
 - (iii) Saw Filers and Saw Fitters.
 - (iv) Jobs on Newsprint Machines.
- (b) Except as provided in Section 2(a) above, all jobs covered by the Labour Agreement shall be considered eligible for evaluation when presented in the manner prescribed herein to the Joint Job Evaluation Board hereinafter provided for.

3. Administration and Procedure

(a) Job Evaluation Directors

- (i) The Job Evaluation Directors shall be composed of one (1) representative of the Communication, Energy & Paperworkers Union and one (1) representative of Pulp and Paper Employee Relations Forum.
- (ii) It shall be the duty of the Job Evaluation Directors:
 - a) To direct and supervise the functioning of the Job Evaluation Plan in accordance with the policies and procedures adopted by the parties to the Labour Agreement through an Administrative Committee comprised of the Job Evaluation Directors, three (3) designated representatives from the local unions and three (3) designated representatives of the companies using the plan.
 - b) To receive reports from Plant Evaluation Committees and to recommend improvements where necessary in the procedure of the Committees.

- c) To review cases of evaluation upon request of either Union or Company members of the Plant Evaluation Committees.
 - d) To review the general operation of the Joint Job Evaluation Board as to methods, factors, procedures, delays, and to order such reviews or surveys of job fields as necessary. It shall also be the duty of the Job Evaluation Directors to adjudicate any disagreement which might arise in the functioning of the Plan.
 - e) To direct the Joint Job Evaluation Board as to changes in methods which do not constitute basic changes. The Directors shall neither negotiate rates nor exercise any of the bargaining functions of the National Union or the Company.
 - f) To recommend improvements in the Job Evaluation Plan to an Administrative Committee for consideration. Only in the Administrative Committee is vested the power to amend, add to, or subtract from, the Plan. Ratification of improvements will be by such method as determined by each party to the plan
 - g) When the Directors are unable to resolve, within sixty (60) days, matters referred to them under (c) or (d) above, the matter may be referred by either Director or the Union or Company members of the Plant Evaluation Committees to the Independent Review Officer as provided for under paragraph 3(d) below.
- (b) **Joint Job Evaluation Board**
- (i) The Joint Job Evaluation Board shall consist of one (1) representative of the National Union and one (1) representative of Pulp and Paper Employee Relations Forum.
 - (ii) It shall be the duty of the Joint Job Evaluation Board to evaluate and set the rate for any job presented for evaluation in accordance with this Plan. It shall also be the duty of the Board to develop, revise and maintain in an up-to-date manner the tables necessary to the functioning of the Job Evaluation Board. All decisions

of the Joint Job Evaluation Board must be agreed to by both members of the Board before becoming official.

(c) **Plant Evaluation Committee**

- (i) The Mill Manager and the Union shall create a Plant Evaluation Committee which shall consist of not less than two (2) nor more than three (3) members representing the Union involved and not less than two (2) nor more than three (3) members representing the Company.
- (ii) It shall be the duty of the Plant Evaluation Committee
 - a) to act upon all requests for job evaluation, within the scope and limitations of the Plan as stipulated in Section 2 above, which may arise if, in their opinion, such evaluation would result in a rate change. Any decision to submit a job to the Joint Job Evaluation Board for evaluation must be unanimously agreed upon by all members of the Plant Evaluation Committee representing both the Company and the Union.
 - b) to make investigations of jobs to be submitted for evaluation, prepare job descriptions, arrange schedule of interviews required, determine and arrange for the attendance of those job representatives who desire to be present at the explanation of the evaluation computations, as provided in Section 4(d) and to assist in pointing out factual and pertinent information relative to the job to the Joint Job Evaluation Board at the time of evaluation.
 - c) to make a written report to the Job Evaluation Directors of the jobs on which the Union and the Company members of the Committee have been unable to agree as to whether an evaluation should be made, with a statement of the facts on which the disagreement was based.
- (iii) Either the Union or the Company members of the Plant Evaluation Committee may request a review by the Job Evaluation Directors of any case of evaluation where, in their opinion, proper application of the job evaluation standards has not been accomplished.

(d) **Independent Review Officer**

- (i) The Communication, Energy & Paperworkers Union and the Pulp and Paper Employee Relations Forum shall appoint an Independent Review Officer for the term of the Agreement.
- (ii) The Independent Review Officer shall neither be an employee of the Union, Company, nor their agencies.
- (iii) The Independent Review Officer shall have the authority to render decisions on matters that have been referred to him which are appropriate under the Plan.
- (iv) The Pulp and Paper Employee Relations Forum and the Communications Energy & Paperworkers Union shall each pay one-half of the fees and expenses of the Independent Review Officer incurred in the adjudication of disputes.

4. General Policies

- (a) The evaluated job rate arrived at through official evaluation by the Joint Job Evaluation Board will be final and binding upon both parties to the Labour Agreement unless review has been requested as provided in Section 3(a)(ii)(c) or 3(a)(ii)(g). In case of such review the decision of the Job Evaluation Directors or, where appropriate the Independent Review Officer shall be final and binding upon both parties. Where a number of appeals indicate a problem within a job field, the Directors shall refer such problems to the Administrative Committee for final determination.
- (b) Where an official evaluation indicates an upward adjustment in the rate for a job the adjustment will be retroactive to the date agreed upon by the Plant Evaluation Committee which is entered on, and a part of, the application for evaluation provided for in Section 3(c)(ii)(a) setting forth the duties of the Plant Evaluation Committee.
- (c) Where a new job has been created, the Plant Evaluation Committee of the mill will make application to the Joint Job Evaluation Board for a temporary rate for the new job. An evaluated rate will be established by the Job Evaluation Board before a period of twelve (12) months has expired following the start of the new job except in those cases where a specific request is made by the Plant Evaluation Committee to the Job Evaluation Directors to retain the temporary rate

beyond twelve (12) months, and the request is approved by the Directors. It will be the duty of the Plant Evaluation Committee to agree on a date on which the job became sufficiently stabilized to permit evaluation, and any increase resulting from the evaluated rate will be paid retroactively to the agreed-upon start-up date of the new equipment or the commencement of the job.

- (d) The Joint Job Evaluation Board will complete its evaluation of all jobs at the particular mill involved. The Joint Job Evaluation Board will explain in detail the evaluation computations to the Plant Evaluation Committee and to those job representatives present, before leaving the mill. In those cases where it is not possible to complete the evaluation at the mill, the Joint Job Evaluation Board will return to the mill and explain the evaluation computations before making the results official.
- (e) The Joint Job Evaluation Board shall furnish to the Plant Evaluation Committee a copy of the job description and evaluation computation forms pertaining to jobs that have been evaluated. Copies of the forms furnished are to be retained in the files at a suitable place, and will be open to members of the Plant Evaluation Committee for study or review.

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

- (f) Members of the Plant Evaluation Committee or other employees in the mill who are relieved from their jobs during working hours to assist in carrying out the functions of the Job Evaluation Plan or to receive training therein will be paid by the Company at their regular job rates for the time lost during their regular shifts, thereby preventing any loss in regular income. Time put in on evaluation work outside the employee's regular shift will not be paid for by the Company.
- (g) When a survey or Job Field Study is authorized by the Directors, a projected completion date will be established. The completion date will also be used as a guide in determining the date for implementation of changes that result from the study.

- (h) A Local Union may opt out of the Job Evaluation Plan during the thirty (30) days following ratification of the Memorandum for renewal of the Agreement. The effective date of any opting out will be the last day of the expiring Agreement.

EXHIBIT "1"

DEFINITION OF MECHANICAL TRADES

Any employee whose work is primarily in any one or more than one of the trades listed hereunder shall be classed as a "MECHANIC".

Machinists	Tinsmiths and Sheet Metal Workers
Millwrights	Automotive Mechanics
Carpenters	Masons
Electricians	Roll Grinders
Pipefitters	Instrument Mechanics
Welders	Pattern Makers
Painters	Heat & Frost Insulators
Blacksmiths	Refrigeration Mechanics

EXHIBIT "C" WELFARE PLAN

This Exhibit "C" set forth the respective coverages, benefits, rights and obligations of the Company and its employees under the Welfare Plan established pursuant to Article XIX of this Agreement.

1. Compliance

- (a) The Company signatory to the Labour Agreement will comply with the terms and conditions set forth in this Exhibit "C", and provide the coverages required therein.
- (b) The coverages shall be subject to the limitations in the contracts of the selected carrier or carriers.

2. Coverages and Benefits

(a) Group Term Life Insurance

The Welfare Plan will include Group Term Life Insurance in accordance with the following Table of Hourly Job Rate Brackets and corresponding coverages. Benefits will be

payable as a result of death from any cause on a twenty-four (24) hour coverage basis.

(b) Accidental Death or Dismemberment Insurance

In addition to the above Group Term Life Insurance coverage the Welfare Plan will include Accidental Death Insurance as out-lined in the Table on a twenty-four (24) hour coverage basis.

Dismemberment and paralysis insurance benefits of the Welfare Plan will be in accordance with the schedules offered by the particular carrier involved, such coverage to be on a twenty-four (24) hour basis.

(c) Non-occupational Accident and Sickness Insurance

The Welfare Plan will include Non-Occupational Accident and Sickness Insurance that will provide a benefit of sixty percent (60%) of the employee's regular job rate to the maximums in the following table.

Maximum Weekly Indemnity Benefits Payable	
Effective Date	Benefit Maximum
May 1, 2012	\$845.00 per week
May 1, 2013	\$845.00 per week
May 1, 2014	\$845.00 per week
May 1, 2015	\$860.00 per week
May 1, 2016	\$880.00 per week

Weekly Indemnity benefits will be payable beginning with the first day of disability caused by non-occupational accident and beginning with the fourth day of disability caused by non-occupational sickness, except that in those cases of non-occupational sickness, which result in the claimant being hospitalized as a bed patient, and in those cases where surgery is performed which necessitates loss of time from work, the said Weekly Indemnity benefits will be payable beginning with the first day of sickness. Benefits will be payable for a maximum of fifty-two (52) weeks during any one period of disability.

Weekly Indemnity benefits which begin prior to age 65 will continue until the employee has received at least fifteen (15) weeks of benefits, or until the employee is no longer disabled or retires, whichever comes first.

The premium structure for coverage of an employee over the age of 64 will be as follows:

First three months	75% of Normal Premium
Second three months	50% of Normal Premium
Third three months	25% of Normal Premium
Last three months	No Premium

Where the employee recovers an amount from a liable third party for loss of income as a result of the same accident or illness, they must reimburse the Plan once they receive 100% of their loss. One hundred percent (100%) of their loss includes gross wages lost.

(d) Medical-Surgical Coverage

The Welfare Plan will include Medical-Surgical coverage as required by the B.C. Medical Commission. An Extended Health Benefit Plan with coverage as per the 1999 Blue Cross Pulp and Paper Industry brochure as updated through the September 5, 2002 Memorandum of Agreement. Which includes Vision Care coverage for employees and eligible dependents will also form part of this Labour Agreement.

The co-insurance rate for hospitalization will be incorporated into the Extended Health Benefit coverage to a maximum of \$8.50 per day.

(e) Dental Care Plan

The Welfare Plan will include a Dental Care Plan which will reimburse members for expenses incurred in respect of the coverages summarized in Appendix "1". The Plan will not duplicate benefits provided now or which may be provided in the future by any government program.

(f) Long Term Disability Plan

The Welfare Plan will include a Long Term Disability Plan summarized in Appendix "2".

(g) Insurance Benefits Coverages

MAXIMUM INSURANCE BENEFITS PAYABLE		
EFFECTIVE DATE	GROUP TERM LIFE	AD&D
May 1, 2012	\$98,500	\$98,500
May 1, 2013	\$98,500	\$98,500
May 1, 2014	\$98,500	\$98,500
May 1, 2015	\$100,500	\$100,500
May 1, 2016	\$102,500	\$102,500

(h) The Welfare Plan will include an Out-of-Province Travel Plan, as follows:

“When in the opinion of the attending physician and attending specialist a medical procedure is required that is not available in B.C., and is one for which the Medical Services Plan of B.C. will accept financial responsibility, the cost of travel and accommodation to the limits specified below will be paid for by the Plan. Where the attending physician specifies that an attendant is required, the travel and accommodation expenses for such person will be paid to the limit specified. The maximum limit under any one claim will be the return economy airfare or equivalent for patient and attendant, plus accommodation expenses up to a maximum of \$1,500. Receipts will be required and forwarded on the claim form prescribed by the Carrier.”

This benefit will not stack on top of or duplicate existing provisions under local Medical Travel Benefit or government plans.

(i) Attempted Suicide

Provide for benefits for loss of time as a result of attempted suicide under the Plan Provisions covering other mental illnesses. Coverage shall also include injury disability arising from attempted suicide.

(j) Weekly Indemnity - Waiting Period

Only one (1) waiting period will be required for serious illnesses which require kidney dialysis, chemotherapy, radiation or other similar recurring treatments. This will provide benefits, after the initial waiting period, for any subsequent lost time.

3. Waiting Period

All full-time employees who are actively working and have completed thirty (30) days service shall be enrolled for the coverages and benefits set forth in this Exhibit as a condition of employment.

4. Joint Union – Management Welfare Committee

1. A Union Welfare Committee shall be appointed and shall meet with a Management Welfare Committee with respect to questions which may arise concerning the operations of the Welfare Plan. The function of the Joint Committee will be to review the operations of the Welfare Plan. It will meet quarterly to formulate and review statistical reports such as usage and costs; it will also review carrier agreements supplied by the Company for the purpose of ensuring compliance with Exhibit "C".

This committee would also deal with any disputes that may arise under the dispute resolution process.

2. Committee Structure

Mill operations with one Local Union in the mill shall have a union committee structure of not less than two (2) and not more than three (3) members. Mill operations where there are two Local Unions shall have a committee consisting of not less than three (3) nor more than five (5) members. Such committee members shall be selected by the Union or Unions concerned. The Company shall appoint a Management Welfare Committee consisting of not less than two (2) members and not more than the aggregate number of members of the Union Welfare Committee.

5. Changes in Classification

The regular wage rate of the employee in effect on May 1st and November 1st will determine his entitlement to Group Life and Accidental Death and Dismemberment and Weekly Indemnity coverages as outlined in the schedule contained in Exhibit "C". Where an employee's regular duties consist of more than one job, his regular rate shall be deemed to be the average of the rates applicable to such jobs.

6. Costs

Net costs of the coverages and benefits made available to participating employees under the Welfare Plan will be shared between the Company and the said employees in accordance with the following:

Group Term Life Insurance, Accidental Death or Dismemberment Insurance, Medical-Surgical Coverage, Extended Health Benefit and Dental Plan

Company 100%

Employee Nil

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

Company 50%

Employee 50%

7. Reporting Period

The report shall cover the twelve (12) month period ending November 30th. Such reports will be submitted to the Joint Union-Management Committee not later than March 1st of each year. The Board shall distribute copies of the reports to the Local Union concerned.

8. Changes in Premiums and Employee Contribution

It is understood that any change in respect of either the premium rate charged by the carrier or the basis of the employer-employee sharing thereof may only be made effective as of July 1st in any year.

9. Distribution of Surplus

It is understood that surplus accumulations, if any, will be used only for the purpose of reducing premium costs.

Surplus accumulations must be disposed of within reasonable time limits. Questions in this respect will be referred to the Joint Union- Management Committee for decision.

10. Optional Payments under Life Insurance

In any case where the existing Company plan provides optional methods of payment to the beneficiary under the Life Insurance program, such policy provisions will remain in effect.

11. Disputes

No dispute arising out of the operation, administration or interpretation of any coverage contract between the Company and the carrier shall be subject to the Adjustment of Complaints procedure of the Labour Agreement. Any such dispute shall be adjudicated under the terms of the following Dispute Resolution process.

- 1) Where the insurance carrier has denied an employee Weekly Indemnity or Long Term Disability benefits, the issues shall be referred to a Joint Union-Management Welfare Committee.

To assist in the appeal of the denial of benefits, in addition to a standard Weekly Indemnity or Long Term Disability claim form from the employee's physician, the Employer shall, within seven days, confirm the following documentation has been forwarded to the carrier (with copies to the Union committee);

- a) A complete job description
- b) A Physical demands analysis which indicates in detail the demands of the particular occupation.

From these documents an evaluation is made to identify the essential and peripheral elements of the particular occupation. With input from the Employer, these evaluations will ensure an appropriate identification of the key or essential elements of a particular occupation.

- 2) In the event the employee's claim is further denied and the employee wishes to further appeal the decision of the carrier, the claimant may, within fourteen (14) days, refer the denial of benefits to the Joint Union-Management Welfare Committee. The Committee will meet within seven (7) days of referral, they will review all relevant information the claim forms, and documents as listed in 1) above along with obtaining directly from the insurer the employees complete file. The file will include all correspondence, all notes, denial letter and any medical reports obtained by or commissioned by the insurer which would include but not limited to any functional capacity evaluation or a transferable skills report.

The Committee will render on a consensus basis a written decision. If the Committee is unable to resolve the disputed claim, within fourteen (14) days, it will be referred to a third party for resolution.

- 3) The mutually agreed upon third party shall have the right to review the claim file, require further examinations or testing of the claimant by a specialist. Costs incurred for medical examination or specialist testing shall be borne by the Employer. The costs of the third party shall be born equally by the Union and the Employer.
- 4) The Company and Union will develop a list of six (6) mutually agreeable third parties.
- 5) The third party will endeavour to complete the assessment and reach a decision on the issue under appeal within fourteen (14) days of referral.
- 6) The decision of the third party shall be binding upon the parties and where applicable the carrier.

12. Disputed Workers' Compensation Board

Weekly Indemnity Claims

If an employee covered by the Welfare Plan suffers a disability, payment for which is in dispute with the Workers' Compensation Board, Weekly Indemnity payments under the Welfare Plan will be paid retroactively as set forth in this Exhibit if requested by the employee and provided he has been off work for at least two (2) weeks due to the disability without the Workers' Compensation Board having accepted the claim.

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

13. Change in Benefits

In the case of an employee who is on active claim arising from a disability which occurred before a negotiated change in benefits and which continues thereafter, the said employee shall, as from the effective date of the negotiated change, be paid the changed Weekly Indemnity benefit, be covered for the changed Group Term Life Insurance and Accidental Death and Dismemberment Insurance, and make the changed contributions.

14. Coverage During Leave of Absence

The following coverage will be provided up to a total of three (3) months in any one calendar year:

- a) The Welfare Plan for employees on authorized leave of absence on Local Union business.

- b) Group Term Life Insurance, Accidental Death and Dismemberment Insurance, and Medical-Surgical coverage for employees on authorized leave of absence for extended vacation purposes.

