

LABOUR AGREEMENT 2012-2017



BETWEEN

Catalyst



Crofton Division

AND



**PULP, PAPER AND WOODWORKERS
OF CANADA
LOCAL 2**

CROFTON LABOUR AGREEMENT 2012 - 2017

This AGREEMENT made this 13th day of March, 2012

Between:

Catalyst Paper – Crofton Division

(hereinafter referred to as the Company)

PARTY OF THE FIRST PART

- AND -

Pulp, Paper and Woodworkers of Canada, Local 2

(hereinafter referred to as the Union)

PARTY OF THE SECOND PART

Witnesseth

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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 employees to cooperate fully, individually and collectively, for the advancement of said conditions.

Section 2: Mutual Responsibilities

It is recognized by this agreement to be the duty of the Company to explain fully the terms of this Agreement to all its officers, 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 that there shall be no strikes, walkouts or other interruption of work during the period of this Agreement. It is agreed that there shall be no lockouts by the Company during the period of this Agreement.

Section 4: Human Rights Code

The parties hereto subscribe to the principles of the Human Rights Code.

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

Section 5: Scope of Agreement

In the event of a change in employer status, members of Local 2 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 Signatory Company at the location (or locations) named in this Agreement, excepting: those engaged in administration, in actual supervision, in sales, engineering, technical and research, accounting, clerical, stenographic and other office work or watchmen's functions, excluding those employed on jobs listed in Exhibit "A".

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

- b) The words TOUR WORKERS means 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 they are usually employed, their 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.
- d) The word WEEK means a period of seven (7) calendar days beginning at 8:00 a.m. Sunday, or at the regular hour of changing shifts nearest to 8:00 a.m.

ARTICLE III - BARGAINING AGENCY

Section 1: Recognition

The Company recognizes the Pulp, Paper and Woodworkers of Canada, Local #2 as certified for a unit of its employees as defined in this Agreement.

Section 2: Bulletin Boards

The Company shall supply adequately enclosed official bulletin boards in each department 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 their 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.

A local union representative shall be given an opportunity to speak with all new employees during the employee's indoctrination.

The Company will cooperate with the local in booking individuals off for their attendance in union training.

Reimbursement of wages for union training will be paid by the union.

Section 3: Discharge of Non-Members

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

Section 4: Application for Membership

No employee shall be subject to any penalties against their application for membership or reinstatement, except as may be provided for in the Constitution and By-Laws of the Union.

Section 5: Union Dues Deduction

The Company will deduct Union dues from employees as directed by the President of the Union or their designate.

ARTICLE V - STANDING COMMITTEE

A Standing Committee shall be maintained in the following manner:

- a) The General Manager shall appoint a Company Standing Committee of four (4) individuals which shall represent the Company.
- b) The Union shall select from its membership a Union Standing Committee of four (4) which shall represent the Union for the purposes stated in this Agreement.
- c) The Company and the Union agree to meet once per month.

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 to hourly paid workers on the following basis:

a) Day Workers

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

b) **Tour Workers**

- i) For all work performed on Sunday (8:00 a.m. Sunday to 8:00 a.m. Monday) and on holidays as specified in Articles XII and XIII of this Agreement.
- ii) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive hours except:
 - (1) When such work in excess of eight (8) hours is caused by change of shifts.
 - (2) Overtime work by special arrangement between a Tour Worker and their mate to exchange shifts with the approval of their Supervisor, and when this can be accomplished without additional cost or penalty to the Company.
- iii) For work in excess of forty (40) hours average per week. By average is meant the number of weeks mutually agreed upon in advance as the correct schedule.
- iv) For work performed on an employee's designated day off as provided for in Section 3 herein.
- v) The Company agrees that employees may carry over Sunday Letter and statutory holiday time earned when sufficient straight-time hours are unavailable that week. The hours may be carried over after the week in which they are earned provided a regular work schedule is being followed.

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

c) **Banking of Overtime – Note: Letter of Understanding, Banked Time – New (See Codification of Local Agreements)**

- 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 (½) premium pay. Tour Workers who choose to bank overtime may later re-elect to receive the deferred one-half (½) 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 (1/2) premium pay. Day Workers who choose to bank overtime may later re-elect to receive the deferred one-half (1/2) premium pay.
- iii) The parties agree that in all situations where an employee has an opportunity to bank overtime, the following provisions will apply;

12-hour shift & 8-hour shift:

Option of 2 times the rate of pay for bankable hours of overtime at the time the overtime is worked, or banking of the overtime according to Article VI – Hours of Work, Section 2 (i).

The pay system will default to double time unless the employee requests that it be banked on each occasion.

- iv) When 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 canceling approved time off.
- d) All breaks, while on overtime shall be on Company time.

Section 3: Days Off and Schedule of Shifts

a) Relief employees, employed to provide relief of employees who follow regular schedules, will be scheduled when required for coverage. The Company will designate regular, periodic days off for all other employees and will not change such designation without notice except in the case of breakdown. The Company shall use its best efforts:

i) to schedule days off for relief employees on a consecutive basis; and

ii) to provide established schedules for relief employees

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

In the event the day or days off are changed to precede the original designated day or days off, then forty-four (44) 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.

An employee may change their shift, day or days off by mutual arrangement with the foreman and shop steward of the department concerned without penalty to the Company.

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.

c) When the company changes an employee's shift schedule after the start of the week without notification being given prior to the start of their regularly scheduled shift preceding the change, the employee will 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 their 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.

Section 4: Starting and Stopping Work

a) Tour Workers

When a tour begins, each tour worker is required to be in their place. At the end of a shift no tour worker shall leave their place to wash up and dress until their mate has reported to take on the responsibility of the position. If a Tour Worker does not report for their regular shift, their mate shall notify the Foreman. They shall remain at their post until a substitute is secured, and, if necessary, they 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.

Supervision will make substantial efforts to secure a substitute and the Company agrees to discuss in Standing Committee mutually agreeable procedures to achieve this purpose.

Arrangements shall be made by the Company to provide a hot meal at the start of the extra shift and at each four (4) consecutive hour period thereafter.

In the event a tour worker cannot report for their regular shift, they will, if it is reasonably possible, notify their Foreman or the office at least four (4) hours before their tour begins.

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 12:30 p.m. to 4:30 p.m., they shall be at their post ready to work at 8:00 a.m. and 12:30 p.m. and shall not quit work until 12:00 noon and 4:30 p.m.

Section 5: Meals

A hot meal shall be provided to an employee when they are required to remain at work for more than one (1) hour after completion of their shift. One additional meal shall be provided every four (4) hours thereafter. The meal shall be eaten on Company time.

If an employee is called in early, and less than two (2) hours' notice has been given, a meal shall be provided at each regular meal time.

Employees will have the option of a hot meal at the time it is earned or a meal allowance of 80% of base rate. There shall be no payment of meal time if the meal ticket option (ie 0.3 time) is selected.

ARTICLE VII - WAGES

Section 1: Wage Scale

The following general wage adjustments will apply effective to May 1, 2017 for active and retired employees:

- a) Mechanics rate adjustment
 - \$0.70 per hour effective May 01, 2008
 - Applied before wage increases
 - To be applied to same positions as maintenance flex premium
- b) Wages
 - 10% effective May 1, 2012
 - 0% effective May 1, 2013
 - 0% effective May 1, 2014
 - 2.0% effective May 1, 2015
 - 2.0% effective May 1, 2016

The wage scale for the term of this Agreement is attached as Exhibit "A" of this Agreement.

Section 2: Shift Differentials

a) Tour Workers

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

	May 1, 1998 (% of base rate pay)	May 1, 2000 (% of base rate pay)
8:00 a.m. to 8:00 p.m.	2.25%	2.50%
8:00 p.m. to 8:00 a.m.	4.00%	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:

	May 1, 1998 (% of base rate pay)	May 1, 2000 (% of base rate pay)
8:00 a.m. to 4:00 p.m.	1.75%	2.00%
4:00 p.m. to 12:00 a.m.	3.30%	3.55%
12:00 a.m. to 8:00 a.m.	4.25%	4.50%

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

	May 1, 1998 (% of base rate pay)	May 1, 2000 (% of base rate pay)
4:00 p.m. to 12:00 a.m.	2.00%	2.25%
12:00 a.m. to 8:00 a.m.	3.00%	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:

	May 1, 1998 (% of base rate pay)	May 1, 2000 (% of base rate pay)
4:00 p.m. to 12:00 a.m.	2.00%	2.25%
12:00 a.m. to 8:00 a.m.	3.00%	3.25%

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

c) **All Employees**

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

Section 3: Job Evaluation

The Company and the local union agree to implement a job evaluation process consistent with the existing industry plan. The parties will constitute a committee to research job evaluation with the purpose of finalizing this process by April 30, 2003. Should a job evaluation plan be implemented, existing contract language will be amended or added to reflect the new plan.