15. Surviving Spouse and Dependent Coverage

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

16. Completion of Forms

The Company agrees to reimburse employees for the costs of medical forms and specialist reports when required by the WI and LTD carriers. This is agreed on the basis that the Company will be reimbursed by the carrier.

APPENDIX "1" DENTAL CARE PLAN

A. Benefits

(i) Diagnostic Services

All necessary procedures to assist the dentist in evaluating the existing conditions to determine the required dental treatment, including:

- Oral examinations

- Consultations

- X-rays (complete mouth X-rays will be covered only once in a three (3) year period)

(ii) Preventive Services

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

- Cleaning and scaling

- Topical application of fluoride

- Space maintainers

(iii) Surgical Services

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

(iv) Restorative Services

All necessary procedures for filling teeth with amalgam, synthetic porcelain, and stainless steel crowns. Gold inlays or onlays will be provided as a filling material only when teeth, in the professional opinion of a dentist, cannot be restored with any of the above materials. Gold foil will be provided only in cases of repair to pre-existing gold restorations.

(v) Prosthetic Repairs

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

(vi) Endodontics

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

(vii) Periodontics

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

(viii) Prosthetic Appliances and Crown and Bridge Procedures

- (a) Crowns and bridges.
- (b) Partial and/or complete dentures, but not more than once in five (5) years.

(ix) Orthodontics

The services of a certified Orthodontist registered as such by the College of Dental Surgeons of British Columbia only after the patient has been covered continuously for twelve (12) months. Appliances lost, broken or stolen will not be replaced.

The maximum lifetime benefit is \$3,500.00 per person, effective May 1st, 2000 for all services provided by an Orthodontist.

B. Co-Insurance

In respect of Benefits (i) to (vii), the Plan will provide reimbursement of 90% of eligible expenses effective May 1st, 2000.

Benefits (viii) and (ix) will be subject to 50% co-insurance.

APPENDIX "2"

PULP AND PAPER INDUSTRY

LONG TERM DISABILITY PLAN SUMMARY

1. Eligibility

- (a) All hourly employees who are working full time for full pay will be eligible for coverage. Minimum hours worked must be no less than thirty (30) per week.
- (b) Coverage will commence after thirty (30) days of service.
- (c) Employees must be actively at work, full-time and for full pay on the date coverage commences.

2. Level of Benefits

50% of regular weekly earnings calculated at forty (40) times the disabled employee's hourly straight time job rate at the date of onset of disability plus any negotiated increases to that hourly straight time job rate which would take place during the elimination period.

Employees who are under 60 years of age will have his/her future disability benefit recalculated by applying the contractual wage increases that were applied in each year, during the period of their disability, to their long term disability benefit.

The recalculated weekly benefit when combined with all other disability income to which the disabled employee is receiving will not exceed 80% of 40 hours multiplied by the regular wage rate in effect at the time of recalculation.

3. Elimination Period

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

4. L.T.D. Benefit Payments

- (a) There will be a minimum of sixty (60) months of benefit payment for persons with sixty (60) or less months of service.
- (b) Additional benefits will be paid on the basis of one (1) month for each two (2) months of continuous service beyond the

sixty (60) months service with the member pulp and paper company up to the date of onset of disability.

- (c) For those who are either on W.I. or L.T.D. effective July 1st, 1988, and continue to be disabled, benefits will be paid to age sixty (60) as a minimum if the employee does not have sufficient service to carry him further under (b) above. At the point that he runs out of L.T.D. benefit, he can elect to either retire early or go on disability pension benefit until age sixty-five (65), at which time he will retire.
- (d) For new claims that commence after July 1st, 1988, benefits will be paid to age sixty (60) as a minimum if the employee does not have sufficient service to carry him further under (b) above. At the point when he runs out of L.T.D. benefit, he will retire.

5. Definition of Total Disability

- (a) The disabled employee's inability to perform the duties of his own occupation for the first eighteen (18) months of L.T.D. disability payments and thereafter his inability to perform the duties of any occupation for which he is qualified by education, training or experience.
- (b) During a period of disability the disabled employee must be under the regular care and attention of a medical doctor, or in cases of disability arising from a mental or nervous condition, a psychiatrist.

6. Integration with Other Disability Income

- (a) The benefit from this plan combined with all other disability income to which the disabled employee is entitled will not exceed 80% of the employee's regular wage at date of disability.

All other disability income will include: C.P.P./Q.P.P. primary disability pension benefits, Workers' Compensation, disability income from a group or association plan, disability income arising out of any law or legislation, and wage continuation or pension plan of any employer including the Pulp and Paper Industry Pension Plan. Private or individual disability plan benefits of the disabled employee will not reduce the benefit from this plan.

In the event that all other disability income reduces the payment from this plan below \$25.00 per month, this plan

will nevertheless pay a minimum of \$25.00 per month from the date disability income commences.

- (b) Increases in C.P.P./Q.P.P. disability pensions or Workers' Compensation disability pensions that result from increases in the Canadian Consumer Price Index and which occur after the date disability payments from this plan commence will not further reduce the benefits from this plan.

7. Rehabilitative Employment

- (a) During a period of total disability under this plan, a disabled employee may engage in rehabilitative employment in which case the benefit from this plan will be reduced by 50% of the employee's rehabilitative employment income that exceeds \$50 per month. The benefit from this plan will be further reduced by the amount that remuneration from rehabilitative employment plus the benefit from the L.T.D. plan exceeds 75% of the employee's basic wage at date of disability.
- (b) Rehabilitative employment shall mean any occupation or employment for wage or profit or any course or training that entitles the disabled employee to an allowance, provided such rehabilitative employment has the approval of the employee, and his doctor in consultation with the underwriter of the L.T.D. plan.
- (c) Rehabilitative employment will be deemed to continue until such time as the employee's earnings from rehabilitative employment exceed 75% of his straight time earnings at date of disability but in no event for more than twenty-four (24) months from the date rehabilitative employment commences.

8. Exclusions

Disabilities resulting from the following are not covered:

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

9. Pre-Existing Conditions

A disability that results from an accident, illness, mental or nervous disorder for which the employee received treatment or medical supplies within the ninety (90) day period prior to joining the plan will not be covered unless the employee has completed twelve (12) consecutive months of employment during which he was not absent from work from the aforementioned accident, sickness or mental disorder.

10. Successive Disabilities

A subsequent disability that is related to a previous disability and occurs within six (6) months of an employee's return to work will be considered a continuation of the previous L.T.D. disability and the employee will not be eligible for weekly indemnity benefits. The employee under these circumstances will be eligible to receive benefits without the necessity of completing another elimination period.

11. Terminations

Coverage will cease:

- (a) On termination of employment.
- (b) On a date fifty-two (52) weeks prior to an employee's 65th birthdate.
- (c) On the date leave of absence commences except as provided for in the Agreement.
- (d) On the date an employee is laid off except when an employee has requested continuation of coverage in accordance with section 6 of Article XXI of the Labour Agreement, in which case coverage under the plan will continue only for the periods specified in the aforementioned sections of the Agreements. In the event an employee becomes totally disabled while covered by this plan under this provision, the elimination period will commence on the date such an employee is scheduled to return to active full-time employment.

Employees who have sufficient seniority and who request continuation of coverage under this plan during a period of lay off will be required to pay their portion of the plan premium.

12. Contribution Waiver

Contributions are to be waived when an employee is in receipt of L.T.D. payments.

CONDITIONS FOR IMPLEMENTING THE PLAN

- (1) The Long Term Disability Plan is payment in kind of the employee's share of the reduction in the Unemployment Insurance Premium resulting from the qualification of the Weekly Indemnity Plan under the Unemployment Insurance Regulations. The full EI premium reduction including the employee 5/12th's share will be retained by the employer.
- (2) When an employee becomes totally disabled under this plan, they shall have the option of taking all outstanding earned time off with pay, such as vacations, supplemental vacations, statutory holidays, special (personal) floating holidays, and any halftime portion of banked overtime.
- (3) Upon commencement of L.T.D. benefits all terms and conditions of the Collective Agreement will become inoperative except where provided for in Article 4 (b), (c) and (d) below.
- (4)
 - (a) Negotiated wage increases will apply as per Article 2 of the Plan Summary but subsequent increases in plan benefits will not affect employees on L.T.D. benefits.
 - (b) Employees in receipt of L.T.D. benefits from this plan will continue to accrue credit under the Pulp and Paper Industry Pension Plan provided such employees are not in receipt of a disability pension under the Pulp and Paper Industry Pension Plan.
 - (c) Employees in receipt of disability payments from this plan will continue to be covered under his employer's medical, extended health and dental plans. Coverage under the employer's group life and A.D. & D. plans will also continue in accordance with the conditions of those plans.
 - (d) An employee returning to work from an L.T.D. claim will return to a job his seniority, qualifications and ability to perform the work properly entitle him to.
 - (e) Active claims as referred to in Section 14 of Exhibit "C" of the Labour Agreement will be defined as that period of time during which an employee is in receipt of weekly indemnity payments only.

EXHIBIT "D"

APPRENTICESHIP TRAINING PROGRAM

1. The purpose of the Program is to provide tradesmen of the highest caliber.
2. The Apprenticeship Training Program will cover the local mill trades where applicable as set forth below:

Electrician	Mason
Machinist	Automotive Mechanic
Pipefitter	Instrument Mechanic
Carpenter	Sheet Metal Worker
Welder	Millwright
Painter	Moulder
Pattern Maker	Refrigeration Mechanic
Bricklayer	Heavy Duty Mechanic
Heat and Frost Insulator	

General Principles

3. The period of Apprenticeship Training will be as defined by the Apprenticeship Branch for each trade. The Apprentice will receive the Journeyman rate on successful completion of his Apprenticeship or after successful completion of four (4) years, whichever happens sooner, only on the understanding that he completes his full term of training. If the Apprentice refuses to continue his training, he will be removed from the Program with no standing as a Journeyman in his trade.
4. Training syllabus for each trade to be designed to meet the requirements of the particular trade involved.
5. All provisions of the appropriate labour Agreements in effect at the Mill concerned shall be applicable to Apprentices in the Program.
6. Apprentices hired with previous training may be placed into the training program at a level determined by the Joint Apprenticeship Committee, with advice from the Apprenticeship Branch.
7. Under the Program, Apprentices will receive rates as per Exhibit "A" of the Labour Agreement.

Progression through the schedule of rates is subject to successful completion of prescribed theoretical training, practical training and tests. The schedule of rates applies on date of qualification or as otherwise provided for in Item 12.

Joint Union-Management Apprenticeship Committee

8. This Committee will be comprised of an equal number of Union and Management representatives not to exceed, in total, three (3) from each group.

The purpose of the Committee will be to develop and supervise the procedures required to carry out the intent of the Program as agreed to. The Committee will also carry out the following duties:

- (a) The Company to establish in-plant training programs to support the training syllabus as developed by the Apprenticeship Branch of the Department of Labour for each trade involved. Supervision of the established Program shall be the responsibility of the Joint Committee.
- (b) Set standards for entry into the Apprenticeship Program that are not inconsistent with the standards recommended by the Apprenticeship Branch.
- (c) Carry out periodic reviews of the training programs at intervals of not more than three (3) months.
- (d) See that the required practical tests are carried out in cooperation with the Apprenticeship Branch.
- (e) Determine the tool requirements by years of training.
- (f) Joint Committee to review any case of lost time from the Program because of sickness, accident, etc. and to determine the amount of additional time necessary before an employee meets his requirements of time served.

Central Advisory Committee

9. There shall be established a Central Advisory Committee of representatives of Labour and Management, for the purpose of considering policy questions and possible necessary amendments from time to time. This Committee to be composed of equal representation from Labour and Management not to exceed, in total, three (3) from each group.

Entry to Program - New Apprentices

10. Selection for entry into the Program of persons who have no previous training in the trade will be made by the Company provided that the standards for acceptance established by the Joint Union/Management Apprenticeship Committee and the Apprenticeship Branch are applied and that first consideration is given to mill employees.

Schedule of Training for Apprentices

11. Upon completion of each period of training in an approved Vocational School an Apprentice will be required to pass examinations set by the Apprenticeship Branch. Practical examinations shall be confined to the area of training received. In the event of failure to pass examinations, the Apprentice shall be required to undergo a period of re-training on subject material specified by the Apprenticeship Branch authorities and will be required to be re-examined within twelve (12) months. Failure to pass the second examination will result in a review of his position by the Joint Apprenticeship Committee and could result in his removal from the Program. Employees who are removed from the Program will be offered an entry job in keeping with their plant seniority.
12. (a) Successful applicants will be assigned to a specific trade as a probationer for a two (2) month period. During the probationary period he shall receive the first year apprentice rate.
 - (b) During each year of Apprenticeship, he shall work at the trade and attend Vocational School as required by the regulations pursuant to the Apprenticeship Act.
 - (c) Upon the successful completion of his term of Apprenticeship and receipt of his certificate of Apprenticeship, issued by the Provincial Apprenticeship Committee, the Apprentice shall be designated as a certified Journeyman at the regular hourly rate for "A" Mechanics.
 - (d) If any of the aforementioned work periods are exceeded due to the unavailability of Vocational School facilities, such extra time will be credited to the Apprentice in succeeding training requirements. Also, the Apprentice's rate shall be adjusted retroactively to the commencement of the scheduled year providing he successfully passes the examinations. Retroactivity will not apply where re-testing is necessary.

- (e) For trades exceeding four (4) years, the following shall be in addition to the above. On successful completion of the fourth period of training at the Vocational School, and having spent twelve (12) months as a fourth year apprentice, he shall be reclassified and paid the fifth year Apprentice rate which is equivalent to the "A" Mechanic rate for the following twelve (12) months. On completion of the final period at the Vocational School the fifth year apprentice shall write his final examination set by the Apprenticeship Branch and, upon becoming certified, shall be designated as a certified Journeyman at the regular hourly rate for "A" Mechanics.
13. Wherever reference is made to a year (or twelve (12) months) as an apprentice, it shall mean a period of not less than 1600 hours worked, the said period to include time spent at the Vocational School.

Cost of Books

14. The Company will pay 100% of the cost of textbooks specified by the Apprenticeship Branch. The apprentice will keep these books as his personal property.

Allowances and Wage Make-up

15. While attending an approved Vocational School the Apprentice will receive from the Government, allowances and school expenses in accordance with the Government's schedule of grants pertaining to Apprenticeship Training. In addition, the employee shall receive from his employer, an allowance comprised of the difference between his regular straight time rate, based on a forty (40) hour week, and the weekly living allowance granted by the appropriate government authorities. Allowances provided by the employer shall not apply to any periods of retraining as specified in Item 11.

General

16. (a) The Company agrees to develop and provide a program of on-the-job training for each trade, which shall include doing jobs of gradually increasing skills consistent with the apprentice's training and ability.
- (b) Apprentices will be required to acquire and build a kit of tools progressively throughout the Program, as specified by the Apprenticeship Branch and the Joint Union/Management Apprenticeship Committee.

- (c) A category known as "Trade Utility" may be established in the Mechanical Department and complement for such category will be determined at plant level.

Employees in this category will be employed to assist tradesmen and apprentices with labour and similar work but will not be used in a manner that will interfere with the application of the training program (see item 7(iv) of Memorandum of Agreement dated April 20, 1964). Trade Utility rates will be paid in accordance with Exhibit "A".

Certification of Present "A" and "A+" Tradesmen

17. Testing of existing "A" and "A+" Mechanics for a certificate of competency shall be at the employee's option. Failure to have obtained a Trade Qualification Certificate shall not prejudice the status of a Journeyman within the Pulp and Paper Industry. Should he desire to enter the Program, it will be for the purpose of additional training only, without reduction in rate of pay.

The first time an existing "A" or "A+" Mechanic elects to take the test for a Tradesmen's Qualification Certificate he shall receive pay, not to exceed four (4) hours, for time lost from work, if he is required to take the test during his regular work schedule. The Company will pay the fee cost of this first Tradesmen's Qualification Certification examination.

EXHIBIT "E"

STEAM PLANT VOCATIONAL LEAVE

1. Fourth Class Certificate

Upon successful completion of the Department of Education Correspondence Course for a FOURTH CLASS STATIONARY STEAM ENGINEERING CERTIFICATE, or possessing equivalent qualifications acceptable to the Vocational School authorities, employees shall be granted three (3) weeks leave of absence with pay to attend an approved Vocational School to complete the course and write the examination for the Fourth Class Stationary Steam Engineering Certificate.

During his first week at the School the employee will be evaluated by the school authorities to determine his knowledge of the subject, and if the evaluation is favourable he will continue his

studies at the school during the two weeks and write the prescribed examination. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted three (3) weeks leave of absence, two (2) weeks with pay and one (1) without, to return to the Vocational School to complete the course and write the prescribed Fourth Class Certificate examination.

2. Third Class Certificate

Upon successful completion of the Department of Education Correspondence Course for a THIRD CLASS STATIONARY STEAM ENGINEERING CERTIFICATE, or possessing equivalent qualifications acceptable to the Vocational School authorities, employees shall be granted six (6) weeks leave of absence with pay to attend an approved Vocational School to complete the course and write the examination for the Third Class Stationary Steam Engineering Certificate.

During his first week at the school the employee will be evaluated by the school authorities to determine his knowledge of the subject, and if the evaluation is favourable he will continue his studies at the school during the following five weeks and write the prescribed examination. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted six (6) weeks leave of absence, five (5) weeks with pay and one (1) without, to return to the Vocational School to complete the course and write the prescribed Third Class Certificate examination.

3. Second Class Certificate

Upon successful completion of the Department of Education Correspondence Course for a SECOND CLASS STATIONARY STEAM ENGINEERING CERTIFICATE, or possessing equivalent qualifications acceptable to the Vocational School authorities, employees shall be granted ten (10) weeks leave of absence with pay, on the basis set forth hereunder, to attend an approved Vocational School to complete the two-part course and write the examination for the Second Class Stationary Steam Engineering Certificate:

- (i) Five (5) weeks leave of absence with pay to complete Part "A" (Mathematics & Physics).
- (ii) Five (5) weeks leave of absence with pay to complete Part "B" (Basic Engineering).

During his first week at the school in each of the above mentioned cases (i) and (ii) the employee will be evaluated by the school authorities to determine his knowledge of the subject, and if the evaluation is favourable he will continue his studies at the school during the following four (4) weeks and write the examination prescribed for Part "A" or "B", whichever is applicable. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted five (5) weeks leave of absence, four (4) weeks with pay and one (1) without, to return to the Vocational School to complete the course and write the examination prescribed for Part "A" or "B", whichever is applicable.

4. Basis of Pay

One (1) week's pay shall be equal to forty (40) hours at the straight time hourly rate of the employee's regular job.

5. Additional Leave

Leaves of absence with pay will be granted to Steam Plant personnel on the basis as set forth in 1, 2 and 3 above. Any further Vocational Training required to pass each respective certificate shall be at the employee's expense and such additional leave of absence will be granted.

6. Books

The Company will pay 100% of the cost of textbooks specified by the Vocational Training School as required for those writing for Stationary Engineering Certificates. The employee will keep these books as his personal property.

7. Examination and Tuition Fees

The Company will bear the cost of the prescribed Examination and Tuition Fees, if any, required of candidates writing for Stationary Engineering Certificates.

8. Transportation Allowance

The Company will grant transportation allowance to Steam Plant personnel attending Vocational School on the same basis that transportation allowance is being granted at the time by the Apprenticeship Branch to apprentices attending an approved Vocational School.

9. Timing of Leave

Leaves of Absence will be granted at a time suitable to the Company, bearing in mind the Vocational School curriculum.

10. Number on Leave

Normally it will not be possible to grant leave of absence to more than one Steam Plant employee at a time. However, if relief is available this limit may, at the discretion of the Company, be exceeded.

11. Government Allowances

If at any time provision is made whereby transportation and/or other allowances are granted by the government to Steam Plant personnel attending an approved Vocational School to write for Stationary Engineering certificates, the provisions set forth above will then be amended to take into account such Government allowances.

12. Living Out Allowance

While an employee is attending Vocational School on the basis set forth in 1, 2 and 3 above, his employer will pay him a living out allowance which, combined with any Government living out allowance to which he may be entitled, is equal to the living out allowance he would receive from the appropriate Government authorities as an Apprentice, pursuant to Section 15 of Exhibit "D".

STATEMENTS OF POLICY

1945 - 2017

B.C.S.L.A.

Taken from the Transcripts of
Negotiations for Contract Years

1945 - 1952 inclusive

and from Memoranda issued during
subsequent Wage Conferences

COMMUNICATIONS, ENERGY & PAPERWORKERS

UNION OF CANADA LOCAL 76

CATALYST PAPER – POWELL RIVER DIVISION

FOREWORD

During the 1946 Labour Conference it was jointly agreed that the Companies and the Union would each appoint a Committee of two (2) to select from the verbatim transcripts of the 1945-46 and the 1946-47 Joint Conferences "Statements of Policy" which were then to be approved by the International Officers of the Union and by representatives of the Companies and thereafter printed in a booklet to be entitled "Statements of Policy". (See 1946 Transcript, page 80 and page 159). This policy has been re-adopted at subsequent Labour Conferences.

The Statements of Policy contained in this booklet have been reworded for the sake of brevity and clarity, and have been agreed to by both Union and Company representatives. They are intended as a supplemental guide in the interpretation of the contract on the points which they cover.

STATEMENTS OF POLICY

Article II - Definitions

- (a) **Definition of "Supervision"**. (Memorandum of Agreement dated January 30, 1958)

Employees and employers recognize that supervisors are excluded from the provisions of the Labour Agreement and accordingly it is improper for supervisors normally to do the kind of work which is done by those defined as employees in the Agreement.

It is also recognized that for the practical and efficient operation of the mills there are occasions when a supervisor must help. Such occasions must be temporary in nature and must not result in the displacement or exclusion of employees under the Agreement.

- (b) **Definition of "Him"**. (Page 98, 1946 Transcript)

Wherever the word "him" appears in the contract it will be taken as referring to a male or female employee as the case may be.

- (c) **Definition of "Engineering"**. (Page 35, 1947 Transcript)

The word "engineering" as used in this section does not refer to steam operating engineers.

Article V - Standing Committee

Payment of Representatives on Union Standing Committee.
(Pages 109 - 110, 1950 Transcript) (Revision made to Item iii)
August 28th, 1998)

- (i) The general principle to be followed is that no employee's normal earnings shall be reduced by virtue of his attendance at a Standing Committee meeting.
- (ii) Employees attending meetings called while they are on duty will be paid for the time in attendance providing a meeting does not extend past the end of a shift.

If it does extend past the end of the shift, no allowance is made for such additional time.

- (iii) A) For employees attending meetings the meeting time will be compensated on either an equivalent time off basis, or overtime basis, at the employee's discretion, for attendance of committee members requested by the Company at recognized committee meetings as below.

Environmental
Safety Reps: Area Safety
Committees
Central Guidance Committee
Lock-Out
Contracting Out
Standing Committee
Wage Delegates

- B) For meetings on a tour workers' first day off, that starts prior to 1:00 p.m., the employee will be booked off at midnight of the previous night shift to provide adequate rest. Should the meeting last more than six (6) hours, pay will be provided for the additional hours as in A) above.
- (iv) Where it is necessary to relieve an employee attending a meeting, the relief man will be paid at straight time except for any time in excess of eight (8) hours in the day which will be paid for at time and one-half.
- (v) The time of the meeting shall be determined by mutual agreement.

Article VI - Hours of Work

(a) Section 2: Overtime

It is hereby agreed by the Companies party to the Labour Agreement that:

- (i) The hours worked on Sundays and on the recognized paid Statutory Holidays provided for in the above referred to Labour Agreement will be used in the computation of the forty (40) hour work week.
- (ii) The foregoing arrangement applies only to recognized paid Statutory Holiday hours and no other hours on which time and one-half has been paid, nor hours paid for Call Time, may be used for the purpose of calculating the forty (40) hour week.
- (iii) For the purpose of calculating overtime, the basic forty (40) hour work week shall be reduced by eight (8) hours in any week in which a recognized paid Statutory Holiday

occurs. Should more than one (1) recognized paid Statutory Holiday occur in any week, the basic forty (40) hour work week shall that week be reduced by eight (8) hours for each such recognized paid Statutory Holiday. For example, in a week in which one recognized paid Statutory Holiday occurs, overtime will be paid for hours worked in excess of thirty-two (32). Should it happen that two (2) recognized paid Statutory Holidays occur in one (1) week, then overtime will be paid for hours worked in excess of twenty-four (24) that particular week.

The work week shall start at 8:00 a.m. (or at the regular hour of changing shifts nearest to 8:00 a.m.) Sunday.

Those pulp mills which are presently working on a forty-two (42) hour week schedule and which have not yet adopted the so-called "1946 Sunday Letter" shall only adopt the terms set out herein after the implementation of a forty (40) hour per week schedule. There shall be a three (3) months training period in which to prepare personnel necessary to effect the change from a forty-two (42) hour to a forty (40) hour per week schedule.

The foregoing is to be considered as supplementary to Article VI, Section 2 - Overtime, of the Labour Agreement and supersedes all existing local agreements in respect of the computation of overtime for Sunday and Holiday work.

(b) Section 2: Overtime, (1) Day Workers

Clarification of Overtime to Day Workers. (Page 90, 1949 Transcript)

The employee's designated day off is Tuesday. He is given less than forty-eight (48) hours notice that it is to be changed to Friday. He is then paid as follows:

Sunday	-	8 hours plus 4
Monday	-	8 hours
Tuesday	-	8 hours plus 4
Wednesday	-	8 hours
Thursday	-	8 hours
Friday	-	off
Saturday	-	4 hours

If he is called back at 1 p.m. Saturday to work four (4) hours in the afternoon, is he entitled to time and one-half? The answer is "no" for the reason that the contract stipulates that overtime

will only be paid on the one basis. In other words, we cannot pay overtime twice on the same time. However, in the letter of October 18, 1946, Powell River Company Limited and Pacific Mills Limited did agree to include Sunday time and designated holidays time in the forty-four (44) hour week (amended to forty (40) hours 1952-53), even though time and one-half had been paid on it. They did not agree to include any other time on which time and one-half had been paid and there is no intention of broadening it at this time. On this principle, therefore, in the case above, the hours the employee worked on Tuesday, his designated day off, are eliminated from inclusion in the forty-four (44) hour week (amended to 40 hours 1952-53).

(c) Section 2: Overtime, (2) Tour Workers

Clarification of Payment of Overtime to Tour Workers. (Page 270, 1948 Transcript)

Where a Tour Worker works an extra shift due to the absence of his mate who has given proper notice and the overtime worked by the Tour Worker extends into another day, he will still be paid at the rate of time and one-half.

Definition of What Constitutes a Mate At Powell River.

(Page 312, 1950 Transcript)

In the case of the Block Loader, there are two men one on one side and one on the other. These will be numbered 1, 2 and 3. No. 1 man relieves No.1; No. 2 relieves No. 2; and No. 3 relieves No.3

Relief of Mates. (Page 328, 1950 Transcript)

The Company will do everything in its power to relieve men within twelve (12) hours when these men are working due to the absence of a mate.

Section 3: Days Off and Schedule of Shifts

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

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

(b) Sunday Running

At a meeting held in Vancouver, B.C., on June 15th, 1953, between the representatives of the Powell River Company Limited and those of Local 142 of the United Papermakers and

Paperworkers, continuous operation of the paper machines was agreed upon in accordance with an understanding as set out in the Minutes of the said meeting.

Section 4: Starting and Stopping Work (b) Day Workers Clarification of "Starting". (Page 260, 1948 Transcript)

When a Day Worker is established on a job that is some distance from his shop he shall be on that job ready to begin work at the time his pay starts and shall not cease work in advance of the time his pay stops. If the worker's time clock is not located close to the route he must travel to his job, he may, at the discretion of the Company, report directly to the job without punching his time card and his foreman shall be responsible for having his time recorded.

Article IX - Allowance for Failure to Provide Work

(a) Clarification of the Word "Accident". (Page 60, 1945 Transcript)

The word "accident" as used in this section means a mishap occurring to an individual resulting in a shutdown. In other words, the occasion involves the human element as distinguished from the mechanical.

(b) Clarification of "Employee's Regular Job". (Page 61 et seq., 1945 Transcript)

In the application of this section it is considered that the allowance is due to an employee only in the case where he is reporting for his regular duties and then no work is provided. If the employee's regular duties consist of ship loading and bull gang work, he may be transferred from one regular assignment to another without penalty providing he obtains work on either job. However, while working on ships he will receive the ship rate and while working in the yard he will receive the bull gang rate. In the case of an employee, whose regular duties consist of one specified job, and who reports for work and finds no work available, if such employee then transfers to a job carrying a lower rate, at his election, he shall nevertheless receive the rate paid him on his regular job.

(c) Clarification of "Breakdown". (Page 258, 1948 Transcript)

A breakdown in one department which compels the closing down of one or more additional departments is a breakdown within the meaning of this section, providing the Company uses its discretion in handling the case and where there is no loss of time unjustly caused to an employee.

Article X - Call Time

(a) Applicability of Section in Specific Instances. (Page 157, 1946 Transcript)

- (i) When a Day Worker whose shift is from 8:00 a.m. to 5:00 p.m. is told to go home at 12:00 noon and return at 4:00 p.m. for work, he will receive two (2) hours Call Time because the shift was designated at 12:00 noon.

(b) Definition of "Regular Scheduled Shift". (Page 65, 1949 Transcript)

A regular scheduled shift is the work defined for an employee by the Company.

(c) Applicability of Section in Specific Instances. (Questions and answers - report of Call Time Committee, 1949 Transcript)

- (i) In Section 2(a) relating to the payment of Call Time to Tour Workers, the phrase "after he has completed his regular shift" shall be considered to mean at that point when his pay stops upon being relieved by a mate.
- (ii) A Day Worker is called in on his designated day off reporting for work at 8:00 a.m. and working until 10:00 a.m. for which he received four (4) hours pay as the minimum allowance for an employee who starts work. If notification had not been given during his last shift preceding the work involved, he would qualify for Call Time and would also qualify under the provisions of Section 3(a) wherein a minimum of four (4) hours pay will be paid for each call when work has actually commenced both to Tour Workers and Day Workers.

In the above case the worker worked two (2) hours at the overtime rate plus a two (2) hour call which would entitle him to five (5) hours pay, thereby meeting the requirements of Section 3. It should be made clear that an employee under these circumstances will not receive four (4) hours minimum pay plus Call Time, if any, but that the four (4) hours minimum pay includes the Call Time payment.

- (iii) A Day Worker normally working the 8-5 or 8-4 shift is ordered to go home at 12:00 noon and report back for work at 4:00 p.m. or 12:00 p.m. The employee in question is entitled to Call Time since his designated shift terminated at 12:00 noon and more than two (2) hours elapsed between his designated shift and his return to work.

Article XVII - Statutory Holidays

(a) Work to be Performed. (Page 238, 1948 Transcript)

Employees who are required to work on designated holidays are expected to perform regular maintenance and routine duties normally assigned to them.

(b) Clarification of What Repair Work May Be Done. (Page 240, 1948 Transcript)

In a case of an emergency involving the closing of the mill for a day or more and a loss of employment to a substantial number of men, employees are expected to perform repair work on holidays.

(c) Clarification of Section 4. (Page 265, 1948 Transcript)

(i) In the calculation of the forty-two (42) hour work week (amended to forty (40) hours 1952-53) the payment of holiday pay will not be used unless the employee actually worked.

(ii) It is understood that an employee's vacation shall be exclusive of a paid holiday as recognized by the Labour Agreement. Therefore, if one or more such holidays fall within the employee's vacation period, he will be required to take the comparable number of additional days off. The employee shall only receive the pay for such recognized paid holidays falling within his vacation period when he takes the required additional time off.

(iii) Where an employee, after having agreed to do so, fails or refuses to work on a holiday, on account of sickness, or other bona-fide reason, the Company reserves the right to investigate the absence of the employee to decide whether or not he is entitled to holiday pay.

(iv) The sixty (60) day qualifying period referred to in Clause (a) refers to "calendar" days.

(d) Clarification of Section 4(c). (Page 105, 1950 Transcript)

Employees absent on the "scheduled work day before and/or the scheduled work day after a recognized holiday" are excused from their regular scheduled shifts in instances of sickness, or of sickness in the family, and are, therefore, entitled to holiday pay. The question of the validity of the excuse of sickness can be determined by the Company in each mill in each case.

Article XXVIII - Safety and Occupational Health/Unsafe Working Conditions. (Page 136, 1947 Transcript)

It is not the policy of the Company to require an employee to work under unsafe conditions. It is admitted by the Union and the Company that it is impossible to draw a hard and fast line as to what is safe and unsafe. Being a factual question, each case must be decided on its merits, but in general an employee who justifiably refuses to work under unsafe conditions would not be subject to discipline.

Article XXX - Disciplinary Action

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

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

Article XXXI - Adjustment of Complaints

Standing Committee Can Call in Members for Discussions of Grievances with the Company. (Page 261, 1946 Transcript)

It is agreed that the Union Standing Committee may call in any other employee to accompany them in their meetings with Company officials.

Exhibit "A"

Clarification. (Memorandum No. 6, 1952 Wage Conference)

"An employee shall be considered as having been promoted to a higher rate job when he has taken over the duties and responsibilities of that job, without the guidance of the employee who is breaking him in. He shall then receive the higher rate. During the period the employee is being broken in and another employee is on the job and carrying the responsibility for it, the employee being broken in shall receive the hourly rate of his previous regular job."

Miscellaneous

(a) **Painting and Welding Being Done by Other than Regular Painters and Welders.** (Page 137, 1947 Transcript)

Painting - No operator or helper will be required to paint while carrying on his regular operating or helping job.

Welding will be done by the regular welding crew except in the case of an emergency where only a qualified senior mechanic may perform this work.

(b) **Rents and Services.** (Page 122, 1947 Transcript)

Services in mill towns include such items as the general store, hospital, living quarters, rent, power, light, water, garbage, etc. In respect to the future, when all controls are eliminated, the Companies' policy will be to provide at all times the best possible services to the people working in these communities at the best possible cost. Profit on service has never been a factor in the Companies' determination of the price of the services

(c) **Status of Employees Refusing to Work in Excess of 8 Hours Per Day or Scheduled Hours Per Week.** (Page 91, 1949 Transcript)

If an employee is requested to work in excess of eight (8) hours in any one day or in excess of his scheduled work week hours in any one week, the employee has the right to come in or not to come in and no penalty can be imposed by the employer for the failure of the employee to come in. It is understood, however, that the Companies are entitled to look for reasonable co-operation from their employees.

(d) **Conflict Between Labour Agreement and Transcript.**

Whenever there is a conflict between the Labour Agreement and the Transcript, the Agreement will prevail. (p.46 & 47, 1951 Transcript)

(e) **Native Indian Employment**

In response to a Union proposal relative to encouragement of Native Indians to seek employment, the Industry will participate with the National Union in a joint committee to function during the term of the 1970 Labour Agreements. The committee will be known as the Native Indian Employment Committee, and will consist of eight (8) members, four (4) representatives of the Unions and four (4) representatives of the Industry.

The purpose of the committee will be to examine problems relative to employment of Native Indians and make appropriate recommendations to the Company and Union to further this objective.

CCAA PLAN OF ARRANGEMENT 2012

March 10, 2012

The parties agree to recommend acceptance of the following amendments to the 2008 – 2012 Labour Agreement.

The parties also agree the Local Unions will be entitled to satisfy itself through the efforts of an Accountant designated by the Local Unions that any “plan of arrangement” made as part of the CCAA Court process and any agreements reached with creditors of the Company are appropriate for and consistent with the business plan of the Company to continue to operate. The Accountant shall be bound by the appropriate Confidentiality Agreement but will be entitled to provide general opinions and assurances to the Local Unions and this agreement and concessions will not be effective until the Local Unions have been satisfactorily informed on the relief by the Accountant as set out above. The review by the Accountant may include examination of the agreements reached by the Company with its major lenders and bond holders on a confidential basis.

It is also agreed that the amendments to the Collective Agreement set out below have been agreed to by the Unions to assist the Company in developing a “plan of arrangement” to facilitate the furtherance and conclusions of the CCAA process and to facilitate the continued operation of the various mill operations represented by the Local Unions. Should any “plan of arrangement” not be approved or accepted by the Court process (either because of opposition of Creditors or refusal by the Court) or should the “plan of arrangement” put forward by the Employer (or any amendment to that plan) involve either the closure (partial or otherwise) of any of the mill operations represented by the above Local Unions, then the amendments to the Collective Agreement set out below shall be deemed null and void and the current Collective Agreement between the respective Local Union(s) and the company (defined as the 2008 – 2012 Labour Agreements that are in place in each location including Local Agreements prior to the “concessions”) shall immediately be deemed to be and have been the terms and conditions of employment for all bargaining unit employees and the 2008 – 2012 Labour Agreements shall immediately be deemed to be and have been the Labour Agreements between the parties at each location.