ARTICLE VIII - ALLOWANCE FOR FAILURE TO PROVIDE WORK

Section 1: No Work

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

Section 2: Where Shift Commenced

In any case where an employee has commenced their regular scheduled shift, they 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 IX 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 IX - CALL TIME

Section 1: Qualifying Conditions

An employee shall receive two (2) hours Call Time at the straight time rate in addition to pay for time actually worked under the following conditions:

- a) Call to Work Following a Shift
When required to report for work after completing their 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 XII.
- d) Assignment of Work Not Connected with the Initial Call-in
When a Day Worker is required to report for work in accordance with (a), (b) or (c) above, they shall receive one (1) additional Call Time payment if the initial call-in was to perform emergency work and they are then required to perform any work other than that which necessitated the call-in.
- e) Day Workers Called in After Twelve Midnight
The Company will cooperate with any Day Worker called in after twelve midnight to ensure that this work does not preclude him working their regular eight (8) hour shift the following day. This may be accomplished by altering the hours of work to the mutual satisfaction of the employee and their supervisor. No penalty shall apply to the Company as a result of such an arrangement.

Section 2: Payment

- a) The employee shall receive a minimum payment of four (4) straight time hours' pay including payment for Call Time and time worked, but not the payment provided in Section 1(d).
- b) Not more than one (1) basis shall be used to cover the same period of work except as provided in Section 1(d).
- c) The Call Time payment will not be added to or paid in lieu of allowances payable under Articles VI, VIII and X.

ARTICLE X - 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 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 XI - VACATIONS

Section 1: Entitlement

For Vacations accrued after April 30, 2012: Subject to the requirements of this Article, every employee is entitled to a vacation and vacation pay as follows:

		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:	Length of Vacation	% of the total wages earned by the employee during the preceding vacation period	OR hours pay at the hourly rate of the employee's regular job.
A) been employed for less than one year and does not qualify under (B) below;	1/4 day for each 40 hours of actual work performed during the preceding vacation period provided no vacation of less than one day will be granted.	3%	or NIL hours
B) been employed for less than one year but has worked not less than 1500 hours during the preceding vacation period OR been employed for not less than one year and who has worked not less than 1200 hours during the preceding vacation period. The following hours will count as hours worked for the purpose of qualifying for a vacation: Vacations; Statutory Holidays; Special (Personal) and Supplementary Special (Personal) Floating Holidays; Jury or Witness Duty; Bereavement Leave; Contractual Steam Plant, Apprenticeship Leave; 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/her 2nd vacation under this Agreement;	3 weeks	5%	or 120 hours
D) qualified for his/her 7th vacation under this Agreement;	4 weeks	7%	or 160 hours
E) qualified for his/her 14th vacation under this Agreement;	5 weeks	9%	or 200 hours
F) qualified for his/her 23rd vacation under this Agreement;	6 weeks	11%	or 240 hours
G) qualified for his/her 29th vacation under this Agreement;	7 weeks	13%	or 280 hours

Notwithstanding Article XI , each employee will have a reduction of one week's vacation entitlement subject to Employment Standards minimums.

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) Vacations with pay are not cumulative and must be taken during the vacation period except as provided below:
 - i) Vacations earned under Section 4(d) and (1).
 - ii)
 - 1) At the start of the vacation year, employees may elect to receive all, part or none of their vacation pay in advance in full weekly increments.
 - 2) Employees shall have the option at any time during the vacation year to bank paid vacation entitlement in excess of the statutory minimum to a maximum of 2 weeks per year for which the vacation pay advance has not been paid. Employees may accumulate a maximum of 6 weeks vacation in the bank.
 - 3) Banked vacations must be taken prior to retirement and will be paid at the employee's current rate of vacation pay at the time when taking the banked vacation time off.
- d) A vacation with pay provided under Section 1 for employees in category (A) may be taken during the vacation period in which the entitlement thereto is established, or during the next following vacation period.

- e) No employee may continue to work and draw vacation pay in lieu of taking the vacation. Vacation pay shall be paid to employees, upon request, within fourteen (14) days after May 1st. Employees may elect to receive their vacation pay on a bi-weekly basis (each pay period).

An employee who has deferred vacation pay may, at any time during the vacation year, request the balance owing or a portion of the balance owing in full weekly increments up to the number of deferred weeks remaining

An employee may elect prior to May 1st of each calendar year to forfeit one or two weeks of vacation entitlement subject to Employment Standards minimums. Employees will be paid what they would have received had they taken the vacation.

- f) The allocation of vacation times is to be decided by the Company. However, the Company will endeavor by discussion with the employees or the Union, to arrange vacations to suit the employees' wishes.
- g) Time not exceeding one (1) year, lost as the result of an accident recognized as compensable by WorkSafeBC, suffered during the course of employment, shall be considered as time worked for the purpose of qualifying for vacation. Time exceeding one (1) year shall be recognized as uninterrupted service for the purpose of establishing vacation time off, upon return to work.
- h) Time not exceeding one (1) year, lost as the result of a non-occupational accident, illness or approved maternity leave, shall be considered as time worked for the purpose of qualifying for vacation provided that at the time of the accident or illness or commencement of maternity leave the employee has been on the payroll for not less than one (1) year and returns to employment. It is understood that the Company may require that the employee provide a certificate from a qualified medical practitioner.
Time exceeding one (1) year shall be recognized as uninterrupted service for the purpose of establishing vacation time off, upon return to work.
- i) Time lost as the result of layoff shall not be considered as time worked for the purpose of qualifying for a vacation.
- j) Time on Leave of Absence for Union business duly approved by the Company in writing shall be considered as uninterrupted service for the purpose of establishing vacation time off, during the year of their absence as well as in ensuing years.

Vacation pay will apply as follows:

- i) For the period of the person's absence while in the employ of the Union, the Union will be responsible for payment of all vacation credits due to the employee.
 - ii) On return to active regular employment, the employee shall receive vacation pay equal to the appropriate percentage of the total wages earned by the employee while actively employed by the Company during the vacation year.
 - iii) Subsequent vacation pay will be paid on the basis that Company service was uninterrupted.
- k) Employees will be allowed to take vacations on a tour basis.
- l) An employee, who has not taken their full vacation entitlement and who is precluded from doing so before the end of the vacation year by reason of sickness or injury, may defer unused vacation time into the next vacation year. Such deferred vacation time must be taken at a time to be decided by the Company which will endeavor by discussion with the employee to arrange the deferred vacation to suit the employee's wishes. Pay for such deferred vacation shall be the same as if taken in the original vacation year.

Section 4: Computation of Vacation Pay

Where an employee's vacation pay for the current year is to be computed as a percentage of their "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 XII - STATUTORY HOLIDAYS

Section 1: Recognized Days

The following shall be the recognized Statutory Holidays:

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

Section 2: Adjustment in Hours

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

In the event 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 7 days in advance of the statutory holiday and provided that a trained volunteer can be found to replace him 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).

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

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

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

Section 6: Qualifying Conditions

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

- a) The employee must have been on the payroll for not less than the sixty (60) days just preceding the holiday and must have previously qualified for a statutory holiday as provided in (d) below, and
- b) The employee must have worked at least one (1) day during the sixty (60)-day qualifying period just preceding the holiday, and
- c) The employee must have worked their scheduled work day before, and their scheduled work day after, such holiday, unless failure to work their scheduled work day before or after the holiday was due to any of the following events:
 - i) When the employee is on their regular authorized paid vacation;
 - ii) When the employee is unable to work by reason of an industrial accident as recognized by WorkSafeBC or non-occupational sickness or injury;
 - iii) When the operation in which the employee is engaged is curtailed or discontinued by the decision of the Company and which curtailment or discontinuance changes or eliminates the employee's scheduled work day before, or their 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 they have worked a minimum of one hundred eighty (180) hours during the sixty (60)-day qualifying period just preceding the holiday and meets the requirements of (b) and (c) above.