This agreement is without prejudice to any rights or claims that the Local Unions may make in any Court or other proceeding including any CCAA or other insolvency proceeding.

**Agreement Between
Catalyst Paper Corporation**

And

**The Communication Energy and Paperworkers Unions,
Local 1, 76, 592, 686, 1132, 630 and 1123
(The "Unions")**

Whereas the Company and all related corporate entities that are Petitioners in Action #S120702 entered into CCAA proceedings in BC Supreme Court and are planning on presenting a "Plan of Arrangement" to the Court pursuant to the CCAA.

Whereas part of that arrangement will be the continuation of the revised Collective Agreement that is to be agreed to as part of current negotiations between the Company and the Unions.

Whereas the Unions have made substantial amendments and concessions to the Company in furtherance of its intention to cut operating costs and continue operating.

Whereas the Unions have made these concessions explicitly to assist the Company but also so that obligations of the Company to members and former members of the Unions that were in effect on the CCAA filing date of January 31, 2012 will continue to apply after the arrangement becomes effective.

Whereas the Employer agrees that it explicitly agrees to honour those obligations despite them potentially being "pre-filing debts" in the CCAA action and thus subject to potential compromise.

Whereas the parties agree that the Unions are agreeing to the compromise contained in the revised Collective Agreement explicitly on the basis that the obligations will continue as set out above and below. The parties agree:

- The Company will ensure that all obligations (including any obligations currently in dispute through the grievance process under a collective agreement to the extent that the Company is determined to be responsible under such process) and amounts owing to CEP members and former CEP members pursuant to various current and former Collective Agreements, Letters of Understanding or other retirement or severance arrangements to the extent applicable as of the CCAA filing date of January 31, 2012 will continue after any Plan of Arrangement placed before the Court and other Creditors and those obligations and amounts will survive any final "discharge order" pursuant to the CCAA proceedings and be continuing obligations of the Company or its

successor regardless of any technical “Bankruptcy” or any other insolvency proceeding.

- The Company will be responsible for obtaining the agreement of the 2016 Bondholders group this arrangement under a plan of arrangement with the Company files under the CCAA.
- Without limiting the generality of the above and unless explicitly compromised in the new Collective Agreement entered into between the parties, the Company will ensure and take steps to ensure the Company’s obligation with respect to the following amounts continue to apply in any “plan of arrangement” regardless if the amount owing to individual CEP members or former members was accrued prior to the CCAA filing date of January 31, 2012 namely:
 - All pension top-up payments due and owing under various early retirement agreements between the parties.
 - All “bridging” payments due and owing for “early retirees” under the various Collective Agreements including “pop-up” payments.
 - All benefits payable pursuant to agreements between the parties for retirees and their beneficiaries to the extent that such benefits were being paid by the Company prior to the CCAA filing date of January 31, 2012.
 - All vacation or other “earned time” benefits owed to current employees including banked time, supplementary vacation, lieu time or other accumulated benefits under the various Collective Agreements.
- This agreement is entered into at the same time as the revised Collective Agreement and if this agreement is Nullified any way, then the Collective Agreement is also nullified.

Agreed to this 10th day of March, 2012.

For Catalyst Paper Corporation

Steve Boniferro
Robert Stepusin

For Communications, Energy and
Paperworkers Union of Canada

Roy Plotniko, Local 686
Eldon Haggerty, Local 1
Fraser McQuarrie, Local 1132
Michael Verdiel, Local 76
Jim Van Dusen, Local 592
Don Boucher, CEP National Union
R. Hughf, CEP National Union
Dave Schaub, CEP National Union

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LETTERS OF UNDERSTANDING

LETTER OF UNDERSTANDING **September 5, 2002**

LIVING OUT ALLOWANCE – APPRENTICESHIPS/STEAM PLANT

On successful completion of the required period of vocational school training, the Company will reimburse out-of-town expenses to a maximum of two (2) hours pay per day at the first year apprentice rate on a seven (7) day basis while in attendance at school. This reimbursement will also apply to Steam Plant personnel.

It will be paid after the employee's return to work and when verification of vocational school attendance is received from the appropriate agency.

LETTER OF UNDERSTANDING **January 3, 2003**

LIVING OUT ALLOWANCE – PAYMENT OF

Mr. R. Michael Verdiel
CEP, Local 76
5814 Ash Street
Powell River, B.C. V8A 4R4

Dear Mike:

RE: Living Out Allowance for Apprentices

This will confirm our conversation that the Living Out Allowance will be paid directly on a daily basis to the apprentices. It is also understood that adjustments shall be made, if necessary, upon verification of school attendance

Regards,
Ruth Bilesky
Advisor, Human Resources
Powell River Division

LETTER OF UNDERSTANDING

September 5, 2002

REHIRING

Mr Mike Verdiel
President, Local 76,
Communications, Energy and Paperworkers Union of Canada
5814 Ash Avenue
Powell River, B.C. V8A 4R4

Mr Gary Thorsell
President, Local 1
Communications, Energy and Paperworkers Union of Canada
5814 Ash Avenue
Powell River, B.C. V8A 4R4

Dear Mike and Gary:

The following practice will be observed during the 2003 - 2008 contract.

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

- a) their recall rights under Section 3 of Article XXI - Seniority have expired;
- b) they have a current application on file;
- c) they have the qualifications and ability to perform the work properly.

Application must be made within thirty (30) days of the expiry of recall rights and will remain in effect for three (3) months unless renewed. An application or renewal maybe extended for a period of three (3) months at any time during the third month of its currency. Normal job qualifications must be met.

A former employee will no longer have preference if he/she fails to accept an offered position. Those hired under this practice will be new employees."

Yours very truly,
Brian Johnston
Vice-President
Powell River Division

LETTER OF UNDERSTANDING**September 5, 2002**

CONTRACTING OUT

re: 1992 Union agenda item

Mr Mike Verdiel
President, Local 76,
Communications, Energy and Paperworkers Union of Canada
5814 Ash Avenue
Powell River, B.C. V8A 4R4

Mr Gary Thorsell
President, Local 1
Communications, Energy and Paperworkers Union of Canada
5814 Ash Avenue
Powell River, B.C. V8A 4R4

Dear Mike and Gary:

LETTER OF INTENT

For the term of the renewed Collective Agreement, the Company will not send equipment out of the mill for repair, which directly results in the layoff of tradesmen or apprentices.

Yours very truly,
Brian Johnston
Vice-President
Powell River Division

LETTER OF UNDERSTANDING**April 4, 1995****CONTRACTOR ON SITE**

LETTER TO THE C.E.P. FROM PACIFICA PAPERS INC. POWELL RIVER

This is to confirm the agreement between the Company and your respective unions respecting the conditions that would apply to contractors coming onto the mill site to perform construction work or perform maintenance and repair work of a nature normally performed by employees in the bargaining unit. This agreement will prevail for the duration of the Collective Agreement. In entering into this agreement, the Unions acknowledge that, subject to contracting Article XXV (C.E.P.) and the Company retains the right

to select contractors as it deems appropriate.

No aspect of this policy applies to contractors which are certified to Unions recognized by the Local Union, it being clearly understood that a union's affiliation to The Canadian Labour Congress, the B.C. Federation of Labour or the Confederation of Canadian Unions warrants such recognition.

Any other contractor who comes onto the mill site to perform construction work or perform maintenance and repair work which is of a nature normally performed by employees in the bargaining unit shall abide by the following Code of Ethics. This Code defines the terms and conditions under which these contractors and their employees will be governed during the term of their contract.

1. Minimum Wages

The contractor's straight time hourly rate of pay for a journeyman will not be less than the straight time hourly rate for the equivalent mill journeyman. The contractor's straight time hourly rate of pay for all other employees shall not be less than the straight time hourly base rate for the mill.

2. Contributions to the Pulp and Paper Industry Pension Plan

Subject to the approval of the plan trustees and the appropriate regulatory authorities, the Company shall remit annually to the Pulp and Paper Industry Pension Plan the following:

- a) For contractors performing maintenance and repair work of a nature normally performed by employees in the bargaining unit--the equivalent contributions.
- b) For contractors performing construction work - one half the equivalent contributions.

3. Remittance to the Local Union CEP 76

One percent (1%) of all wages earned calculated on the basis of straight time hours worked shall be remitted to the Local Union on a monthly basis.

4. Adherence to Safety Regulations

Contractors performing construction work are responsible for ensuring that their employees comply with the health and safety regulations and policies applicable to the work being performed. When the contractors' employees are performing maintenance and repair work which is of a nature normally performed by employees in the bargaining unit, the contractors and their employees shall adhere to the established health and safety

regulations and policies in force at the mill site. Management commits to deal promptly with any violations brought to its attention by the Joint Health and Safety Committee.

5. Honoring of Picket Lines

Contractors' employees shall honour all legal picket lines at the mill site. Failure to do so shall result in disqualification from the future access to the mill site for the term of the contract. A contractor will not be allowed on the mill site if it has a current, demonstrated practice of crossing legal picket lines.

The Company will honour the commitments made in this letter for the duration of the Collective Agreement and will ensure that a copy of this letter is provided to any contractor participating in the contract bidding process.

LETTER OF UNDERSTANDING

FLEXIBLE WORK PRACTICES

"Flexible Work Practices will be implemented consistent with the Letter of Understanding attached to this Agreement."

1. The introduction of flexible work practices is designed to improve productivity, improve product quality, reduce down time and lower costs while ensuring that the work is completed in a safe manner. The efficiencies that result from flexible work practices are also intended to assist in fulfilling the intention of Article 25 of the Agreement.
2. The parties agree that this letter on flexible work practices recognizes that the primary responsibility for the operation of the mill will remain with operators and the primary responsibility for maintaining the mill will remain with trades persons.
3. It is understood that the intent of this letter will supersede local practices, and verbal and written agreements which would impair the implementation of flexible work practices.
4. All work will be performed in a manner consistent with safety articles of the collective agreement as well as the company's safety rules and the regulations issued by the Workers' Compensation Board of B.C. It is recognized that some tasks can only be performed by employees who possess certain government certifications and

in that instance, the work will only be performed by employees who possess the required government certificate.

5. The intent of this agreement is to provide that all employees will safely utilize all of their existing skills and maximize their productivity and learn and use new skills to enhance their effectiveness.
6. The Company and the union will meet to discuss a module based training program that will enhance the existing skills of employees. They will also discuss the option of using trainers from the bargaining unit to assist in the design and delivery of the training modules. The Company will design and introduce new training programs to facilitate the implementation of and evolution of flexible work practices.
7. All employees will be required to complete training programs as prescribed by the Company and utilize new skills acquired as a result of training. Training will be consistent for all employees in each job classification.
8. The parties recognize that the acquisition of new skills that facilitate the implementation of flexible work practices is an ongoing process and will continue over time to support the changing needs of the business.
9. The following payments will be made for flexible work practices:

Maintenance employees	\$.95 per hour
Operations employees	\$.40 per hour

to be implemented as follows:

- Effective May 1st, 1998 and prior to applying any other wage increases, \$.45 per hour for Maintenance employees and \$.20 for Operating employees.
- Immediate utilization of existing skills that may not have been previously used due to restrictive work practices.
- Employees assisting each other regardless of department or occupation.
- There will be two training modules for Maintenance employees and one training module for Operations employees which will enhance the employee's ability to be flexible, payment for which will be as follows:
- \$.25 provided to all maintenance employees effective date of ratification.

- \$.25 provided to all maintenance employees effective May 1st, 1999.
- \$.20 provided to all production employees effective May 1st, 1999.

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

The same delineation which defines who is an operator and who is a maintenance employee shall apply to the payment of premiums. Maintenance employees will include all journeymen as identified under Exhibit I - Definition of Mechanical Trades - of the Collective Agreement and roll balancers, lubrication mechanics and saw filers.

The parties agree that there will be no pyramiding of credits under the job evaluation plan for duties that are being compensated for under the flexible work practices agreement, unless the changes constitute new regular job duties added to their classification as defined by the job evaluation plan. These new regular job duties must result from either new or changed procedures/equipment or from the permanent reassignment of duties from another job classification.

Note: Effective April 30, 2003 all flexible work practice payments will be rolled into the wage rates.

10. Training programs implemented under point (6) are not intended to force qualification in another trade.
11. The Company agrees that no employee will lose their employment with the Company as a direct result of the implementation of flexibility initiatives under this letter. This provision applies to only those employees employed at the date of ratification of this agreement.
12. No trades person or apprentice will be involuntarily displaced from their respective trade on a permanent basis as a result of the implementation of flexible work practices.
13. It is not intended that flexible work practices shall result in a trades person being assigned to a non-trades classification when someone outside of his trade is performing his trade core duties.
14. The Company agrees that no employees regular job rate will be reduced when he/she is assigned to perform work under this work place flexibility agreement. This does not apply to an employee who is laid off or whose job is temporarily curtailed and is recalled

or works in a different job category on the basis of mill seniority.

15. The Company commits to maintain apprenticeship agreements.
16. For the term of the renewed Collective Agreement, the Company and the Union agree to establish and participate in a Joint Committee which will meet quarterly to discuss issues related to productivity, morale, profitability, work opportunities, market conditions, any alleged discrimination, the ongoing effectiveness of flexible work practices and any other problems related to flexible work practices.

17. The Joint Committees will be composed as follows:

Committee 1

the President of Local 1
Mill Manager
Wage Delegates Local 1
Company Representatives
CEP National Representative

Committee 2

the President of Local 76
Mill Manager
Wage Delegates Local 76
Company Representatives
CEP National Representative

18. The parties agree that disputes relating to the implementation of this letter shall be reviewed by the Joint Committee, which will make every effort to resolve these disputes in accordance with the spirit and terms of this letter.
19. For the term of renewed Collective Agreement, the Company and the Union agree to establish and participate in a Presidents' Council which will meet quarterly to discuss issues related to productivity, morale, profitability, work opportunities, market conditions, any alleged discrimination, the ongoing effectiveness of flexible work practices and any other problems related to flexible work practices. The President's Council will be composed as follows:

The President and CEO of Catalyst Paper Inc.
Vice-President of Operations
Senior Vice-President of Human Resources
Vice – President CEP Western Region
Each Division General Manager
Each Division Human Resources Director
Each Catalyst Paper Inc. Local Union President (or designate)
One additional delegate from each Local Union

The Company has agreed to pay all reasonable expenses for the attendance of each Local Union President (or their designate) and another member to attend the President's Council.

LETTER REGARDING CATALYST PAPER MILLS

With respect to the implementation of flexible work practices at the Catalyst Paper mills, the parties agree that they will consult with respect to ways and means to avoid jurisdictional disputes between the unions.

LETTER REGARDING POWELL RIVER

With respect to the implementation of flexible work practices, the parties agree that they will consult with respect to ways and means to avoid jurisdictional difficulties between Local 1 and Local 76.

CLARIFICATION RE: - FLEXIBLE WORK PRACTICES

The following principles are intended to provide clarification for all employees and staff, as to how the implementation of flexible work practices evolve.

All of those who have developed these clarification notes and who are signatory to this agreement commit that they will collectively and individually support and assist in all reasonable ways to see that productivity and job security are maximized through the use of flexible work practices

Understanding of what flexible work practices are:-

- 1) Respecting the core duties of the trades is paramount. Scheduling of work respecting these duties is also paramount. Employees will use all of their existing skills and new skills in completing their tasks.
- 2) A recognition of seniority, lines of progression and jurisdiction unless through open dialogue understandings are reached e.g. junior person in line be re-assigned prior to a more senior person subject to Article XXI Seniority, understanding that seniority will not prevent an employee taking the initiative to assist to get work done by utilizing their existing skills and new skills.
- 3) Assisting each other, during down times or upset conditions, utilizing, existing and new skills in order to reduce down time and improve efficiencies.
- 4) Trades assist each other to perform their duties in an effective and efficient manner, at the same time acknowledging the respective trade core duties.

- 5) A method of freeing up time in order for employees to perform more complex duties within their classification. As employees become more skillful as is described in point #3, #4 and #6, this will lead to incorporating work which would normally be contracted out.
- 6) Module training which is universal and consistent for all job classifications, which does not require formal testing but rather provides for comprehension.
- 7) Designed to preserve and enhance employment.

Understanding of what flexible work practices are not: -

- 1) Employees unreasonably refusing to perform tasks assigned based upon the above mentioned principles nor will unreasonable assignments be made.
- 2) A method of driving work place re-organization through change for the sake of change nor a method of driving changes to job descriptions or transfer of duties from one classification to another or higher qualification requirements, including multi-skilling or dual trades.
- 3) A reassignment of duties where equipment is left running, unattended.
- 4) A reassignment of duties with an expectation of the remaining crew members to absorb the duties of the now vacant position.
- 5) A process to undermine nor circumvent the terms and conditions of the collective agreement. But rather only agreements and practices with respect to present work practices are superseded where they impair the implementation of flexible work practices under the letter of understanding.

LETTER OF UNDERSTANDING

REHABILITATION AND REINTEGRATION PROGRAM

- i. The Company and the Union agree to the establishment of a Joint Union - Management Rehabilitation/Re-integration Committee.
- ii. The Committee shall be comprised of up to three (3) representatives each from the Company and the Union.

- iii. The purpose of the Committee will be to investigate and make recommendations on the implementation of an effective Rehabilitation/Re-integration Program during the term of this agreement.
 - iv. The goal of the Program will be to assist workers injured either on or off the job to return to the mainstream of employment at the mill.
-

LETTER OF UNDERSTANDING **August 28, 1998**
PENSION PLAN BANKED OVERTIME HOURS

Mr. Mike Verdiel
President, Local 76,
Communications, Energy and Paperworkers Union of Canada
5814 Ash Avenue
Powell River, B.C. V8A 4R4

Mr. Gary Thorsell
President, Local 1
Communications, Energy and Paperworkers Union of Canada
5814 Ash Avenue
Powell River, B.C. V8A 4R4

Dear Mike and Gary:

Re: Pension Plan Banked Overtime Hours

The Company will provide a letter to the Pension Plan Trustees recommending that all banked overtime hours earned, when taken off in the following calendar year, will be treated in a like manner to banked overtime hours taken off earned before the employee reached the 2080 hours cut off.

Yours truly,
Miles Lauzon
Vice President and General Manager

**LETTER OF UNDERSTANDING
JOB SECURITY**

September 5, 2002

Mr. Mike Verdiel
President, Local 76,
Communications, Energy and Paperworkers Union of Canada
5814 Ash Avenue
Powell River, B.C. V8A 4R4

Mr. Gary Thorsell
President, Local 1
Communications, Energy and Paperworkers Union of Canada
5814 Ash Avenue
Powell River, B.C. V8A 4R4

Dear Mike and Gary:

RE: Job Security

In the event that downsizing occurs under the Job Security and Job Elimination articles of the Labour Agreement, the Company undertakes to discuss the application of the severance pay provisions with the Unions.

Yours truly,
Brian Johnston
Vice-President
Powell River Division

**LETTER OF UNDERSTANDING
COMMITMENT TO EMPLOYMENT**

September 3, 2002

David Coles
Vice- President, Western Region
Communication, Energy and Paperworkers Union
#540 – 1199 West Pender Street
Vancouver, BC V5E 2R1

Protecting and enhancing employment in the pulp and paper industry is a joint commitment of the Company and Union. The Company and Union agree that stable employment must be based upon economically viable operations, a high level of labour productivity and quality production.

To this end, the parties will continue to discuss means to preserve and enhance employment during the term of the Agreement.

- 1) The Company and Union will establish a joint committee on employment opportunities. The joint committee will be made up of Local Union representatives, mill management representatives, representatives of the CEP National office and Catalyst Paper.
- 2) The joint committee will examine ways to enhance employment opportunities through new work arrangements, including reduced overtime and working time alternatives. The company agrees to provide the joint committee with relevant information to ensure an informed discussion of the issues.
- 3) The joint committee will make recommendations to the parties on enhanced employment opportunities.
- 4) Both parties undertake to give active consideration to all recommendations and vigorously work towards implementation of recommendations where agreement is reached.

Yours truly,

Ron Buchhorn

Vice-President, Human Resources

LETTER OF UNDERSTANDING

RETIREE EXTENDED HEALTH BENEFITS

It is agreed that a fund be established to address the issue of ensuring benefit coverage when the retiree or their spouse exceeds the Retiree Extended Health Care Benefit lifetime maximum of \$25,000.

Catalyst Paper agrees to contribute a yearly top up of up to \$100,000.00 into the common fund, for all CEP Locals of Catalyst Paper, to reach and maintain a minimum balance of \$400,000.00 in the fund. The top up payment will occur on May 1 of each year for the term of the Collective Agreement.

The Union will provide an audited financial report to the Company every year.

For the purpose of union administration of this fund, a committee comprised of one (1) representative from each Local Union and a representative from the CEP Western Region office shall meet following ratification of the Memorandum of Agreement to:

1. Select a fund administrator
2. Develop guidelines for Governance and Investment Issues

The guidelines for Governance and Investment Issues shall be completed within six (6) months following ratification. The Union shall be solely responsible for the governance and administration of this fund.

Dated this 20th day of November 2008.

For the Company
Steve Boniferno
Sr. Vice President, Human Resources

For the Union
Mike Fenton
CEP National Representative

**LETTER OF UNDERSTANDING
TRADES QUALIFICATIONS**

September 3, 2002

CEP and Catalyst Paper both clearly recognize the critical nature of apprenticeship training and certified trades qualifications mechanisms. It is no secret that British Columbia is facing a skills shortage and the pulp and paper industry is not exempt from this impending crisis.

The parties agree to work cooperatively on the issues of workplace and trades training. The union and the company agree that closer cooperation will help protect them against any changes that could negatively impact the skill levels and portability of trades persons in BC.

The parties agree to the establishment of a committee comprised of management representatives of Catalyst Paper and appropriate representatives of the CEP to develop a strategy of maintaining the principles of certified trades training for British Columbia and the opportunity for workers to participate in inter-provincial qualifications examinations.

The parties agree to approach other like-minded employers to extend an invitation to join in the efforts of the committee as outlined above. The parties also agree that all recommendations from this committee will be communicated collectively to the provincial government.

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

Dave Coles
Vice-President
Western Region

Ron Buchhorn
Vice-President, Human Resources
NorskeCanada

LETTER OF UNDERSTANDING CAPTAIN'S TICKET

Letter of Understanding
Between
Communications, Energy and Paperworkers' Union of Canada
Local 76 (the Union)
And
NorskeCanada, Powell River Division (the Company)

RE: Time off at work to study for Captain's Certification

To encourage appropriate employees within the Fibre Handling department to earn their Captain's Certification, it is agreed that:

1. 200 paid at-work hours will be provided to employees enrolled in the Master Limited Program for the purpose of completing correspondence coursework toward their certification.
2. Other alternatives for exam preparation (i.e. attending compressed in-class programs, one-on-one instruction) will also be considered on a case-by-case basis.
3. Employees enrolled in the Master Limited Program will be expected to work on their studies at any time when there is adequate manning in the department.

The terms and conditions of this letter shall be in effect for the term of the Labour Agreement expiring April 30, 2008.

The terms of this agreement are limited strictly to the circumstances and are not intended to apply to other circumstances or situations in the bargaining unit.

Signed this 18th day of April 2003.

Original signed By:

Brian Johnston
Vice-President
Powell River Division

Mike Verdiel
President
CEP Local 76

**LETTER OF UNDERSTANDING
EXTENDED HEALTH MEDICAL PLAN**

March 11, 1999

To all Hourly Employees
RE: Extended Health Medical Plan

Lifetime Maximum from \$100,000 to \$1 Million

Pacifica Papers Inc., Powell River has arranged through our carrier (Pacific Blue Cross), to increase the Extended Health Medical Plan lifetime maximum for all eligible expenses from \$100,000 to \$1,000,000 per family member.

One of the eligible expenses is for Emergency Medical costs (if required) when traveling out of the country. This applies to either traveling on company business or for personal reasons.

As many people travel out of the country for or on behalf of Pacifica it was felt additional coverage would provide better protection in the event of a health emergency. As the plan covers personal travel for you and your dependent family members, the new lifetime maximum will also apply to them.

This letter is for your information. The increase is effective March 1, 1999.

Sincerely,
Miles Lauzon
VP & General Manager

March 10, 2012

**COMMITMENT TO LONG TERM SUCCESS
OF PULP AND PAPER INDUSTRY IN BC**

The Parties recognize the importance of a long term successful Pulp and Paper Industry in British Columbia and in particular within the communities and facilities which Catalyst Paper operates. To this end the Company is prepared to work jointly with the Communications and Paperworkers Union of Canada (CEP) to secure the following:

- Work jointly with CEP its officers, agents and contacts to seek funding for the advancement of the above stated purposes including alternate fuels etc., otherwise referred to as "Green Initiatives", from Federal and Provincial Ministries and their agencies etc.

- Work jointly with the CEP its officers, agents and contacts to acquire a fibre supply that gives a long term viable supply of fibre at a fair market price.
- Work jointly with the CEP its officers, agents and contacts, Provincial and Federal Ministries and their agencies etc., to acquire funding and/or investment opportunities for a wider range of higher valued products and possible finished product opportunities.
- Work jointly with CEP its officer, agents and contacts Provincial and Federal Ministries and their agencies etc., to develop a Provincial Pulp and Paper Industry training initiative for new employees, Steam Plant Operators, Trades and other positions requiring certification. This may require working closely with other heavy industry employers across British Columbia.

A review of the status of these ventures and initiatives will be conducted on a quarterly basis at the President's Council, any value achieved will be applied to the ongoing operation of the three (3) Canadian operations.

LETTER OF UNDERSTANDING

March 10, 2012

PRESIDENT'S COUNCIL

The Company and Union agree to establish and participate in a Revised President's Council which will meet quarterly to work with the President and CEO along with senior management towards achieving the Company's business goals and objectives. The President's Council will:

- 1) Review and monitor progress toward meeting performance, sales, employment and other targets set out in the Annual Business Plan;
- 2) Review the capital expenditure program
- 3) Review major sale, lease or rental of assets
- 4) Review manning objectives including attrition, recruitment and other matters which impact employees.

The President's Council will be composed of:

- President and CEO of Catalyst Paper Corp.
- Vice President of Operations

- Senior Vice President of Human Resources
- General Manager of each Division
- Human Resources Manager of each Division
- President and one additional delegate from Local Union(s) of each Division
- CEP National Representative(s)
- CEP Western Region Vice President or designate

The company agrees to pay for all reasonable expenses for the attendance of each Local Union President (or their designate) and additional delegate for attendance at the President's Council.

LETTER OF UNDERSTANDING

March 10, 2012

Banked Time 2012-2017 Renewed Labour Agreement

The parties agree that Article VI – Hours of Work or Agreements which form part of the renewed Labour Agreement providing for the payment or banking of overtime based on the double time are suspended until April 30, 2015. During this period employees will receive payment at time and one-half or straight time rate and banking at ½ time rate for the actual time worked.

May 1, 2012 to April 30, 2015. Examples would be as follows:

A day worker works four (4) hours beyond the end of their scheduled shift. They would be entitled to receive:

- Eight (8) hours at the straight time rate
- Two (2) hours at the rate of time and one-half
- Two (2) hours at the straight time rate
- Two (2) hours banked at the half time rate (one (1) hour in the bank)

A day worker works fourteen (14) hour in a day. They would be entitled to receive:

- Eight (8) hours at the straight time rate
- Two (2) hours at the rate of time and one-half
- Four (4) hours at the straight time rate
- Four (4) hours banked at the half time rate (two (2) hours in the bank)

A day worker is called to work at 10 PM and works four (4) hours following completion of their regular shift. They would be entitled to:

- Eight (8) hours at the straight time rate

- Two (2) hours at the rate of time and one-half

- Two (2) hours at the straight time rate

- Two (2) hours banked at the half time rate (one (1) hour in the bank)

A tour worker works four (4) hours beyond the end of their scheduled shift. They would be entitled to receive:

- Twelve (12) hours at the straight time rate

- Four (4) hours at the straight time rate

- Four (4) hours banked at the half time rate (two (2) hours in the bank)

A tour worker works twelve hours on their designated day off. They would be entitled to receive:

- Eight (8) hours at the rate of time and one half

- Four (4) hours at the straight time rate

- Four (4) hours banked at the half time rate (two (2) hours in the bank)

Effective May 1, 2015. Examples are as follows:

A day worker works four (4) hours beyond the end of their scheduled shift. They would be entitled to receive:

- Eight (8) hours at the straight time rate

- Two (2) hours at the rate of time and one-half

- Two (2) hours at the straight time rate

- Two (2) hours banked at the straight time rate

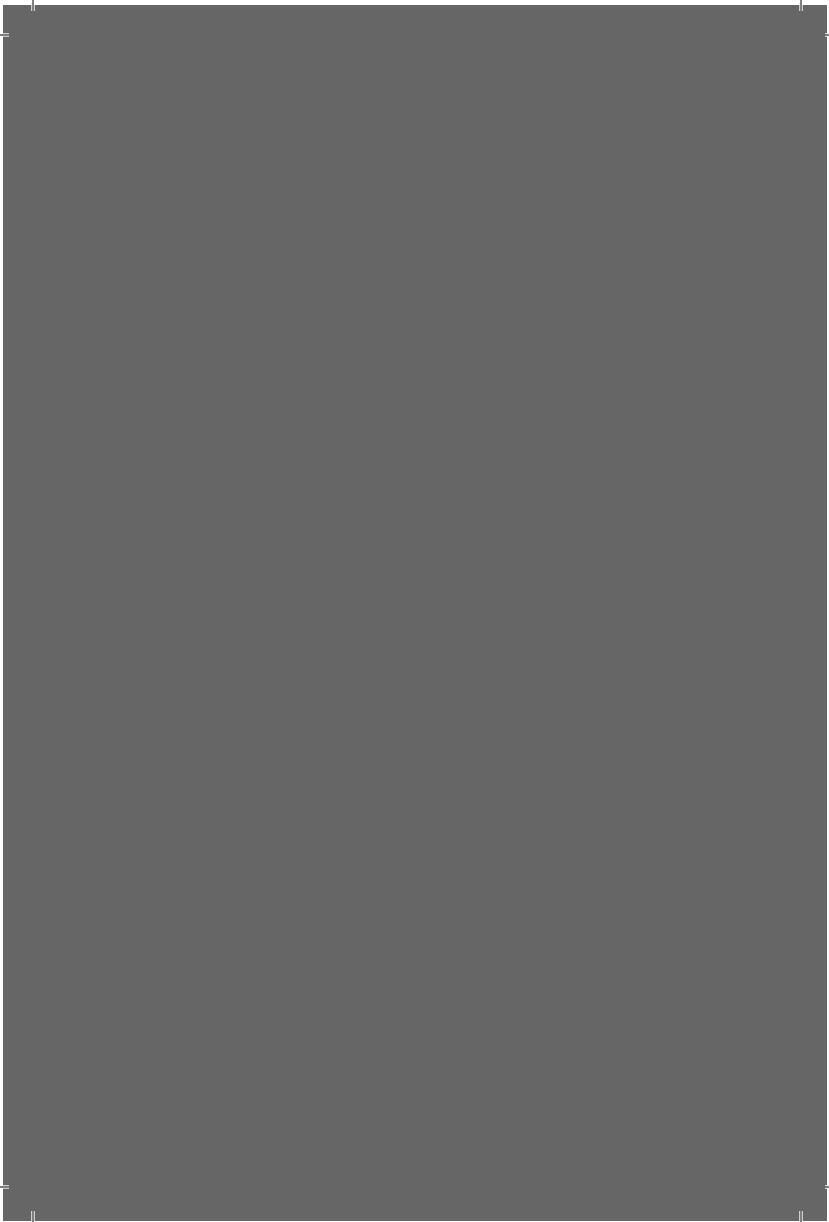
A day worker works fourteen (14) hour in a day. They would be entitled to receive:

- Eight (8) hours at the straight time rate

- Two (2) hours at the rate of time and one-half

- Four (4) hours at the straight time rate

- Four (4) hours banked at the straight time rate



2012 – 2017
Supplementary Agreement
between
CATALYST PAPER
POWELL RIVER DIVISION
and
LOCAL 76
of the
COMMUNICATIONS, ENERGY & PAPERWORKERS
UNION of CANADA

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SUPPLEMENTARY AGREEMENTS

Pacifica Papers Inc.
Powell River

August 28, 1998

Local 1 Agenda Item #5 & Local 76 Agenda Item #14 - Meal Tickets Value

Effective August 28, 1998, meal compensation will be valued at 80% of base rate.

NorskeCanada Powell River Division

September 5, 2002

Safety Boot Allowance

Effective August 28, 1998, we will increase the Safety Boot Allowance to 75% to a maximum of \$150.00.

Effective May 1, 2003 employees shall be permitted to combine the allowance for two consecutive entitlement years* in order to have access to sufficient monies to purchase more expensive footwear should they choose to do so.

Effective May 1, 2006, we will increase the Safety Boot Allowance to 75% to a maximum of \$175.00 .

*Note: For 2012 where the entitlement year changes - first Entitlement will end April 30, 2012 and second entitlement will be from May 1st to December 31st, 2012. Entitlement will be by Calendar year thereafter – January 1st to December 31st.

Pacifica Papers, Inc.

August 28, 1998

Powell River

Local 1 Agenda Item #13 & Local 76 Agenda Item #16 (Pass-out Policy)

The Company agrees to continue the system where all mill employees will be able to obtain a reasonable amount of the mill's scrap metal (i.e. machine clothing, barrels and scrap metal) on an annual basis at an offsite location.

This material will be available to mill employees on a first choice basis for a small, nominal fee.

MEMORANDUM OF AGREEMENT
between
CATALYST PAPER – POWELL RIVER DIVISION
and
COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION,
LOCAL 76

JOB POSTING AGREEMENT

Job Posting

Principle - This Job Posting Agreement establishes the procedures by which employees will exercise their seniority, providing the employee has the qualification and ability to perform the work, so that all of the applicants are treated fairly and without discrimination.

1. This agreement applies to vacancies in:
 - (a) Department entry positions.
 - (b) Line entry positions in Multiline Departments.
 - (c) Stand alone jobs.
2. All job postings will be posted on notice boards located at:
 - (a) Mill main gate
 - (b) Departmental notice boards
3. This agreement replaces the existing Job Posting Agreement.
4. All job postings will be posted for a period of sixteen calendar (16) days, closing at 4:30 p.m. on the 16th day.
5. All job postings shall include:
 - (a) qualifications required.
 - (b) that where applicable, the employee will be expected to advance through the line of progression.
6. The company will provide copies of all job postings to the union, and afford the union the opportunity to review them prior to displaying the job postings on the notice boards.
7. Employees wishing to apply for posted positions will be required to sign an application form in the Human Resources Department.
8. Selection for all postings will be made consistent with the Labour Agreement.

9. Successful applicants will be notified by the Human Resources Department. The names of the successful applicants will be posted on the notice boards and provided to the union.

Complaints regarding the selection for any posting must be filed with the company and union within thirty (30) days of the union being apprised of the selection by the company.

10. A trial period of thirty (30) calendar days shall be in effect for all postings.

The trial period shall commence on the date of actual entry into a department or job. Employees who elect to return to their job or department prior to the end of the thirty (30) day period, may do so with no loss of seniority.

11. Seniority in the new job or department will reflect the notification of posting selection as provided to the union.
12. Vacancies unfilled by the posting procedure will be filled consistent with the seniority provision in the Labour Agreement.

Signed this 2nd day of October, 2008.

Stew Gibson, General Manager
Rob Moonen, Sr. Advisor, HR
Catalyst Paper, Powell River Division

Mike Verdiel, President
CEP, Local 76

**LETTER OF UNDERSTANDING-
JOB POSTINGS
BY AND BETWEEN
CATALYST PAPER POWELL RIVER DIVISION
AND
CEP LOCAL 76**

As a result of discussions between the Company and the Union and in order to more effectively and expediently implement the mill posting system i.e. with regards to an applicant who is sick or has a disability, the following process will apply.

The applicant's doctor will be asked for a prognosis as to the applicant's ability to perform, within 60 days of being notified by the Human Resources Department, the essential duties of the posted job.

If the prognosis does not support the applicant being able to perform the essential duties of the posted job, it will be awarded to the next senior applicant.

Consistent with our existing practice, employees absent for greater than 52 weeks are not eligible to apply.

Signed this 17th day of October, 2002.

Catalyst Paper Powell River Division
J.J. Belland
R.C. Bilesky

CEP LOCAL 76
M. Verdiel
M. Rumley
J. Belrose

Re: TRANSFER

The procedure by which the senior employee may apply their seniority to secure a change in: e.g.

- a) crew within the same classification
- b) shift assignments.

EXAMPLES

1. Lines of progression with a department

In any classification (job category), the employee may transfer to another crew that will provide more relief work of a higher category than the employee is receiving on his own crew, provided the employee is senior in his job category to the employee already on the crew he wishes to transfer to.

2. LRPs (Labour Replacement Pool)

An employee classified as a LRP may exercise their seniority to enable that employee to secure greater promotional opportunities or apply to indefinite assignments.