- e) Time lost as the result of an accident as recognized by WorkSafeBC, suffered during the course of employment, or time lost as a result of non-occupational sickness or injury shall be considered as time worked for the purpose of qualifying for a recognized paid holiday, it being understood that the employee will only be entitled to this credit for time while on WorkSafeBC compensation or non-occupational sickness or injury for a period of up to but not exceeding one (1) year from the date of their sickness or injury.
- f) It is understood and agreed, however, that an employee shall not receive the above provided holiday pay if they have agreed to work on such holiday and fails or refuses to work, except in the case where bona fide sickness, or other bona fide reason approved by the Company, prevents their working on such holiday.

ARTICLE XIII - SPECIAL (PERSONAL) FLOATING HOLIDAYS

Section 1: Floating Holidays

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

Section 2: Qualifying Conditions

For each Special (Personal) Floating Holiday taken an employee will be granted eight (8) hours' pay and effective May 1, 1998, Tour Workers on the Compressed Work Week will be granted twelve (12) hours' pay 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 their first Special (Personal) Floating Holiday and on the payroll for one hundred eighty (180) days to qualify for their 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 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 granting of Personal Floating Holidays. The employee shall receive written notice of the disposition of their request a minimum of seventy-two (72) hours prior to the requested Personal Floating Holiday.

ARTICLE XIV - SUPPLEMENTARY SPECIAL (PERSONAL) FLOATING HOLIDAYS

Section 1: Five-Year Service

After completing five (5) years of continuous service with the Company, an employee shall, in addition to the Special (Personal) Floating Holidays to which they are entitled under Article XIII of the Agreement, be entitled to one (1) Special (Personal) Floating Holiday with pay each contract year, such special holiday 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.

An employee may elect to take their Supplementary Special (Personal) Floating Holidays as a vacation after completing five (5) years of continuous service with the Company. If an employee wishes to elect this option, they must advise the Company in writing of their election in advance for that five (5) year period. If an employee elects to take their Supplementary Special (Personal) Floating Holidays as a vacation, it 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.

Transition

An employee who has taken single days as Supplementary Special (Personal) Floating Holidays under previous Agreements within their current five (5) year entitlement period, will receive Supplementary Vacation proportionate to their remaining entitlement within that period.

Section 2: Ten-Year Service

After completing ten (10) years of continuous service with the Company, an employee shall, in addition to the Special (Personal) Floating Holidays to which they are entitled under Article XIII of the Agreement, be entitled to two (2) Special (Personal) Floating Holidays with pay each contract year, 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.

An employee may elect to take their Supplementary Special (Personal) Floating Holidays as a vacation after completing ten (10) years of continuous service with the Company, and again on their fifteenth (15)-year of continuous service with the Company. If the employee wishes to elect this option, they must advise the Company in writing of their election in advance for that five (5) year period.

If an employee elects to take their Supplementary Special (Personal) Floating Holidays as a vacation, it 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.

Transition

An employee who has taken single days as Supplementary Special (Personal) Floating Holidays under previous Agreements within their current five (5)-year entitlement period, will receive Supplementary Vacation proportionate to their remaining entitlement within that period.

Section 3: Twenty-Year Service

- a) After completing twenty (20) years of continuous service, employees shall be granted three (3) Special (Personal) Floating Holidays; after completing thirty (30) years of continuous service, employees shall be granted four (4) Special (Personal) Floating

Holidays, and after completing forty (40) years of continuous service employees shall be granted five (5) Special (Personal) Floating Holidays, each contract year.

- b) After completing twenty (20) years of continuous service an employee may elect to take their Supplementary Special Floating Holidays in one, two, three, four or five-week periods, depending on entitlement. In order to do so the employee must advise the Company in writing of their election in advance for each five (5)-year period. They will be immediately entitled at the start of each five (5)-year period to the number of days that would normally accrue to their credit during the said five (5)-year period. If an employee elects to take their Supplementary Special Floating Holidays in full week periods they 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 Holiday shall be taken at a time to be agreed upon by the Company and the employee.

Section 4: Rate for Holiday Work

If an employee is required to work on the special holidays provided under Section 1, 2 and 3 above, after a definite date has been designated for such holidays, the employee shall be paid overtime for such work at the rate specified in the Agreement.

Section 5: Holiday Pay

In addition to any other compensation earned, an employee entitled to the special holidays provided under Sections 1, 2 and 3 above will be granted eight (8) hours' pay on the straight time rate of their regular job for each such holiday.

Section 6: Credit for Time Lost

Time lost as the result of an accident as recognized by WorkSafeBC, suffered during the course of employment, shall be considered as time worked for the purpose of qualifying for the special holidays provided under Sections 1, 2 and 3 above, it being understood that the employee will only be entitled to this credit for time while on WorkSafeBC compensation for a period of up to but not exceeding one (1) year from the date of their accident or injury.

Section 7: Service Period

For the purpose of determining eligibility for the special holidays provided under Sections 1, 2 and 3 above, an employee's service shall be calculated from the date of their joining the Company.

Section 8: Partial Entitlement

At retirement or termination from the Company, an employee shall be entitled to pay for Supplementary Special (Personal) Floating Holidays earned by completion of one or more five (5) year periods of service, but not taken, and to that portion of Supplementary Special (Personal) Floating Holiday pay proportionate to the number of years of service completed subsequent to their last five (5) year entitlement period.

ARTICLE XV - WELFARE PLAN

Section 1: Plan

It is agreed that a Health and Welfare Plan will be established based on the principles set out in this Article and Exhibit "B".

Section 2: Board of Trustees

A Board of Trustees will be constituted composed of two (2) members representing the Pulp, Paper and Woodworkers of Canada and two (2) members representing the companies which are plan members, to be responsible for the selection of the underwriter or underwriters and the administration of the Plan.

Section 3: Interpretation

The Board of Trustees will decide all questions arising on matters of operation, administration and interpretation of the Plan and their decision will be binding on both parties.

Section 4: Umpire

Where a dispute is irresolvable by the Board of Trustees, it shall be submitted to an umpire whose decision will be binding on both parties. The umpire shall be mutually acceptable and be experienced in the group insurance field.

Notwithstanding the above, an umpire shall not decide on matters affecting the overall cost of the Plan and benefits it provides, nor are

they empowered to deal with matters properly handled through the Adjustment of Complaints Procedure of this agreement, or matters that are properly dealt with through collective bargaining.

Should any conflict arise between the terms of the contract or contracts issued by the underwriter or underwriters and the terms of the Plan, the terms of the Plan shall prevail.

Section 5: Portability

The Plan will be on a trustees basis and the Company recognizes the portability of the Plan. Therefore, there will be no further waiting period for qualified employees who have joined the Company from another employer who is a member of the Plan.

Section 6: Retired Employee Benefits

The Company agrees to provide, effective the 1st of the month following ratification of a new Joint Labour Agreement and for the continuous period through to and including three months following the expiration of that agreement, for employees who have previously retired from active service or who will retire from active service in Local 2, P.P.W.C. at Crofton, the following coverage for them and their spouse and eligible dependents at retirement:

- a) Full premium payment for the B.C. Medical Plan. It is understood that the employee may be eligible for a premium subsidy if qualified.
- b) Full premium payment for the basic Extended Health Benefits Plan.

The Retiree Extended Health Benefits Lifetime maximum is \$30,000.

ARTICLE XVI - PENSION PLAN

Section 1: The Plan

The Company agrees to contribute to a Pension Plan which will be established pursuant to the general principles set forth in the Pension Plan Summary dated December 6, 1975, and the Letter of Introduction of a New Plan to be effective January 1, 1997.

Section 2: Contributions

The contribution levels will be as follows:

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

January 1, 2004	Employee 4.5%
January 1, 2005	Employee 6%
January 1, 2006	Employee 7%
January 1, 2007	Employee 8%

The Company agrees to instruct the employer trustees of the Pension plan to delete any reference to a \$40 minimum for employees who engaged in the 1997-1998 strike and replace it with "the plan minimum".