3. Designated Area for Mechanical Crews:

When a permanent vacancy occurs in an area (e.g. Millwrights) the senior employee in another area who volunteers may transfer to that area crew provided he has the ability and qualifications.

The intent of this item is to ensure senior tradesmen have the opportunity to change areas when permanent vacancies occur.

This item does not limit management in moving people between areas for work assignments.

As an example of areas for Millwrights described above are:

- 1) Woodmill / Sawmill
- 2) Steam Plants/CTMP/Kraft
- 3) #9, #10, #11 PM and GP4

COMPRESSED WORK WEEK MEMORANDUM OF AGREEMENT
BETWEEN
CATALYST PAPER CORP.
AND
COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION
OF CANADA
LOCAL 76
January 24, 2007

Unless specifically varied by this agreement, all the terms and conditions of the Collective Agreement shall apply. In order to implement a compressed work week schedule in any Local 76 department, the parties hereby agree to the following terms and conditions:

- 1) This agreement shall come into effect upon signing. The implementation of this agreement will commence April 29th 2007.
- 2) Should problems arise regarding the application of this Agreement, or as a result of its operation, the respective Standing Committees will meet to discuss the problem and attempt to resolve it.
- 3) Should there be, due to unforeseen circumstances, inadequate relief for continuation of operations; the Company may have to revert to an 8 hour schedule within a 24 hour period.
- 4) The implementation and continuation of the compressed work week will be on the basis that the efficiency of any department will not decrease.
- 5) The 12 hour shift times of 6:00 a.m. to 6:00 p.m. and 6:00 p.m. to 6:00 a.m. will define a "DAY" as a period of 24 hours beginning at 6:00 a.m., and a "WEEK" as a period of seven calendar days beginning at 6:00 a.m. Sunday. The two 12 hour shifts will be referred to as DAY shift and NIGHT shift.
- 6) The hours between 6:00 a.m. and 8:00 a.m. in advance of a down Statutory Holiday will be covered by the regular night shift crew staying over, if deemed necessary by the Company.
- 7) Overtime will not be paid if incurred as a result of initial implementation or final discontinuance of the 12 hour shift schedule.
- 8) Employees entering the 12 hour shift schedule on a temporary relief basis from an 8 hour per day, 40 hour per week schedule,

will be paid overtime at the rate of time-and-one-half for hours worked in excess of 40 for the first week upon entering the schedule and for the last week upon leaving the schedule; providing proper notice has not been given and the change occurs after the start of the workweek.

- 9) Overtime at the rate of time-and-one-half will be paid for all hours worked in excess of 12 hours in any one day, all work performed on a Sunday (6:00 a.m. Sunday to 6:00 a.m. Monday) and all hours worked in excess of 40 hour average per week in a 8 week averaging period or 44 hours in a week.
- 10) Tour workers who work in excess of 12 consecutive hours on a regularly scheduled shift, or in excess of eight consecutive hours on a scheduled day off shall have the option of receiving the overtime premium on the basis of Article VI of the Labour Agreement or of receiving straight time for these excess hours and taking equivalent time off at the hourly rate for the job when the work was performed, at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for the purpose of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it is earned, the Company shall pay the deferred one-half premium pay. Tour workers who choose to bank overtime may later re-elect to receive the deferred one-half premium.
- 11) For purposes of calculating overtime, the scheduled workweek shall be reduced by 8 hours in any week in which a recognized paid statutory holiday occurs. Should more than one recognized paid statutory holiday occur in any week, the scheduled workweek shall then be reduced by 8 hours for each such paid statutory holiday.

Example given:

- a) In a 48 hour work week in which one paid statutory holiday occurs, overtime will be paid for hours worked in excess of 40. Should it happen that two recognized paid statutory holidays occur in one week then overtime will be paid for hours worked in excess of 32 of that particular week.
- b) In a 36 hour work week in which one paid statutory holiday occurs, overtime will be paid for hours worked in excess of 28. Should it happen that two recognized paid statutory

holidays occur in one week then overtime will be paid for hours worked in excess of 20 of that particular week. The foregoing applies only to recognized paid statutory holiday hours and no other hours on which time-and one-half has been paid, or hours paid for call time, may be used for the purpose of calculating the workweek in 11 (a) & (b) above.

- 12) When the Company changes an employee's shift schedule after the start of the week without notification being given during the first 12 hours of his last shift preceding the new shift, the employee shall receive two hours penalty payment at the straight time day rate for the first shift worked resulting from the change. If the change in shifts during the week is temporary, the penalty payment is not payable for the second change of shifts when the employee returns to his previously established shift schedule.

13) Shift Differentials

Employees following the compressed workweek schedule shall be paid shift differential as per the Labour Agreement, however the day shift benefit shall be paid for the hours of 6:00 a.m. to 6:00 p.m. and the night shift benefit shall be paid for the hours of 6:00 p.m. to 6:00 a.m.

14) Annual Vacation

Compressed workweek employees will take their vacations on a "tour" basis. For purposes of the 12 hour shift schedule, a "tour" vacation week will be the number of scheduled consecutive working days plus the following scheduled days off; will be DDNNOOOO, a period of eight (8) calendar days.

Application of Pay: for each C.W.W. vacation week will be the greater of 40 hours at the hourly rate of the employee's regular job or the percentage method plus 8 hours leave of absence. 8 hours leave will be granted after all grouped hours as identified in 17 below have been used.

15) Annual Vacation Scheduling

Shift Schedules for May 1st of each year will be determined by February 15th of that year in order to allow employees to schedule their Annual Vacations. All Annual Vacation Entitlements must be scheduled prior to May 1st of each year. Management will schedule any vacation left unscheduled on May 1st.

Each Department will develop procedures for the selection of vacation dates.

16) Supplementary Vacations

Supplementary vacation taken on a tour basis will be taken the same as Annual vacation.

Application of Pay: for each C.W.W. vacation week will be the greater of 40 hours at the hourly rate of the employee's regular job - plus 8 hours leave of absence. 8 hours leave will be granted after all grouped hours as identified in 17 below have been used.

An employee may elect to take the supplementary vacations one day at a time as outlined in the Standard Labour Agreement. Pay for each supplementary vacation day will be equal to ten (10) hours at the straight time hourly rate of the employee's regular job.

17) Taking of i) Banked Overtime, ii) Banked Worked Statutory Holidays, iii) Deferred Paid Statutory Holidays:

- a) All of the above may be considered as grouped hours.
- b) When taking off a 12 hour shift under this provision, pay for such time off may be any combination of the above in units of 12 hours.
- c) Employees may take four (4) hours from grouped hours if so desired to supplement Statutory Holiday pay, if they would normally have worked a 12 hour shift on that day.
- d) Any grouped hours, in i), ii), iii) above, remaining at the end of the contract year in which it was earned may be carried over to the next contract year in order that it is taken.
- e) Hours earned in each i), ii), iii) above will be used in the same order as they were earned within the category. First in First out (FIFO).

18) Floating Holidays

For the purpose of the 12 hour shift schedule entitlement period, special (personal) floating holidays will be calculated on the basis of the number of days for which the employee has qualified multiplied by 12 hours, subject to all other conditions of Article XVIII (Special/Personal Floating Holidays) of the Labour Agreement.

All Floating holidays will be allocated by December 1st.

19) Weekly Indemnity

Weekly Indemnity benefits will continue to be calculated on the basis of seven calendar days.

20) Meals

A hot meal, if not declined, shall be furnished at the usual meal time by and at the expense of the Company, to any tour worker required to work more than 13 consecutive hours. If he/she continues to work, a meal which shall be hot if practicable shall be provided every four hours thereafter.

21) Election Days

It is understood that on federal and provincial election days, the night crew will report at 4:00 p.m. rather than 6:00 p.m. to allow the day crew four hours free for voting purposes, unless alternate arrangements are mutually agreed upon.

22) Termination of the Agreement

Either party can terminate this Agreement by giving written notice of cancellation prior to February 1st of each year. The Agreement would then become null and void on April 30 of that year. If both parties decide in conjunction to cancel this Agreement it can be cancelled and they will jointly establish a cancellation date.

This document has been read and accepted by both parties January 24, 2007.

Brian Baarda
Vice-President
Catalyst Paper, Powell River Division

Mike Verdiel
President
CEP Local 76

COMPRESSED WORK WEEK VACATION CLARIFICATION

1. ANNUAL VACATIONS

- a) C.W.W. employees will take their vacation on a tour week basis. A tour week for vacation purposes will be DDNNOOOO, a period of eight (8) calendar days.
- b) Pay for each C.W.W. vacation week will be the greater of forty (40) hours at the hourly rate of the employee's regular job or the percentage method.
- c) Employees not working a regular C.W.W. schedule will continue to take their vacation on a calendar week basis consistent with the Standard Labour Agreement.

2. SUPPLEMENTARY VACATIONS

- a) Supplementary vacation taken on a tour basis will be taken the same as Annual vacation.
- b) An employee may elect to take his supplementary vacations one day at a time as outlined in the Standard Labour Agreement. Pay for each supplementary vacation day will be equal to ten (10) hours at the straight time hourly rate of the employee's regular job.

Pacifica Papers Inc.

April 1, 1995

Powell River

Reference: Local 76 Agenda Item #1

Vacation Clarification

Letter of Understanding #3

Further to the conditions outlined in Article XV Section 4(e) of the Labour Agreement.

Where an emergency of a unforeseen nature occurs the Union will accommodate to the extent possible in accessing employees on vacation, providing all other avenues have been exhausted.

Employees accessed in such a manner will be compensated as being called to work on a scheduled Day Off. Employees who work during their vacation week will be required to take an additional day off for each day worked.

R. M. Verdiel
for Local 76

M. Lauzon
for Pacifica Papers Inc.

Management Handout #L76-2

August 28, 1998

Local 76 Agenda Item - Shipping

- A) Covered jeeps for outside driving. New jeeps purchased for the amalgamation of the Shipping and Warehouse are covered.
- B) Install heaters on all jeeps. All new Shipping jeeps have been purchased with heaters.

Management Handout #L76-4

March 15, 1995

**Local 76 Agenda Item - Boom Small Craft Ticket Bonus
August 28th, 1998**

Effective May 1, 1994, the Company will establish a Small Craft Ticket Bonus of twenty-five cents per hour (\$0.25/hr) for the Outside Boom Crew.

It will be paid to individuals working at jobs which do not require the Small Craft Ticket in the performance of the Job (i.e. it will not be stacked on top of any job evaluation credit given for a Small Craft Ticket to a position on the Outside Boom).

It will be applied in the like manner to a Grading Ticket.

Management Handout #76-5

August 28, 1998

Local 76 Agenda Item – Shipping – Winter Mittens & Gloves

Our response to your agenda item will be to provide one pair of winter mittens or gloves per contract year.

Management Handout #76-7

August 28, 1998

Local 76 Agenda Item – Shipping – Rain Gear

Our response to your agenda item will be to provide eight pair of rain gear on an as needed basis for the crew. As before, if they go missing, they will not be replaced.

Pacifica Papers Inc., Powell River
Management Handout #L76 - 3

March 15, 1995

Local 76 Agenda Item #6 - Life Insurance

LIFE INSURANCE

The Company will arrange for voluntary life insurance coverage for employees. Levels of coverage and costs will be as negotiated with carriers by Pacifica Papers Inc. Benefits Supervisor. Terms as negotiated and administrative procedures will be discussed with the Union prior to implementation.

It is understood whatever additional levels of insurance each employee elects, it will be at their cost.

WCB and WI Claims Letter

March 16, 1995

CEP Local 76
5814 Ash St
Powell River, BC
V8A 4R4

Attention: Mr. Mike Verdiel

Dear Mike:

During the current set of negotiations you have raised the issue of "timely notification" of the Company's challenges to WCB and WI claims.

We have considered your union's concerns and as a result of this review, we agree to modify our current practice of notification.

As a matter of courtesy and policy, timely notification of challenged claims will be made to the employee and Union. We expect notification will be given as soon as possible, likely within 1-4 days of the claim being initiated.

This policy issue has been communicated to our Safety Coordinator and Industrial Relations Manager.

Sincerely yours,
Pacifica Papers Inc.
Miles Lauzon
Vice President
and General Manager

C.E.P. Local 76 HANDOUT

April 3, 1995

**Re: Union Agenda Item #7
L.R.P. Averaging Pay for C.W.W**

Overtime at the rate of time and one-half will be paid for work in excess of forty (40) hours average per week, over the defined eight (8) week period.

In the application of this principle, the following provisions will be applied to relief employees who do not follow the recognized Compressed Work Week rotation, (four (48) hour weeks and four (36) hour weeks).

- 1) A relief employee who works up to and including four 48 hour C.W.W.'s in an eight (8) week averaging period, will be paid overtime for work in excess of 44 hours in each of those weeks as per all local C.W.W. agreements.
- 2) A relief employee who has completed four 48 hour C.W.W.'s (4 - 12 hour shifts or a combination of 8 hour and 12 hour shifts equaling or greater than 48 hours) within a given eight (8) week averaging period, will be paid overtime for work in excess of thirty-six (36) hours in any other week in that averaging period.
- 3) Any shift scheduled after an employee has completed 36 hours in a 36 hour week will be treated as work performed on a designated day off.
- 4) A relief employee who does not complete four 48 hour C.W.W.'s (four 12 hour shifts) within the current (8) week averaging period, and works something other than four 12 hour shifts in a week, will be paid overtime for work in excess of forty (40) hours in that week.
 - (a) Under our Labour Agreement, averaging pay is calculated weekly. Qualifying hours included in calculating averaging pay for workers that relieve into the compressed work week schedule are:
 - i. All hours worked except overtime hours
 - ii. All hours worked on Statutory Holidays
 - iii. All Floating holiday hours and Banked Stat. hours
 - (b) A work week is reduced by 8 hours for each paid Statutory Holiday or deferred Statutory Holiday.
 - (c) Hours not included in the weekly calculations for averaging pay are:
 - i. Vacation
 - vi. Leave of Absence
 - ii. Supplementary Vacation
 - vii. Sickness
 - iii. Banked Overtime
 - viii. Call Time

- iv. Jury or Witness Duty
 - ix. Penalty Times
 - v. Bereavement Leave
 - x. Overtime (excluding Sundays or Stats)
- (d) Hours in addition to those identified in "A" above, that are included in the definition of what constitutes a 48 hour compressed work week for the purposes of Item #2 are:
- i. Vacation
 - ii. Supplementary Vacation
 - iii. Banked Overtime
 - iv. Paid Jury or Witness Duty
 - v. Paid Bereavement Leave

These hours do not count towards the calculation of averaging pay for the week. They are only used to-establish the definitions of what constitutes a 48 hour compressed work week, the principle being that all paid time off counts toward establishing the length of that week.

All paid Statutory Holiday hours count toward establishing the length of the work week as well.

To qualify as a 48 hour compressed work week, at least one day of that week must be worked or taken off with pay as a 12 hour C.W.W. shift.

Local 76 Agenda Item #76-3

August 28, 1998

Re: Amalgamation Shipping / Warehouse

The following is an Agreement by the parties regarding the application of seniority to the new Distribution Services Department taking into consideration the principles of seniority as per the Collective Agreement.

After discussions between the employer and the union and review of the jobs in the new department, it is our common position that the new work is equally made up from the Shipping and Warehouse Departments, that is 17 senior members from each department will move to the new department. The breakdown is as follows:

Lead Loader: 2 Apron Foreman (S) 2 Shed Foreman (W)

Loader: 4 Warehouse Lead Hand - shift (W)
 4 "A" Lift Truck Operator (W)
 8 Lift Truck Operators(S)

Crew Spare: 6 - Warehouse
 6 - Shipping

DAD Crew Spare: 1 - Warehouse
 1 - Shipping

Seniority in new Distribution Services

- 1) 17 senior department members from Warehouse, 17 senior department members from Shipping taking into account the Terex and Peco Agreement.
- 2) Seniority in Distribution Services will begin on the date of entry to the new department.
- 3) Starting with the most senior department members from either side. In this case the Warehouse line, and then rotate 1 for 1.

Lead Loader	1	Warehouse
	2	Shipping
	3	Warehouse
	4	Shipping

Loader	5	W	6	S	7	W	8	S
	10	S	9	W	12	S	11	W
	13	W	14	S	15	W	16	S
	18	S	17	W	20	S	19	W

Crew Spare	21	W	22	S	23	W	24	S
	26	S	25	W	28	S	27	W
	29	W	30	S	31	W	32	S
	33	W	34	S				

**DAD /
 Crew Spares**

Recall	35	W
	36	S
	37	W

Standard Gauge

- 1) Below the 17th Warehouse department member, department members must choose Railroad or Distribution recall.
- 2) If you go to the Railroad, there will be no recall to the Distribution Department.
- 3) Warehouse members with recall will have to choose Distribution or Railroad. Once you choose, there is NO recall to the other line.

If Warehouse / Railroad members elect the Standard Gauge Line or have recall, then decline the job within the 60-day trial period, recall to Distribution Services will still be available.

B. Trans-shipping

- 1) Transship will be assigned by seniority on each shift.
- 2) While Transship product is being loaded the following rates will apply:

Lead Loader	\$24.93 as per Deep Sea Loading Foreman
Loader	\$23.40 as per Deep Sea Lift Truck

Tech. Change

Provisions in the Collective Agreement will apply to all members of both Departments.

Average rate* will be used to calculate the Shipping Department members' rate.

Average Rate

This would apply as it currently does in the Shipping Department for Floating Holidays, Vacation and Stats.

Local 76 Agenda Item #76-4

August 28, 1998

Steam Plant Record Memorandum

This agreement replaces the Steam Plant Record Memorandum dated October 28th, 1969.

1. The first employee in any category to receive a certificate of higher rating will be eligible to fill the first vacancy in the category requiring that grade of certificate.

2. A new mill hire with a certificate shall establish seniority in a job category or categories requiring a certificate of the same grade as / or lower than the new hire holds when:
 - a) The employee has been continuously employed in the Steam Plant for a period of six months, or
 - b) The employee is promoted or engaged to fill a permanent vacancy in a job requiring that grade of certificate.
3. Shift Seniority
 - a) Shift seniority shall prevail on each shift for a period up to and including 60 days.
 - b) In the event of protracted relief work in excess of 60 days, departmental seniority shall apply.

Examples:

- i. An occasion arises where a 3rd class relief engineer is required for a period of up to 60 days. The next senior 3rd class employee on the shift requiring the relief shall be promoted.
 - ii. If it is evident beforehand that the relief work will involve a period in excess of 60 days, then the employee with the departmental seniority, and the ticket shall work all the relief period.
4. Transfer to Another Shift
In any departmental job category an employee can transfer to another shift that will provide more relief work of a higher category and rate than the employee is receiving on the employee's own shift, provided that employee is senior in his / her category to the employee already on that shift. The employee exercising this right may not do so again for six months.
 5. The Company's current rights of transfer and re-scheduling for relief purposes remains unchanged by this memorandum.

Local 76 Agenda Item #76-6

August 28, 1998

Emergency Response Team Hourly Involvement

The E.R.T. will be filled through a volunteer application process. Acceptance will be based on meeting the qualifications and abilities required to do the work. Some employees will be exempt from applying.

NOTE: Management will determine exemptions based on the reasonable operating requirements of the Mill. The Program Administrator and Coordinator will review and decide on all volunteer applicants. A cap of 45 responders in total will be maintained which includes existing salaried staff complement.

Local 76 and Pacifica Papers recognize the value and effort required of our Emergency Responders and therefore have agreed on the following Recognition / Support Program.

- A. The initial 80 hours of training will be paid per the contract.
- B. Compensation for E.R.T. activities shall be a bonus of \$1.50 per hour to their normal wage rate.
 - that bonus will be treated like shift differential with respect to overtime etc., i.e. bonus not added in.
- C. Membership at a local fitness facility will be available annually upon request for E.R.T.members.
- D. Additional life insurance coverage to a value of \$100,000.00 for E.R.T. members.
- E. Any relevant E.R.T. program costs to responders will be covered by the employer e.g.
 - training courses and exams,
 - medical clearances by responders' physician.

From time to time the Recognition / Support Program will be reviewed by the Program Administrator and Coordinator to ensure that it fairly reflects the contributions made by our E.R.T. members. Any changes to the Recognition Support Program which affect Local 76 members will be resolved through discussion with Local 76.

Local 76 Agenda Item #76-7

August 28, 1998

Time off Administration

- A) Production Vacations, F.H. B.T., etc.
Proposal

We propose that as of November 1st of any contract year, each employee will be provided with an individualized accounting of the outstanding vacation and floaters he or she has remaining. Beginning December 1st, unscheduled vacation and floaters will be scheduled by the Company.

B) Maintenance – clarify, amend, existing agreement Management Agenda Item #1f) Maintenance Trade Time Off

Based on the acceptance of A) above, and amending Management Agenda Item #1F, Maintenance Trade Time Off Item (g).

The parties also agree that as of November 1st of each contract year, each employee will be provided with an individualized statement of their outstanding vacation and floaters he or she has remaining. Beginning December 1st of that contract year, unscheduled vacation and floaters will be scheduled by the Company.

We are prepared to open the board for floaters and banked time to seven blocks in the week, i.e. Pipefitters example 6/3.

S	M	T	W	T	F	S	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(21) Available
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Stat Holidays will reduce the available blocks in the week as in the example below.

Pipefitters

December							
S	M	T	W	T	F	S	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24	25	26	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24	25	26	(12) Available
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24	25	26	

Local 76 Agenda Item #76-9,

August 28, 1998

Locker-room

2 lockers per person

Union Leave - Local

All time considered at work

Letter for Entry in Memorandum of Agreement

Re: Coverage During Leave of Absence for Local 1 & Local 76 C.E.P.

The Company will continue to pay benefit premiums for Welfare Plan Coverage to the carrier on behalf of employees who are on authorized Leave of Absence on Local Union business in excess of 3 months in any one calendar year. For the purpose of Collective Agreement entitlements this time will be considered time worked.

Boom Small Craft Ticket Bonus (Manning)

Increase

Teeshu Tug Line Up Change.

- Two ticketed captains and one whaler days off Friday and Saturday.
- Two ticketed captains and one whaler days off Sunday and Monday.
- Call-ins when required will be as per current practice, one captain and two whalers, rescheduling should first be explored.
- If a captain is off, the Teeshu will operate with one captain and two whalers.
- The Company will continue to pay the cost of obtaining and maintaining a ticket. Once ticketed, the individuals will be expected to maintain the tickets.
- Four Teeshu captains will have positions in the outside crew.
- Teeshu captain seniority will be by ticket seniority unless a senior captain allows a junior captain to move ahead which is consistent with mill seniority rules.
- Two whalers are no longer automatically assigned to the contract tug for barge dumps on overtime.

Shipping Rate – Siderunner (Sr. Holdman) Rate on Gantry Vessels

The Siderunner (Sr. Holdman) rate will be paid to the senior employee in the Holman (Ship Utility) position when directing a crew of utility people preparing a hatch, flooring out, securing and closing out a hatch. This would be when the Checker, Jeep Drive, Slingman are moved up to the Holdman (Ship Utility) rate plus one hour.

Steam Plant

Establish entry level position Power Engineer Trainee

The entry level positions for the Steam Plant positions reside with the Crew Spares.

However, we believe a training procedure would be beneficial to our employees.

We are prepared to move forward as follows as at date of ratification:

All employees will be advised by letter of this program.

- 1) The Company will support any employee who:
 - Enrolls in a 4th Class Power Engineer theory course that has been approved by the director, at a technical or vocational school or through a correspondence school.
 - The Company will pay for tuition books and materials as required upon successful completion of the course.
- 2) When a vacancy exists, should there be no ticketed applicants for the posting, all those employees who have successfully completed the theory portion of this program will be eligible to apply for the vacancy in the Crew Spare positions.
- 3) Non-ticketed Crew Spares, upon acquiring adequate firing time, will be required to sit the government exam at the first opportunity. Should the candidate not pass, one other opportunity at the next sitting will be given. Should the candidate not pass the second time they will be removed from the Steam Plant.

Note: This does limit the Company from hiring qualified candidates from outside the mill.

Exhibit "C" Welfare Plan

- A) Discuss and resolve issues regarding status of the plan, e.g. committees, reporting periods, distribution of surpluses. The report for Powell River Division is currently being worked on and will be ready by July 1st, 1998. Company to provide those reports annually to each Local.
- B) That the Company is on notice that we expect with the renewal of this agreement that Item #6 "Changes in Classification" will be applied to all employees.

With respect to "Changes in Classification", we are willing to calculate the W.I. and L.T.D. based on average rates—effective as soon as possible, but no later than May 1st, 1999.

Average rates are calculated using pay data from the previous 6 months (i.e. May 1st and November 1st).

How Averaging Rates Are Calculated

The program adds up all the hours, and adds up all the gross dollar (hours x rate) with no overtime factor and then divides your total earnings by hours to find your average rate. Not included in this calculation are stat holidays, floaters, supplemental vacation, regular vacation, shift differential, call time, misc. premiums, C.O.P, banked withdrawal, and 40 hour premium.

There may be a resulting premium change which would be effective the same day benefits became effective.

Re: Weekly Indemnity & Averaging

The Company has clarified with the benefits carrier that the process for establishing average rates for use in determining benefit levels should take into consideration annual wage increases.

M.S.A. Net

That the Company provide prescription cards for all members. We have reviewed the request for providing prescription cards

to Pacifica Papers Inc. employees and future Pacifica Papers Inc. retirees. M.S.A. has confirmed that they can provide this service to the Company at the following cost:

.55¢ per month per individual

\$1.55 per month per family

Effective date of ratification, we will advise M.S.A. to provide this service.

Local 76 Agenda Item #76-17

August 28, 1998

Partial Mill Shutdown

Letter dated December 15th, 1971 – cancel.

This agreement is canceled. Shuts of 96 hours or less will be by department.

Local 76 Memorandum of Agreement Item #8

September 5,
2002

Compassionate Extended Health Benefits Coverage

The Company agrees to provide continued extended health benefits coverage (to a maximum of \$100,000) for the dependents of employees who are classed as a work related death (as defined by WCB). This coverage shall be provided until such dependents reach the age of majority (19).

Local 76 Memorandum of Agreement Item #12

September 5,
2002

Modified Work

As a means of supporting employees who require modification of duties while engaged in a short-term 'light duty' program, the company agrees to pay the employee at a rate consistent with what they would have earned had they been unrestricted. This applies only to employees on a transitional program for return to full duties.

September 1, 2002

Mr. Mike Verdiel
CEP, Local 76
Powell River, BC

Dear Mr. Verdiel:

RE: Retiree Benefits

September 1, 2002

For employees who have retired from active service with the Local, the Company agrees to provide for the employees, their spouses and their dependents, the following:

- Full premium payment for the B.C. Medical Plan for the retired employee's and spouse's lifetimes.
- Full premium payment for a basic Extended Health Benefits Plan.

Brian Johnston
VP Powell River Division

Powell River Division

September 5, 2002

TRAVEL GUIDELINES FOR LOCAL 1 & 76 MEMBERS

The Company will inform the Local as soon as possible after we know that bargaining unit employees will be traveling. All employees of the Company will be reimbursed for reasonable expenses incurred on Company business. The guiding principle is that employees traveling on Company business shall not lose any regular pay as a result of traveling and traveling is voluntary. Where an employee is traveling on a day off, he/she will be compensated on either an equivalent time off basis, or overtime basis, at the employee's discretion.

Employees on authorized Company business are covered by a \$100,000.00 Travel Accident Insurance Policy over and above A.D.&D, Group Life and W.C.B. coverage. The Company will cover emergency medical expenses while traveling outside the Province.

If you are required to use a personal vehicle the reimbursement is (\$0.46 cents/km or Catalyst Paper policy).

In the event of a serious family emergency every effort will be made to expedite the return of an employee.

Employees shall not be asked to visit sites at which there is a Labour dispute in progress.

If an employee is scheduled to work on the nightshift before the travel departure date, he shall not be expected to work that nightshift and will be paid as though he had worked, unless the departure time is later than 3:00 PM of the following afternoon. If the departure time is after 3:00 PM the employee will be expected to work the previous nightshift.

If an employee is scheduled to work nightshift on the travel return date, he / she shall not be expected to work that nightshift if he / she returns to Powell River after noon on that day and will be paid as though he / she had worked.

EXPENSE GUIDELINES

Allowable Expenses

- meals including tips
- standard accommodations at a first-class hotel
- transportation by air, ferry, rail, bus, taxi & parking
- allowance for personal cars used on business (\$0.46 cents/km or Catalyst Paper policy)
- laundry and valet services
- long distance telephone and fax charges - for business purpose or calling home
- gratuities - within reasonable limits and in accordance with local custom

Non-allowable Expenses

- personal items such as self-entertainment, reading material, barber, clothing, equipment and side trips
- spouse's travel expense's
- additional personal accident insurance
- lost money, fines, property damage

Not for inclusion in Labour Agreement. This understanding may be canceled with notice after discussion between the parties during the term of the agreement.

Local 76 Agenda Item CEP76-1 - Eye Examinations

The company commits to work with its vendor in an effort to reduce the cost of eye exams for its employees.

Catalyst Paper Inc.

September 29, 2008

Local 76 Agenda Item CEP76-6 - Notice Boards

Management will purchase for installation two enclosed and lockable notice boards. The notice board selection and installation will be agreed to between CEP Local 76 and management. The location of the notice boards will be installed in the presence of adequate lighting.

Catalyst Paper Inc., Powell River

September 27, 2008

Local 76 responses to Company Agenda Items 15, 16, and 17

After our discussions between the company and the union, it is our common position that the following letters do not represent manning agreements and are intended to outline the respective departmental restructuring changes that occurred as discussed between the parties.

- 15. Fibre Handling Department Amalgamation - Letter
 - 16. Yard Crew – Mill Stores Restructuring Plan - Letter
 - 17. Local 76 Agenda item # 76 – 3 Amalgamation of Shipping/Warehouse Page 160
-

Employees on Temporary Layoff

November 19, 2008

Opportunity to Elect a Severance Option

For the term of this Collective Agreement, the Company and Union agree to provide employees on temporary layoff with an option to sever their employment under certain circumstances.

- 1) The option for severance would be available if:
 - a) Employee has 1 or more years of continuous service at the start of the layoff, and
 - b) Employee has been on layoff for 12 months, and
 - c) There is no definitive plan for re-employing the individual within the following three (3) months.
- 2) For the purposes of this proposal, Layoff is defined as having the opportunity to work less than 900 hours during the 12 month period.

An employee who has an approved absence for regular vacation, personal floating holidays, or supplemental vacation that is due to expire will be considered to be unavailable for work. Opportunities for work that occur on these days will not be counted.

- 3) If the above conditions are met, the employee will have the option of accepting a severance payment. The severance will be calculated according to the formula in Article XXIV – Job Elimination.

Remaining from 2008 – 2012 \$80/Ton Agreement

January 14, 2009

Article XV – Vacations

Banked vacations must be taken immediately prior to retirement and at which time it will be paid out at the rate that it was earned or at the current card rate, whichever is greater.

Curtailement and Lay-offs

The hours in the Special Deferral Account may be accessed during periods of Curtailement and Layoff when all other forms of time off have been used or scheduled. This time will be paid out at the rate that it was earned or at the current card rate, whichever is greater.

The weeks in the Banked Vacation Account may be accessed during periods of Curtailement and Layoff when all other forms of time off have been used or scheduled. This time will be paid out at the rate that it was earned or at the current card rate, whichever is greater.

Dayshift Operating Departments:

Time off will be granted based on a max. of 1 in 4, all time off included (including floaters) as per attached table.

	# Allowed Off 1 in 4
1,2,3,4,	1
5,6,7,8,	2

- Time off will be granted based on the following areas: Stores, Technical, Janitors, Labour Relief Pool, Yard and Rail.
- All vacation must be scheduled by May 1 of each Vacation Year
- 7 day advance notice of floater above 1 in 4 not allowed.
- Any Floating Holidays remaining unscheduled as of Dec 1 will be scheduled for the employee.
- Any request above the 1 in 4 ratio will be waitlisted. Waitlisted requests may only be approved by the Area Manager. Special consideration will be given on Mondays and Fridays.

First Aid Certification

Any employee who holds a valid OFA Level III ticket will receive a premium of \$.50/hour (provided the position they are working in does not require it). The company will pay the tuition and book costs of the training (½ up front, ½ at successful completion). No wages will be paid during this training.

12 Hour Hatchwatch Firewatch Agreement

For the purposes of maintaining productivity, efficiency, cost-effectiveness and above all, the safety of its members/employees CEP Local 76 and Catalyst Paper Corp. agree upon a 12 hour Hatchwatch and Firewatch Agreement for major shutdowns and outages.

Job assignments for Hatchwatch or Firewatch will be scheduled as per the Compressed Work Week Memorandum of Agreement.

The parties also agree to meet prior to major shutdowns and outages to discuss the application of this agreement and its schedules and consult with respect to ways and means to avoid jurisdictional difficulties between Local 76 and Local 1.

Working Foremen or Leadhands

Employees filling these roles will be paid 7.5% above the highest card rate in the department.

Amend present job description to include:

- Assigning duties and jobs to other employees
- Identifying and obtaining resources required to complete work assignments
- Monitoring and taking appropriate steps to ensure assignments are executed and completed as planned
- Completing appropriate records to ensure the accurate payment of employees under their direction
- Identifying and entering information necessary to identify costs, production data, ordering of parts and materials, etc.
- Other duties as assigned

Apprenticeship Program

March 10, 2012

A) Apprenticeship Committee

The Apprenticeship committee will review quarterly the future needs of the maintenance trades and application of apprenticeships. The committee will consider the effects of issues such as:

- Attrition
- Retirements
- Trade Mix
- Operational Changes / Demands
- Business Conditions
- Status of ongoing apprenticeships
- Trades Recruitment
- Other external issues that affect the operation

B) Apprenticeship Commitment – 2012 / 2013

The Company agrees to implement four (4) apprentices in 2012 and a minimum of two (2) apprentices in 2013. The trade mix will be based on the recommendations of the Apprenticeship Committee.

CEP Local 76 recognizes that in the event that no employee from either Local at the Powell River Division qualifies under the Apprentice Selection Agreement, this document will not be seen as a bar to the hiring of an external applicant for the Apprenticeship Program.

Technical Expertise

March 10, 2012

In certain circumstances an employee may receive compensation for providing specialized technical assistance over the phone during a breakdown situation. In order to qualify, the following conditions must be met:

- The employee must be part of an active trouble shooting process and be providing technical assistance during this process.
- The assistance is specialized information rather than normal informational or operational exchange.
- The assistance provided must be of a nature that typically the employee would attend the work site to remedy.

In this situation the employee will be eligible to be paid a two (2) hour call time payment (C2). Such payments must be authorized by the supervisor, and a note must be included in the time record.

Time Equalization

March 10, 2012

A Day Worker called in and works between the hours of 12:00 midnight and three (3) hours before his/her normal starting time, will be compensated for all hours worked at equal time off taken at the employee's option at the beginning or prior to the end of his/her next shift. They will be paid straight time for the time lost as a result of taking equal time off.

It is also clearly understood and agreed that all equalization time will be considered as time worked for the purposes of calculating weekly overtime, except that equalization payment will be paid at straight time only.

Points of Clarification re: Time Equalization

Scenario #1

- 8 – 4 Day Worker called in @ 10 PM
- Works from 10 PM until 2 AM
- Time Equalization is two (2) hours
- Employee option: return to work @ 10 AM – 4 PM for full 8 hours straight time pay or return to work @ 8 AM – 2 PM for full 8 hours straight time pay.

Scenario #2

- 8 – 4 Day Worker called in @ 1 AM
- Works from 1 AM until 7 AM
- Time Equalization is six (6) hours
- Employee option: return to work @ 2 PM – 4 PM for full 8 hours straight time pay or Employee takes 1 hour unpaid break (Breakfast break), returns to work at 8 AM – 10 AM and receives full 8 hour straight time pay.

Scenario #3

- Working Foreman 7AM – 3 PM shift called in @ 1 AM
- Works from 1 AM until 7 AM
- Time Equalization is six (6) hours
- Employee option: return to work @ 1 PM – 3 PM for full 8 hours straight time pay or Employee continues to work until 9 AM and receives full 8 hours straight time pay.

Scenario #4

- 8 – 4 Day Worker called in @ 5:30 AM
- Works from 5:30 AM until 8 AM
- Time Equalization 0 hours

Bereavement Leave – Clarification

March 10, 2012

When a death occurs to a member of the employee's immediate family, the employee will be granted the appropriate Leave of Absence and they shall be compensated at their regular straight time hourly rate for all normal hours lost from their regular schedule for a maximum of three (3) days in accordance with the provisions of Article XIII – Section 1 of the Labour Agreement.

For clarification, employees will be paid eight (8), ten (10), or twelve (12) hours if that is their regularly scheduled shift.

Reference to Bereavement Leave in compressed work week agreements will be deleted.