Section 3: 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. Effective May 1, 2003, the Board will consist of three (3) elected trustees of the PPWC, three (3) appointed trustees of the CEP and three (3) appointed trustees of the member employers.

Section 4: Bridge Benefit

There will be available a Term Annuity Benefit which will be funded by the Company in a manner of its own selection.

This benefit will be available to those employees who request it and who choose to retire early from active employment commencing at age 60 and up to, but not including, age 65. The Company shall provide a pension bridge annuity of twenty dollars (\$20) per month, per year of service to employees aged sixty (60) or older who retire prior to attaining 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 and Paper Pension Plan.

Payments under this provision will cease at the end of the month immediately preceding the month in which the employee who selects to retire early under this provision attains age 65 or dies, whichever occurs first. Should an employee return to work after commencement of this provision, the payment will be handled on the same basis as the pension benefit is handled under the terms of Section 18 of the Plan Text.

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).

ARTICLE XVII - 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 they have acquired experience by providing relief.

If an employee is moved out of a line of progression for any reason, the Company will not require re-testing of the employee for 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 Company.

- 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 local Union.

Section 2: Probationary Period

Until an employee has been on the payroll of the Company for forty five (45) calendar days, or until they have accumulated thirty (30) working days in a ninety (90) calendar day period, they shall be considered a probationary employee and shall have no rights under Article XVII with respect to seniority.

Section 3: Retention of Seniority

- a) Any employee, other than a probationary employee, whose employment ceases through no fault of their own, shall retain seniority and shall be recalled on the following basis:
 - i) An employee with less than one year's continuous service shall retain these rights for six (6) months from the date of lay-off

- ii) An employee with one or more year's continuous service shall retain these rights for twelve (12) 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 their last address reported to and received by the mill shall result in their termination of employment with the Company. Bona fide reasons for failure to report shall not deprive an employee of their recall rights.

Section 4: Training

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

Phasing in arrangements to implement the training provisions listed below shall be concluded prior to a layoff or closure. In the event of a sudden or unexpected layoff or closure, the Company will immediately meet with the union to discuss training arrangements. To facilitate the 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 thirty-five (35) days.
- d) Up to ten (10) days where the layoff is estimated to be in excess of sixty (60) days,
- e) Where the layoff is estimated to be in excess of ninety (90) days the Company will discuss with the local Union training provisions of up to fifteen (15) days.
- f) Where a layoff results from a permanent partial plant closure or indefinite closure in excess of ninety (90) days, the Company will participate in a program of training or re-training for another job within the operations to facilitate the exercising of mill seniority, recognizing there will be some limitations where special qualifications are required.

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 year's seniority may have their welfare coverage continued for six (6) months while on layoff.
- b) An employee with more than four (4) months but less than one (1) year's seniority may have their 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 their welfare coverage extended by one month for each month in which they work.
- e) An employee whose welfare coverage under paragraphs (a) and (b) above has expired will on return to work be eligible for coverage for the period of their employment.
- f) An employee will qualify for a new period of welfare coverage as provided in paragraphs (a) and (b) above if they return to work for at least ten (10) days within a floating period of thirty (30) consecutive days.

ARTICLE XVIII - 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 their 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: Bereavement Leave

- a) 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 they shall be compensated at their regular straight time hourly rate for hours lost from their regular schedule for a maximum of three (3) days.
- b) Members of the employee's immediate family are defined as the employee's spouse, mother, father, brothers, sisters, sons, daughters, step-children, mother-in-law, father-in-law, son-in-law, daughter-in-law, step-parents, grandparents, grandchildren and spouse's siblings (brother(s) and/or sisters(s)).
- c) Compensable hours under the terms of the section 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.

Section 3: Jury or Witness Duty

- a) 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 they would normally have worked, will be reimbursed by the Company for the difference between the pay received in such duty and their regular straight time hourly rate of pay for their 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 their straight time rate of pay for their 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.

- b) 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.

Section 4: Steam Plant Leave

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

Section 5: 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.

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

Section 6: Other Leave

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

Section 7: Time of Application

An application for leave of absence shall be made by the employee as far in advance of the date requested as is reasonably possible under the circumstances.

ARTICLE XIX - ENVIRONMENTAL PROTECTION

The Company agrees to establish a Joint Labour/Management Environmental Protection Committee.

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

ARTICLE XX - JOB SECURITY

Section 1: Objective

In view of the interest and concern by the parties in the impact on manpower and conditions of employment resulting from mechanization, technological changes and automation, it is recommended that the parties utilize to the best advantage of the Company and the employees all scientific improvements.

Section 2: Definition

Technological change, which term shall include automation, mechanization and process change, or cumulative changes brought on by technology, 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.

Clarification on Cumulative Change

Cumulative technological change, are changes instituted within the 4 year period prior to the date of notice of the position being eliminated and meeting the definition of technological change in Article XX, Section 2.

Required Notice (Section 4): Required notice of 180 days will not apply in instances where the change is due to cumulative changes.

Section 3: Joint Committee

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

Section 4: Required Notice

The Company will advise the appropriate committee or committees as soon as possible, and in any case not less than one hundred 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 XVII - Seniority.
- b) An employee who is set back to a lower paid job because of mechanization, technological change or automation will receive the rate of their 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 they will be paid an adjusted rate which will be midway between the rate of their regular job at the time of the set-back and the rate of their new regular job. At the end of this twelve (12) month period, the rate of their new regular job will apply. However, such employee will have the option of terminating their employment and accepting severance pay as outlined in Section 6(a) below, provided they 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 their employment and accepting severance pay as outlined in Section 6(a) below if the job should be proved to be unsuitable, provided they exercise their 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 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 their 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 per year of service	% of Earnings
1st twenty years	2	4%
Subsequent years	1	2%

Maximum Severance Allowance 52 weeks* 2080 hours

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

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

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.

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

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

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

No payment will be made under this section in cases where the employee has already qualified under Article XXII, Section 5, Job Elimination, or under Article XXI, 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 XXI - 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 based on their years of employment during their last period of continuous service computed on the basis of forty (40) straight time hours at the employee's regular rate on the following basis:

- (a) two (2) weeks per year of service to a maximum sixty (60) weeks
- (b) employees will have their welfare coverage continued for the current month plus two (2) additional months from their date of termination

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.

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

ARTICLE XXII - 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:

- (c) of curtailments of a temporary or indefinite duration, however curtailments in excess of (1) year will allow employees the option of taking severance

- (d) of employees hired for work of known or temporary duration,
- (e) where the employee has already qualified under technological change or permanent mill closure provisions

Clarification on Job Elimination

In the event of an indefinite curtailment of the operation that exceeds one (1) year the following will apply in the application of Article XXII - Job Elimination, Section 2;

- Where the intent of a restart of the idled equipment can be demonstrated within the 15 month period, no severance option is available.

To demonstrate the intent of a restart, the following must be in place;

- The equipment idled must be preserved to a serviceable state and be substantially intact
- A start-up plan has been developed, approved and will be implemented by the Company within the following three month period.

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 XVII - Seniority.

Section 4: Elimination Options

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

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

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

Section 5: Severance Allowance

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

Years of Employment	Severance Allowance	
	Weeks per year of service	% of Earnings
1st twenty (20) years	2	4%
Subsequent years	1	2%
MAXIMUM SEVERANCE ALLOWANCE	52 weeks*	2080 hours

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

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

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) week's pay.

The severance allowance will not be more than the employee would normally receive if they remained at work at forty (40) hours per week to their normal retirement date.

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

ARTICLE XXIII - 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 work force, the Committee will also meet quarterly to make recommendations regarding the utilization of the mill maintenance work force to minimize the use of contractors, both inside and out of the mill.

- 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 their 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:

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

ARTICLE XXIV - FLEXIBLE WORK PRACTICES

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

ARTICLE XXV - 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 "C", 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 XXIX - Adjustments 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 XXVI - 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 XXVII - SAFETY

Section 1: Principle

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

Section 2: Joint Safety Committee

The Local 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 problems.

The parties to the Agreement agree to cooperation and exchange of information with respect to health studies.