Signed this 10th day of March, 2012.

S. Bonifero,
Vice-President, Human Resources
Catalyst Paper

Mike Verdiel,
President
CEP Local 76

LETTER OF UNDERSTANDING

January 14, 2009

Temporary Employee Agreement

"Powell River Division will strive to operate 3 profitable machines through the present market downturn (expected duration 2 years) generating the earnings required to secure the investment desired to support a very profitable future two machine operation. Our strategy expects P9 to be a candidate for shutdown by 2011" Powell River Strategic Objective.

To support the Company's stated objective and keep a continued focus on cost management, the Union agrees to enter into a process of managing people with an eye to the long-term viability of our mill and our company.

Catalyst Paper Corporation and C.E.P. Local 76 are committed to providing as much maintenance and repair work as possible to the regular workforce and it is not the intent of this letter to detract from this commitment.

In keeping with a joint commitment of the Company and CEP Local 76 to reduce the use of contractors, the Company may hire temporary qualified employees for projects to the Local.

It is understood that when the Company and CEP Local 76 agree it is beneficial, the Wage Delegates will allow the use of temporary employees under special circumstances on maintenance shutdowns when it can be shown that the use of temporary employees will replace contractors and will not result in a negative impact on the regular workforce. Such discussions are to take place before any final decisions on the use of contractors has been made.

It is also understood that when the Company and CEP Local 76 agree it is beneficial, the Wage Delegates will allow the use of temporary

employees under special circumstances for business needs. The use of temporary employees will not result in a negative impact on the regular workforce.

Such discussions are to take place before any final decisions on the hiring has been made.

If practicable, the Employer and the Union agree to give preference to laid-off employees located at other Catalyst divisions, with no impact on recall rights. Travel time and expenses will not be covered.

If practicable, the Union and the Employer agree to a local hiring preference.

1. CONDITIONS

- a) Temporary employees will be Union employees and will be subject to the terms of the Collective Agreement with the following exceptions:
 - i) Temporary employees will not be considered part of the regular work force with respect to the commitment outlined in Article XXV – Contracting.
 - ii) Temporary employees shall have no rights under Article XXI – Seniority and Article XXV - Contracting.
 - iii) Temporary employees will not be eligible to apply to Job Postings within the mill.
- b) Temporary employees will be paid in accordance with Exhibit A – Job Categories and Wage Rates.
- c) Temporary employees are not a procedure to replace apprentices.
- d) If temporary employees are hired permanently, their seniority will be from the first day of their probation period for permanent employment.
- e) Union dues will be deducted on all hours worked from the first day of employment.
- f) Contributions will be paid into the Pulp & Paper Pension Plan for all hours worked by the temporary employees.
- g) The Union will receive a weekly report of temporary employees that have been/are in the mill.
- h) Regular full time employees will be given the opportunity to work a schedule based on the scheduled hours for the

shutdown, determined by the Company in advance of each major maintenance shutdown.

In keeping with the aforementioned spirit of reducing the use of contactors and in trying to reduce the costs of Capital Projects, the Union agrees to the use of its employees with contactors as per the settlement reached with MB Paper Ltd., dated December 19, 1997. (see attached document)

If a disagreement occurs between the Company and Union in regards to the application of this Letter of Understanding, both parties commit to trying to resolve the disagreement. If however the parties are unable to resolve the disagreement either party may cancel this Letter of Understanding after serving sixty (60) days notice.

Dated this 14th Day of January, 2009.

Stew Gibson
General Manager
Catalyst Paper, Powell River Division

Mike Verdiel
President
CEP Local 76

LETTER OF UNDERSTANDING

January 14, 2009

MAINTENANCE TRADES VACATION

1. GENERAL RULES:

- a) Time off year is defined from May 1st to April 30th. Prime time weeks during the year will be from: the last full week in June to and including the week of Labour Day, Christmas week, New Year's week and Spring Break week. All other weeks are non-prime time.
- b) Reasons for time off will be Regular vacation, Supplemental vacation, Floaters, Banked Time, Banked Stats and Deferred Stats.
- c) Supplemental vacation will not be permitted during prime time.
- d) Day Workers
 - 1) The vacation week is defined to be Sunday to Saturday.
 - 2) The employee's vacation week will be exclusive of the Stat holidays or any other paid leave to which they are entitled.

- 3) If a Statutory holiday(s) should fall within the vacation week, a Deferred Stat(s) will be generated and must be taken within 2 (two) contract years.
- e) Tour Workers
 - 1) The vacation week is defined as per Compressed Work Week Agreement for each trade.
 - 2) Vacations will be taken as per Compressed Work Week Agreement for each trade. If a Statutory holiday(s) should fall within the vacation period, a deferred stat(s) will be generated and must be taken within 2 (two) contract years.
- f) During non-prime time the ratio allowed for all reasons will be 1:4. During prime time the ratio allowed off for all reasons will be 1:4.
- g) All Regular vacations are to be booked by May 1st of the vacation year. Floaters are to be booked by December 1st. Vacations and Floaters cannot be wait listed after these dates.

2. PROCEDURES FOR BOOKING OF HOLIDAYS:

- a) See Table below for determining the number allowed off on a weekly basis for various crew or area size and ratios.

Crew group Size	# Allowed Off 1in 4
1,2,3,4	1
5,6,7,8	2
9,10,11,12	3
13,14,15,16	4

- b) For booking purposes, for Floating Holidays, Banked Time, Deferred Stats and Banked Stats the total hours scheduled plus hours wait listed cannot exceed the individual's entitlement hours for each of these categories.

For Regular and Supplementary vacations, the total hours scheduled plus hours wait listed cannot exceed the individual's entitlement plus 40 hours. Total hours scheduled cannot exceed the individual's entitlement.

- c) Ground rules as per the administration of time off will be as per current practice within each trade. All trades will develop written procedures for their respective time off rules. These rules will include numbers off by type (i.e. Vacation, Floaters, etc.); set the

number of weeks each individual can book during prime time and setting of wait list rules.

- d) After all weekly vacation blocks have been scheduled, employees will then be able to schedule other paid time off such as Floaters, Banked or Deferred Stats, Banked Overtime and Supplementary Vacation in open weeks.
- e) On Mondays and Fridays, additional individual days off may be granted beyond allowable numbers with the approval of the area Manager. Consideration will be given to total numbers within the trade and will not exceed 40% maximum allowed off.
- f) The vacation schedule for the full contract year (May 1st to April 30) will be posted on the Intranet for easy viewing access.
- g) An employee shall book or change his/her leave schedule, no later than the Tuesday 4:00 P.M. of the week prior to any scheduled time off.
- h) If an employee wishes to cancel any scheduled Vacation weeks, he or she must re-schedule them in available openings at that time.
- i) This new agreement will supersede all previous Maintenance time off agreements and will be in effect as of May 1, 2009.

This document has been read and accepted by both parties January 14, 2009

Stew Gibson,
General Manager
Catalyst Paper, Powell River Division

Mike Verdiel
President
CEP Local 76

LETTER OF UNDERSTANDING May 13, 1977

CONTINUITY PAY

A day worker who prior to 6:00 AM is called back to work on a breakdown or emergency clothing or wire change after completion of 8 hours work shall be paid according to the B.C. Standard Labour Agreement for those hours up to 8:00 AM. However, if the employee continues to work through into the next day after 8:00 AM the overtime payment will continue to the completion of the specific job that necessitated the call-in. It is understood that should the breakdown continue, the above clause would only apply for the first day.

If the original employee who was called in is replaced by another employee, the original employee is placed on another job, the original employee will still receive the overtime payment until the specific job that he was called in to do is completed.

It is further understood that when there is a team of employees called in, the continuation of overtime pay is only to the point when the employee has completed his portion of the job.

e.g. Millwright and Clothing crew may be called in and the millwright's job is completed one hour ahead of the clothing crews working on the job, the continuity of overtime for the millwright ceases when his portion of the job is completed.

It shall be the responsibility of the Supervisor to determine what time the job has been completed.

1. This provision is for day workers only.
2. This provision is only applicable after completing 8 hours in the day.
3. This provision applies only on breakdowns or emergency clothing or wire changes.
4. This provision applies only when the time of reporting for work is prior to 6:00 AM. If work begins at 6:00 AM there is no provision to continue overtime past 8:00 AM.
5. This provision applies only as long as the specific job which necessitated the call is continuing, regardless of who is working on it. The overtime continuity ceases when that job is finished regardless of whether the machine starts-up or not.
6. This provision applies for the first day only.

**LETTER OF UNDERSTANDING
BETWEEN
COMMUNICATIONS, ENERGY AND PAPERWORKERS' UNION
OF CANADA LOCAL 76 (THE UNION)
AND
NORSKECANADA, POWELL RIVER DIVISION (THE COMPANY)**

December 3, 2003

RE: LAB / TECHNICAL DEPARTMENT

In recognizing and acknowledging that increased skill enhancement and process education for our technicians will result in better technical services, it is agreed that as of the date of this letter:

1. In addition to meeting all existing entry criteria, employees who post in to the Technical Department must successfully complete the Northern Alberta Institute of Technology Pulp and Paper Technician Certificate within three years of the date of entry to the department.
2. Employees must demonstrate ongoing success in the program by meeting or exceeding the following timetable:
 - a. Module 1, The Industry must be started no later than 4 months and completed no later than 12 months from date of entry to department
 - b. Module 2, Process Management Systems must be started no later than 16 months and completed no later than 24 months from date of entry to department
 - c. Module 4, Papermaking must be started no later than 28 months and completed no later than 36 months from date of entry to department
3. If an employee does not successfully complete a module, (s)he will be allowed one opportunity to rewrite the module examination within 30 days of being notified that (s)he was unsuccessful in the first attempt. The second examination will be at the employee's expense.
4. Employees who do not complete any of the three modules within the above specified time frame will immediately be removed from the department and transferred to the Labour Pool.

5. Where a new employee in the Technical Department has already taken and completed the NAIT program or the BCIT Diploma, Chemical Sciences Pulp and Paper Technology, the employee will not have to complete the program again. Where a new employee has completed a similar program, or has similar qualifications to the NAIT program, the Company and Union will review the qualifications and may deem the employee 'qualified' and exempt from participating in the NAIT program. The Company and Union may decide that such an employee will be required to challenge any or all of the NAIT module examinations to prove competency.
6. The following pay-for-knowledge premiums will be applied:
 - a. Completion of Module 1: \$0.25 per hour
 - b. Completion of Module 2: \$0.25 per hour
 - c. Completion of Module 4: \$0.50 per hourTotal: \$1.00 per hour
7. Current incumbents in the Department are encouraged but not required to complete the NAIT program. Should any existing incumbents complete any portion of the program, the corresponding premium(s) as outlined above will be paid.
8. The Cost of tuition, books and examination fees (except in the case of second attempts at exams as outlined in #3 above) will be pre-paid by the Company for employees in the Technical Department. Employees outside the Department who are interested in the NAIT program may apply for tuition reimbursement.
9. Employees enrolled in the NAIT program will be given the opportunity to partner with a staff member as a tutor provided the Company has adequate subject-matter experts employed at the division. The exact nature of the student-tutor relationship and any expectations will be negotiated between the student and potential tutor but generally, the role of the tutor will be to monitor employee progress and provide subject matter assistance as required.
10. To provide a concentrated period of study prior to module exams, employees enrolled in the program will be provided 10 full days of paid at-work study time per module, to be taken close to the respective examination date. The study time will be granted at a time mutually convenient to the employee and the Company. Normally it will not be possible to grant this study time to more

than one Technical Services employee at a time however, if relief is available, this limit may at the discretion of the Company be exceeded. If an employee fails on his or her first attempt at a module exam, he or she will not be entitled to any additional paid study time in preparation for a second attempt at the exam.

11. In the event of a mill downsizing, members exercising their mill seniority by bumping into the department will not be required to complete the NAIT Pulp and Paper Technician Certificate.

The terms of this agreement are limited strictly to the circumstances and are not intended to apply to other circumstances or situations in the bargaining unit.

Signed this 03 day of December, 2003.

Murray Jones
Director, Technical Services & Utilities
NorskeCanada – Powell River Division

Mike Verdiel
President
CEP Local 76

**LETTER OF UNDERSTANDING
BETWEEN
COMMUNICATIONS, ENERGY AND PAPERWORKERS' UNION
OF CANADA LOCAL 76 (THE UNION)
AND
NORSKECANADA, POWELL RIVER DIVISION (THE COMPANY)**

July 21, 2004

**RE: UTILITIES DEPARTMENT POWER ENGINEERING
QUALIFICATIONS**

Whereas currently there are too few third class power engineers and too many fourth class power engineers in the Steam Plant, and whereas currently only the bottom job in the Utilities Department (hereafter referred to as the "department") Line of Progression has a Fourth Class Power Engineering Certification prerequisite, it is agreed that as of the date of this letter:

1. To provide opportunity for employees posting into the department to acquire the firing time necessary to qualify for fourth class power engineering certification, the fourth class power

engineering entrance requirement for the entry-level position in the department will be eliminated (currently the Conveyorman position). If necessary, the duties of the entry-level position will be modified to provide firing time as defined by the Power Engineers and Boiler and Pressure Vessels Safety Act.

2. Employees posting into the department must within 18 months from the actual date of entry to the department, acquire a Fourth Class Power Engineering Certification (with some minor flexibility to accommodate government testing dates) or be removed from the department. To remain in the department, employees must demonstrate ongoing success in the program by meeting or exceeding the following timeline:
 - a. Fourth Class Part "A" examination must be complete no later than 9 months from the date of entry to the department
 - b. Fourth Class Part "B" examination must be complete no later than 18 months from the date of entry to the department
3. Employees will also be required within a maximum of 54 months from the date of entry to the department acquire a Third Class Power Engineering Certification, 36 months for those entering with a Fourth Class Power Engineering Certification (with some minor flexibility to accommodate government testing dates) or be removed from the department. To remain in the department, employees must demonstrate ongoing success in the program by meeting or exceeding the following timeline:
 - a. Third Class Part "A" examination must successfully be completed no later than 36 months (18 months if the employee enters the department with a Fourth Class) from the date of entry to the department
 - b. Third Class Part "B" examination must successfully be completed no later than 54 months (36 months if the employee enters the department with a Fourth Class) from the date of entry to the department
4. The existing department line-of-progression, has only one Fourth Class position, and as such can only effectively utilize four employees that have not advanced past Fourth Class Power Engineering Certification. If the number of employees in the department holding only Fourth Class Power Engineering Certification exceeds four when a vacancy in the department occurs, the vacancy will be filled by posting for a Third Class Power Engineer. The vacancy will be posted internally first (i.e.

only Local 76 employees will be eligible to apply) then externally if no internal employees are successful in the posting.

5. A \$1.20 per hour pay-for-knowledge premium will be paid to those employees in the department who have a Second Class Power Engineering Certification where only a Third Class Certification is required. This premium will be paid in addition to the existing \$.30 provision in Exhibit A of the Collective Agreement. Should a future departmental restructuring occur where Second Class Power Engineering Certification becomes a requirement for one or more bargaining unit positions in the department, the pay-for-knowledge premium will not apply to those positions.

Jordie Rheault
Director, Maintenance & Engineering
NorskeCanada, Powell River Division

Mike Verdiel
President
CEP Local 76

MAINTENANCE - WORKING FOREMAN OR LEADHAND – JOB DESCRIPTION

Employees filling these roles will be paid 7.5% above the highest card rate in the department.

The Working Foreman receives a premium rate in recognition of their role in ensuring the continuity of work in their area, while working under the direction of their Supervisor. The intent of this document is to provide a general scope of the duties with the understanding that department specific responsibilities may change. Any department specific responsibilities will be discussed with all parties prior to an incumbent accepting the position.

The following represents a general list of the roles and responsibilities of the Working Foreman or Leadhand position:

- 1) Co-chair morning tool box meetings with supervisor
- 2) Lead by example and walk the talk regarding safe work practices
- 3) Intervene if unsafe work practices are observed and bring to the attention of both the employee and the supervisor
- 4) Lead & provide active input into pre-job hazard analysis
- 5) Discuss safety issues with tradesmen and develop action plans for solution

- 6) Participate with incident investigations by sharing trade knowledge & helping to reach the root cause
- 7) Follow business processes as outlined by management group
- 8) Maintain a good working knowledge of Computerized Maintenance Management System (CMMS)
- 9) Train tradesmen in the proper use of the CMMS program
- 10) Maintain accurate maintenance records utilizing the CMMS program
- 11) Assist supervisor in developing schedules for planned work
- 12) Ensure work is being performed as per schedule and deal with break-in work so as to not impact the work schedule wherever possible
- 13) Ensure all work is being performed in a cost effective manner including co-ordination of other trades
- 14) Provide assistance to tradesmen in procuring materials for scheduled work
- 15) Assist planner with procurement of materials and developing timelines for tasks
- 16) Attend weekly planning meetings as required and provide assistance in setting priorities & timelines to ensure maximum efficiency from resources
- 17) Attend shutdown meetings as required and provide input into task timelines, planning to minimize conflicts, and ensuring maximum resource efficiency
- 18) Responsible to maintain his personal workspace in a clean and orderly fashion
- 19) Responsible for overall shop cleanliness and will lead clean-up activities
- 20) Responsible for maintaining shop tools & test equipment in good working order
- 21) Responsible to ensure all ISO test equipment is maintained to ISO specifications
- 22) Provide leadership implementing and maintaining the respectful workplace guidelines

- 23) May be required to attend early morning maintenance meetings on a daily basis, which will alter shift start and end times accordingly.
- 24) Communicate task progress and results to supervisors and operations group in a timely manner
- 25) Assist in the generation of reports e.g. equipment failure
- 26) Provide assistance on machine down days e.g. re-schedule of their hours to assist with start-up coverage
- 27) Look for continuous improvement opportunities
- 28) Inform supervisor of training requirements and assist with execution of same
- 29) Mentor fellow tradesmen and share knowledge to elevate the knowledge of all trades
- 30) Ensure work being performed meets mill standards for installation and workmanship
- 31) Must spend time on the tools and be prepared to assist in troubleshooting of problems
- 32) Take an active leadership role in emergency situations to ensure work is performed safely and in a timely manner
- 33) Actively participate in leadership courses as approved by Wage Delegates
- 34) Assigning duties and jobs to other employees
- 35) Identifying and obtaining resources required to complete work assignments
- 36) Monitoring and taking appropriate steps to ensure assignments are executed and completed as planned
- 37) Completing appropriate records to ensure the accurate payment of employees under their direction
- 38) Identifying and entering information necessary to identify costs, production data, ordering of parts and materials, etc.
- 39) Other duties as assigned