Section 3: Safety Education

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

Section 4: Joint Labour/Management Safety Conference

- (1) A Joint Labour / Management Safety Conference of two (2) days will be held annually.
- (2) It shall be the basic principle of this Conference to assist the delegates in the development of an effective safety program through the promotion and implementation of best practices for an effective safety program in each mill.
- (3) To accomplish the implementation of an effective safety program in the mill, each Local Union shall have two (2) delegates in attendance at the safety conference. The two (2) delegates shall be compensated by their respective employer for any loss of wages. Travel and hotel expenses of the delegates shall not be paid by their respective employers.
- (4) A senior management representative shall attend the conference. Senior Company officials and representatives of WorkSafeBC 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 XXVIII - CAUSES FOR DISCIPLINARY ACTION

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

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

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

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

ARTICLE XXIX - ADJUSTMENT OF COMPLAINTS

Section 1: Grievance Procedure

Preamble: It is mutually desired and intended by the parties that any dispute or complaint arising out of the interpretation of this agreement will be communicated by the employee to his/her supervisor in order to provide an opportunity for discussion and timely resolution, prior to the issue becoming a grievance.

If an employee is not satisfied with the resolution offered by his/her immediate supervisor he/she may then initiate a grievance.

Step One - In the event that a written grievance is submitted arising out of the operation of this Agreement, except in the cases of discharge or suspension, the employee shall continue to work as per the conditions existing prior to the time that the grievance arose, and any formal meeting to discuss the grievance shall be held in the presence of the Shop Steward.

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

Step Three - If there is no satisfactory resolution at second step then either party may, within seven (7) days, refer the question to the Standing Committee by advising the chairman of the Standing Committee of the intention to proceed with the grievance. The Standing Committee will then have thirty (30) days to deal with, and answer, the grievance.

Step Four - If there is no satisfactory resolution at third step then the question may, within seven (7) days upon written request of either Standing Committee, be referred to the President of the Local and the Senior Mill Manager will then have thirty (30) days to deal with, and answer, the grievance. Either party may elect to involve outside help at this step such as a regional Union representative and/or a Management representative from outside of Crofton.

Step Five - If there is no satisfactory resolution at fourth step then the matter may, within thirty (30) days, be referred to an Arbitrator.

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

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

Section 2: National Officer

It is understood that in all discussions concerning grievances, any National Officer may accompany the Union Standing Committee in their meetings 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 above, 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 will have the right to select one (1) member of this Arbitration Board and the Union shall select one (1) member, then the two (2) arbitrators thus named will choose a third Arbitrator who shall act as Chairman.
- b) After the Board of Arbitration has been chosen by the foregoing procedure this Board shall meet and hear evidence of both sides and render a decision within fifteen (15) days after they have concluded their hearings, said decision to be final and binding upon all parties to this Agreement.
- c) In the case of discharge or suspension which the Board of Arbitration has determined to have been unjust, the Board 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 Board, the Board may order all or part back pay as it deems fit.
- d) Should the parties be unable to agree on a third arbitrator, either party may request the Minister of Labour to appoint one.

- e) The parties may agree to submit the grievance to a sole arbitrator.

Section 5: Expedited Arbitration

- a) A panel of six (6) arbitrators, each of whom shall be appointed for a two (2)-year term, shall be selected by mutual agreement of the Company and the Union. Grievances processed under this section shall be assigned to the arbitrators on a rotational basis.
- b) An arbitrator must meet and hear the evidence of both parties within fifteen (15) days after assignment. If an arbitrator is unable to commit himself to do so, the grievance shall immediately be assigned to the next arbitrator in order of rotation.
- c) The unavailability of counsel shall not be a reason to delay an arbitration under this section.
- d) The parties will endeavor to agree on a statement of material facts which may be submitted to the arbitrator in advance of the hearing.
- e) The arbitrator will give their decision within one (1) week after the hearing. The reasons need not be given at the same time as the decision.
- f) The provisions of Section 4(c) as they apply to discharge, shall apply to this section.

Section 6: Minutes

Approved minutes of Standing Committee meetings shall be signed by the Company and the Union. The Company agrees to post and distribute, in an expeditious manner, jointly signed and approved minutes.

Section 7: Local Agreements

Disputes arising under signed local agreements, which are supplementary to the Agreement, shall be subject to the grievance procedure contained herein.

ARTICLE XXX - DURATION AND AMENDING PROCEDURE

Section 1: Term of Agreement

This Agreement will be in effect from midnight April 30, 2012 to midnight April 30, 2017 subject to the conditions set out in Article XXX, Section 2 - 5 hereunder which follow.

Section 2: Labour Relations Code

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

Section 3: Notice of Re-opening

This Agreement may be opened for collective bargaining as to changes as follows: either party desiring any change shall mail to 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 of this section on behalf of the Union shall be given by the President (or Vice President) of the Union, and similarly notices on behalf of the Company shall be given by the Vice President, Human Resources, Catalyst Paper (or their representative).

Section 4: Collective Bargaining

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

Section 5: Termination

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

IN WITNESS WHEREOF, the undersigned have hereunto set our signatures this 28th day of November, 2008

**CATALYST PAPER
CROFTON DIVISION**

by:

Steve Boniferro

Robert Stepusin

**PULP, PAPER AND WOODWORKERS OF CANADA
CROFTON LOCAL NO. 2**

as certified bargaining agency of the employees by:

Paul Zarry

Kevin McPetrie

Sherman Power

Brent Eliason (?)

EXHIBIT "A" - JOB CATEGORIES AND WAGE RATES

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

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
MECHANICS					
Journeyman	33.495	33.495	33.495	34.165	34.850
APPRENTICES					
5th Year Apprentice	33.495	33.495	33.495	34.165	34.850
4th Year Apprentice ("B" Mechanic)	31.045	31.045	31.045	31.665	32.300
3rd Year Apprentice ("C+" Mechanic)	28.530	28.530	28.530	29.100	29.680
2nd Year Apprentice ("C" Mechanic)	27.340	27.340	27.340	27.885	28.445
1st Year Apprentice ("D" Mechanic)	26.880	26.880	26.880	27.420	27.970
LABOUR RATE	24.780	24.780	24.780	25.280	25.790
- applies to all departments					
<p>In the application of the adjustments of new hourly rates and the establishment of job rates and Mechanics' Classifications described in the foregoing paragraph, no employee will have his present rate reduced.</p>					
LUBRICATION					
Lubrication Mechanic: (after 3 years)	31.080	31.080	31.080	31.700	32.335
Lubrication Checker	28.245	28.245	28.245	28.810	29.385
HEATING AND VENTILATION					
Filter Man: - After 12 months	25.820	25.820	25.820	26.335	26.860
- 7 - 12 months	25.380	25.380	25.380	25.890	26.410
- 0 - 6 months	25.085	25.085	25.085	25.585	26.095
GARAGE					
Lubrication Mechanic: After 3 Years	31.080	31.080	31.080	31.700	32.335
Lubrication Checker: - 13 - 36 months	26.955	26.955	26.955	27.495	28.045

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
GARAGE (continued)					
Lubrication Shop Helper: - 7-12 months	26.290	26.290	26.290	26.815	27.350
Lubrication Shop Helper: - First 6 months	25.630	25.630	25.630	26.145	26.670
MACHINE SHOP					
Roll Grinder	33.895	33.895	33.895	34.575	35.265
Roll Balancer	33.895	33.895	33.895	34.575	35.265
Slitter Grinderman / Filter Person	27.895	27.895	27.895	28.455	29.025
Shop Helper	24.975	24.975	24.975	25.475	25.985
POWER PLANT MAINTENANCE					
Power Plant Maintenance 2nd	34.755	34.755	34.755	35.450	36.160
Power Plant Maintenance 3rd	33.495	33.495	33.495	34.165	34.850
SPRAY PAINTING					
Painters will receive a premium of eight (8) cents per hour over their usual rate while employed on spray painting.					
FORESHORE SERVICES					
Foreshore Operator	28.570	28.570	28.570	29.140	29.725
MATERIALS SERVICES					
Relief Operating Specialist	28.120	28.120	28.120	28.680	29.255
Lorain Crane Operator	27.895	27.895	27.895	28.455	29.025
Equipment Operator	27.205	27.205	27.205	27.750	28.305
Truck/Loader/Backhoe Operator	26.060	26.060	26.060	26.580	27.110
Track Leadhand	27.205	27.205	27.205	27.750	28.305
Track Utility	25.595	25.595	25.595	26.105	26.625
CHIP SUPPLY					
Chip Pile Cat Operator	27.430	27.430	27.430	27.980	28.540
Scow Offload Operator	27.205	27.205	27.205	27.750	28.305
Chip Reclaim Operator	27.205	27.205	27.205	27.750	28.305
Kraft Truck Dump	25.820	25.820	25.820	26.335	26.860
Converyorman	25.380	25.380	25.380	25.890	26.410
Siloman	26.955	26.955	26.955	27.495	28.045

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
SHIPPING					
Checker	27.655	27.655	27.655	28.210	28.775
Senior Lift Truck - Paper	26.735	26.735	26.735	27.270	27.815
Senior Lift Truck - Pulp	26.735	26.735	26.735	27.270	27.815
Lift Truck - Paper	26.505	26.505	26.505	27.035	27.575
Upend	26.505	26.505	26.505	27.035	27.575
Lift Truck - Pulp	26.060	26.060	26.060	26.580	27.110
Locomotive Operator	28.120	28.120	28.120	28.680	29.255
Conductor	27.430	27.430	27.430	27.980	28.540
<i>(additional nine (9) cents per hour with Locomotive ticket)</i>					

DEEP SEA SHIP & BARGE LOADING

Checker - Pulp and Paper Ship Loading	28.825	28.825	28.825	29.400	29.990
Senior Lift Truck - Pulp and Paper Ship Loading	27.655	27.655	27.655	28.210	28.775
Lift Truck - Pulp & Paper Ship Loading	27.420	27.420	27.420	27.970	28.530
Locomotive Operator	29.355	29.355	29.355	29.940	30.540
Conductor	28.335	28.335	28.335	28.900	29.480

- a) Time and one-half shall be paid to deep-sea ship and barge loading crews for work performed after 4:00 p.m. and on Saturdays regardless of number of hours worked in the day or the work week.
- b) 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 to a foreign port, crosses a line drawn from Cape Flattery to Lat. 50°00' N, Long. 130°00' W, to Lat. 56°00' N, Long. 138°00' W, to Cape Spencer.

MECHANICAL PULPING

TMP Operator	33.395	33.395	33.395	34.060	34.745
TMP Assistant Operator	29.500	29.500	29.500	30.090	30.690
ATMP Operator	28.570	28.570	28.570	29.140	29.725
Field Operator	26.955	26.955	26.955	27.495	28.045

DIGESTER

R.D.H. Operator	32.715	32.715	32.715	33.370	34.035
Kamyr Operator	31.800	31.800	31.800	32.435	33.085
Fibreline Field Operator	29.725	29.725	29.725	30.320	30.925

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
BLEACH PLANT					
Head Kraft Operator	37.770	37.770	37.770	38.525	39.295
Senior Bleach Operator	33.395	33.395	33.395	34.065	34.745
Bleach Operator	31.800	31.800	31.800	32.435	33.085
Dayshift Bleach Field Operator (Chemical Systems Operator)	29.725	29.725	29.725	30.320	30.925

MACHINE ROOM					
#1 Machine Tender	32.715	32.715	32.715	33.370	34.035
#2 Machine Tender	31.335	31.335	31.335	31.960	32.600
#1 Back Tender	30.860	30.860	30.860	31.475	32.105
#2 Back Tender	29.725	29.725	29.725	30.320	30.925
Head Baler/Tester	28.120	28.120	28.120	28.680	29.255
Dry End Optimizer	26.955	26.955	26.955	27.495	28.045
#1 Driver/Operator	26.735	26.735	26.735	27.270	27.815
#2 Driver/Operator	26.735	26.735	26.735	27.270	27.815

POWER AND RECOVERY					
* Assistant Shift Engineer, 3rd	38.230	38.230	38.230	38.995	39.775
* Control Room Engineer, 3rd	34.320	34.320	34.320	35.005	35.705
* Recovery Engineer, 3rd	33.855	33.855	33.855	34.530	35.220
* Relief #1	33.855	33.855	33.855	34.530	35.220
* Effluent Treatment Operator - 3rd	30.625	30.625	30.625	31.240	31.865
Evaporator Operator - 4th	29.720	29.720	29.720	30.315	30.920
Power Boiler Assistant - 4th	28.805	28.805	28.805	29.380	29.970
Recovery Field Operator - 4th	28.360	28.360	28.360	28.925	29.505
#3 Recovery Assistant, 4th	26.955	26.955	26.955	27.495	28.045
Utilities Equipment Operator - 4th	28.120	28.120	28.120	28.680	29.255
Power Boiler Fireman - 4th	26.735	26.735	26.735	27.270	27.815
Shift Utility	25.380	25.380	25.380	25.890	26.410

* includes Full Maintenance Flex (75.5 cents) @ May 1, 2012

- 1 Employees holding a 4th class certificate, where no certificate is required, will receive ten (10) cents per hour over their job rate.
- 2 Employees holding a 3rd class certificate, where a 4th class certificate is required, will receive twenty-five (25) cents per hour over their job rate.
- 3 Employees holding a 2nd class certificate, where a 3rd class certificate is required, will receive thirty (30) cents per hour over their job rate.
- 4 Employees holding a 1st class certificate, where a 2nd class certificate is required, will receive forty (40) cents per hour over their job rate.

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

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
RECAUST/KILN					
Recaust/Kiln Operator	30.425	30.425	30.425	31.035	31.655
Assistant Recaust/Kiln Operator	27.655	27.655	27.655	28.210	28.775

TECHNICAL					
Beater Quality Chip Tester	28.130	28.130	28.130	28.695	29.270
Chip Tester	25.820	25.820	25.820	26.335	26.860

MILL STORES					
Tool Crib Attendant: - After 24 months	29.030	29.030	29.030	29.610	30.200
Tool Crib Attendant: - 19 - 24 months	28.120	28.120	28.120	28.680	29.255
Tool Crib Attendant: - 13 - 18 months	27.205	27.205	27.205	27.750	28.305
Tool Crib Attendant: - first 12 months	26.735	26.735	26.735	27.270	27.815
Head Receiver	28.120	28.120	28.120	28.680	29.255
Receiver	27.430	27.430	27.430	27.980	28.540
Millstores Clerk: - after 12 months	26.735	26.735	26.735	27.270	27.815
Millstores Clerk: - 6 - 12 months	25.820	25.820	25.820	26.335	26.860
Millstores Clerk: - first 6 months	25.380	25.380	25.380	25.890	26.410

GENERAL SERVICES					
Maintenance Equipment Operator	26.505	26.505	26.505	27.035	27.575
Maintenance Forklift Operator	26.505	26.505	26.505	27.035	27.575
Truck Driver	25.380	25.380	25.380	25.890	26.410
Jackhammerman	25.380	25.380	25.380	25.890	26.410
Janitor	25.380	25.380	25.380	25.890	26.410
Labourer - applies to all departments	24.780	24.780	24.780	25.280	25.790
** Caustic Barge Operator	25.180	25.180	25.180	25.685	26.200
** Shore Caustic & Chlorate Operator	24.975	24.975	24.975	25.475	25.985

* Truck drivers assigned to the crew truck for passenger transportation will receive an additional five (5) cents per hour.

** To be paid when unloading Caustic barges or Chlorate barges.

ENGINEERING					
Cowichan Weir Operator	24.780	24.780	24.780	25.280	25.790

METRIC TOOLS

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

EXHIBIT "B" - WELFARE PLAN

This Exhibit sets forth the respective coverage, benefits, rights and obligations of the Company and its employees under the Welfare Plan established pursuant to Article XV of this Agreement.

1. Compliance

The Board of Trustees will use its best efforts to provide coverage in accordance with its obligations set forth in Article XV and Exhibit "B" of this Agreement, subject to the limitations found in the contracts of the selected carrier or carriers.

2. Coverage 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 coverage's. 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 outlined in the Table on a twenty-four (24) hour coverage basis.

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

Provide coverage for quadriplegia, paraplegia, and hemiplegia at 200%.

c) Non-Occupational Accident and Sickness Insurance

The Welfare Plan will include Non-occupational Accident and Sickness Insurance in accordance with the Table. 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.

Payment of Weekly Indemnity benefits will be made directly from the mill.

Effective May 1, 1998, the Plan will provide benefits for loss of time as a result of attempted suicide under the Plan provisions covering other mental illnesses. Coverage also includes injury, disability arising from attempted suicide.

Effective May 1, 1998, 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.

Effective May 1, 1998, benefit payment will not be made beyond age 65 and in all cases, will cease on recovery. Where the employee recovers an amount from a liable third party for loss of income as a result of the same accident or illness, they must reimburse the Plan once they receive 100% of their loss. One hundred percent (100%) of their loss includes gross wages lost.

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

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

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

d) **Optional Life Insurance**

The Company will provide employees the opportunity to purchase optional life insurance for themselves and their dependents through payroll deduction.

e) **Medical-Surgical Coverage**

The Welfare Plan will include Medical-Surgical coverage as required by the B.C. Medical Commission and an Extended Health Benefit Plan equitable to the standard plan provided by the Medical Services Association, including Vision Care coverage for employees and eligible dependents. Effective July 1, 1984, the co-insurance rate for hospitalization will be incorporated

into the Extended Health Benefit coverage to a maximum of \$8.50 per day.

Effective January 1, 1998, the maximum payable amount on Vision Care will be increased to \$300 per person in any 24 calendar month period.

Effective May 1, 1998, the maximum benefit payable on fees for clinical psychologists will be increased to \$350 per member or dependent in any calendar year.

Effective May 1, 1998,

“The maximum benefit payable of \$150 per member or dependent in any calendar year will apply to any professional licensed to perform acupuncture in British Columbia.”

Effective May 1, 1998, the maximum benefit payable on fees for physiotherapist and massage practitioner will be increased to a combined maximum of \$300 per member or dependent in any calendar year.

Effective May 1, 1998, the maximum benefit payable on fees for hearing aids for children (including maintenance, batteries or recharging devices or other such accessories) will be increased up to \$600 per child every three calendar years.

Effective May 1, 1998, a new provision covering fees for foot orthotics up to a maximum of \$250 per member or dependent in any calendar year will be added.

Effective January 1, 2000, the maximum payable amount on vision care will be increased to \$350 per person in any 24 calendar month period.

Effective May 1, 2008 the extended health lifetime maximum will increase to \$300,000 per person.

f) **Welfare Coverage**

Life and AD&D Insurance

Increase will be tied to yearly wage increases.

Date	Life	AD&D
May 1, 2012	\$98,460	\$98,460
May 1, 2013	\$98,460	\$98,460
May 1, 2014	\$98,460	\$98,460
May 1, 2015	\$100,430	\$100,430
May 1, 2016	\$102,440	\$102,440

Weekly Indemnity Benefits

Benefit will be 60% of job rate with a cap of \$800. The cap is tied to the yearly wage increase.

Date	Cap
May 1, 2012	\$866.00 per week
May 1, 2013	\$866.00 per week
May 1, 2014	\$866.00 per week
May 1, 2015	\$883.00 per week
May 1, 2016	\$900.00 per week

*Note: Each of the hourly job rates in the above table is defined as the straight time rate of the employee's regular job exclusive of all other premiums and fringes.

g) Dental Care Plan

The Welfare Plan will include a Dental Care Plan which will reimburse members for expenses incurred on the following general principles:

- i) Basic Dental Services (Plan A) effective:
May 1, 1997 Plan pays 80% of approved schedule of fees;
May 1, 1998 Plan pays 85% of approved schedule of fees;
May 1, 2000 Plan pays 90% of approved schedule of fees.
- ii) Prosthetics, crowns and bridges (Plan B) - Plan pays 50% of approved schedule of fees.
- iii) Orthodontic Plan C: Plan pays 50% of approved schedule of fees for all services provided by an orthodontist. Effective May 1, 2008 the lifetime orthodontic maximum increased to \$5000 per person.

The Plan will not duplicate benefits provided now or which may be provided in the future by any government programs.

h) Long Term Disability Plan

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

i) Rehabilitation/Reintegration Committee

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

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

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

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

j) **Out-of-Province Travel Plan**

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.”

3. Waiting Period

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

4. Union/Management Welfare Committee

A Union/Management Welfare Committee shall be established 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. The Union/Management Welfare Committee shall meet as necessary to deal with questions which may arise concerning the operation of the Welfare Plan and to perform any service required by the Trustees to ensure the smooth running of the Plan.

5. Changes in Classification

The regular wage rate of the employee in effect on July 1 and January 1 will determine their entitlement to Group Life and Accidental Death and Dismemberment coverage as outlined in the schedule contained in Exhibit "B". Where an employee's regular duties consist of more than one job, their 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
and Extended Health Benefit and Dental Plan

Company 100 %

Employee Nil

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

Company 70 %

Employee 30 %

7. Distribution of Surplus

The current practice for surpluses generated by the Health and Welfare Trust is for both parties to take a contribution holiday. It is agreed that the Union may use employee surpluses or increased employee contributions to improve benefits provided by the Health and Welfare Trust. Such funds must be pooled separately in such a way that the additional benefits paid for by employees do not impact on the present or future experience of the base plan such that the employer's present or future costs would be increased.

8. Disputes

No dispute arising out of the operation, administration or interpretation of any coverage contract between the Trustees and the Carrier shall be subject to the Adjustment of Complaints procedure of this Agreement. Any such dispute shall be adjudicated under the terms of such coverage contract.

9. Disputed WorkSafeBC Weekly Indemnity Claims

If an employee covered by the Welfare Plan suffers a disability, payment for which is in dispute with WorkSafeBC, weekly indemnity payments under the Welfare Plan will be paid retroactively as set forth in this Exhibit if requested by the employee and provided they have been off work for at least two (2) weeks due to the disability without WorkSafeBC having accepted the claim.

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

10. 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.

11. Leave of Absence – Full-Time Union Employees

Employees on leave of absence from the Company for the purpose of fulfilling duties assigned to them by the Pulp, Paper and Woodworkers of Canada or the Local Union shall have their respective Welfare Plan coverages maintained while they are on leave.

The coverage premium for these employees is to be paid by the National Office or the Local Union as applicable. The Company will submit an invoice monthly to the appropriate office.

12. Notice of Employees Receiving Benefits

The Company will periodically provide the Union and Trustees the names of those employees receiving Non-occupational Accident and Sickness Insurance, Long Term Disability Plan Benefits and WorkSafeBC benefits.

13. Interpretation of “Company” and “Employees”

For the purposes of the Welfare Plan “Employees” includes qualified employees of the Pulp, Paper and Woodworkers of Canada and “Company” includes the union employer of such employees.

14. 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 twelve (12) months following the death.

15. Survivor Benefits for Work Related Death

In the event of a work related death (as defined by WorkSafeBC), the Company will continue the extended health benefits for all registered dependents until they reach the age of majority.

EXHIBIT "B" 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.

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.

3. Elimination Period

Benefits commence after the employee has been totally and continuously disabled for fifty-two (52) weeks or has exhausted their 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 1, 1988, and continue to be disabled, benefits will be paid to age sixty (60) as a minimum if the employee does not have sufficient service to carry him further under (b) above. At the point that they run out of L.T.D. benefit, they can elect to either retire early or go on disability pension benefit until age sixty-five (65), at which time they will retire.
- d) For new claims that commence after July 1, 1988, benefits will be paid to age sixty (60) as a minimum if the employee does not have sufficient service to carry him further under (b) above. At the point when they run out of L.T.D. benefit, they will retire.
- e) 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.
- f) Employees under the age of 60 will have their benefit recalculated annually on the job rate. The job rate will be tied to yearly wage increases. The recalculated weekly benefit when combined with all other disability income to which the disabled employee is receiving will not exceed 80% of the recalculated job rate. Benefit payment will not be paid beyond age sixty-five (65) and in all cases, will cease on recovery.
- g) Subrogation shall apply to the Weekly Indemnity Plan but not to the Long Term Disability Plan as documented in the Trustees Meeting Minutes dated January 21 and 22, 1999.

5. Definition of Total Disability

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

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 recalculated job rate.

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

In the event that all other disability income reduces the payment from this Plan below \$25.00 per month, this Plan will nevertheless pay a minimum of \$25.00 per month from the date disability income commences.

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

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 their 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 their 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 they were 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 birth date.
- c) On the date leave of absence commences except as provided for in the Collective Agreement.
- d) On the date an employee is laid off except when an employee has requested continuation of coverage in accordance with section 6 of Article XVII of the Crofton Labour Agreement, in which case coverage under the Plan will continue only for the periods specified in the aforementioned sections of the Agreement. In the event an employee becomes totally disabled while covered by this Plan under this provision, the elimination period will commence on the date such an employee is scheduled to return to active full-time employment.

Employees who have sufficient seniority and who request continuation of coverage under this Plan during a period of lay off will be required to pay 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

- a) The Long Term Disability Plan is payment in kind of the employee's share of the reduction in the Unemployment Insurance Premium resulting from the qualification of the Weekly Indemnity Plan under the Unemployment Insurance Regulations. The full U.I.C. premium reduction including the employee 5/12th's share will be retained by the employer.
- b) When an employee becomes totally disabled under this Plan they will be paid any outstanding entitlement with respect to vacations, supplementary vacations, statutory holidays, special (personal) floating holidays, and any half-time portion of banked overtime.
- c) Upon commencement of L.T.D. benefits all terms and conditions of the Collective Agreements will become inoperative except where provided for in Article d (ii), (iii) and (iv) below.

- d) i) 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.
- ii) 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.
- iii) Employees in receipt of disability payments from this Plan will continue to be covered under their 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.
- iv) An employee returning to work from an L.T.D. claim will return to a job their seniority, qualifications and ability to perform the work properly entitle him to.
- v) Active claims as referred to in Section 10 of Exhibit "B" of the Crofton Labour Agreement will be defined as that period of time during which an employee is in receipt of weekly indemnity payments only.

EXHIBIT "C" - 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 trades as set forth below:

Electrician	Mason
Machinist	Pipefitter
Carpenter	Instrument Mechanic
Welder	Millwright
Painter	Refrigeration Mechanic
Heavy Duty Mechanic	Sheet Metal Mechanic
Heat and Frost Insulator (Lagger)	

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's rate on successful completion of their apprenticeship or after successful completion of four (4) years, whichever happens sooner, only on the understanding that they complete their full term of training. If the apprentice refuses to continue their training, they will be removed from the program with no standing as a journeyman in their trade.
4. Training syllabus for each trade to be designed to meet the requirements of the particular trade involved.
5. All provisions of the Agreement 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 Collective 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 co-operation 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 their 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 Apprentice-ship Branch are applied and that first consideration is given to members of the bargaining unit.

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 their position by the Joint Apprenticeship Committee and could result in their 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 they shall receive the first year apprentice rate.
 - b) During each year of Apprenticeship, they 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 their term of Apprenticeship and receipt of their 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 they successfully pass 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, they 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 their final examination set by the Apprenticeship Branch and, upon becoming certified, shall be designated as a certified journey-man 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 text books specified by the Apprenticeship Branch. The apprentice will keep these books as their personal property.

Allowances and Wage Make-up

15. "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. The reimbursement will also apply to Steam plant personnel. This allowance will be paid for the duration of vocational training, regardless of whether the employee remains at school or commutes to and from school during the period of training. This allowance provided by the employer will not apply to any periods of retraining as specified in Item #11."

The payment of this allowance is in addition to the payment of the employee's regular straight time rate, based on a forty (40) hour work week.

The Company will reimburse for the costs of tuition and student fees.

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 they 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 they shall receive pay, not to exceed four (4) hours, for time lost from work, if they are required to take the test during their regular work schedule. The Company will pay the fee cost of this first Tradesmen's Qualification Certificate examination.

EXHIBIT "D" - LEAVE OF ABSENCE FOR STEAM PLANT PERSONNEL ATTENDING VOCATIONAL SCHOOL

1. 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 the B.C.I.T. to complete the course and write the examination for the Fourth Class Stationary Steam Engineering Certificate.

During their first week at the school the employee will be evaluated by the school authorities to determine their knowledge of the subject, and if the evaluation is favourable they will continue their studies at the school during the two (2) 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 they 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. 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 the B.C.I.T. to complete the course and write the

examination for the Third Class Stationary Steam Engineering Certificate.

During their first week at the school the employee will be evaluated by the school authorities to determine their knowledge of the subject, and if the evaluation is favourable they will continue their studies at the school during the following five (5) 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 they 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. 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 the B.C.I.T. to complete the two-part course and write the examination for the Second Class Stationary Steam Engineering Certificate.
 - a) Five (5) weeks' leave of absence with pay to complete Part "A" (Mathematics & Physics).
 - b) Five (5) weeks' leave of absence with pay to complete Part "B" (Basic Engineering).

During their 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 their knowledge of the subject, and if the evaluation is favourable they will continue their 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 they 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. 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. 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. The Company will bear the cost of the prescribed examination and tuition fees, if any, required of candidates writing for stationary engineering certificates.
7. 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.
8. Leaves of absence will be granted at a time suitable to management, bearing in mind the Vocational School curriculum.
9. Normally it will not be possible to grant leave of absence to more than one (1) steam plant employee at a time. However, if relief is available this limit may, at the discretion of management, be exceeded.
10. 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.
11. While an employee is attending vocational school on the basis set forth in 1, 2 and 3 above, their employer will pay him a living-out allowance which, combined with any government living-out allowance to which they may be entitled, is equal to the living-out allowance they would receive from the appropriate government authorities as an apprentice, pursuant to Section 15 of Exhibit "C".
12. The Company will pay 100% of the cost of text books specified by the vocational training school as required for those writing for stationary engineering certificates. The employee will keep these books as their personal property.

STATEMENTS OF POLICY

**Taken from the Transcripts of
Negotiations for Contract Years
1945 - 1952 inclusive
and from Memoranda issued during
subsequent Wage Conferences**

STATEMENTS OF POLICY

FOREWORD

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 labour and management representatives. They are intended as a supplemental guide in the interpretation of the Agreement on the points which they cover.

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 Joint 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 Agreement 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)

- a) The general principle to be followed is that no employee's normal earnings shall be reduced by virtue of their attendance at a Standing Committee meeting.
- b) 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.
- c) Employees attending meetings during their time off will not be paid.
- d) 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 a day which will be paid for at time and one-half.
- e) The time of the meeting shall be determined by mutual agreement.

ARTICLE VI - HOURS OF WORK

a) **Section 2: Overtime**

Computation of Overtime for Sunday and Holiday Work. (Statement by Manufacturers on June 1, 1962, in reply to Union Agenda Item No. 7 requesting that the terms and conditions of the letter of October 18, 1946, commonly referred to as the "Sunday Letter", be extended to apply to all mills, parties to the Joint Labour Agreement).

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

- i) The hours worked on Sundays and on the recognized paid Statutory Holidays provided for in the above referred to Joint Labour Agreement will be used in the computation of the forty (40) hour work week.
- ii) The foregoing arrangement applies only to Sunday and recognized paid statutory holiday hours and no other hours on which time and one-half has been paid, nor hours paid for Call Time, may be used for the purpose of calculating the forty (40) hour week.
- iii) For the purpose of calculating overtime, the basic forty (40) hour work week shall be reduced by eight (8) hours in any week in which a recognized paid statutory holiday occurs. Should more than one (1) recognized paid statutory holiday occur in any week, the basic forty (40) hour work week shall that week be reduced by eight (8) hours for each such recognized paid statutory holiday.

For example, in a week in which one (1) 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 mills which are presently working on a forty-two (42) hour per 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 Joint 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. They are given less than forty-eight (48) hours' notice that it is to be changed to Friday. They are 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 they are called back at 1:00 p.m. Saturday to work four (4) hours in the afternoon, are they entitled to time and one-half? The answer is "no" for the reason that the Agreement 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, their designated day off, are eliminated from inclusion in the forty-four (44) hour week (amended to forty (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 their mate who has given proper notice and the overtime worked by the tour worker extends into another day, they will still be paid at the rate of time and one-half.

Relief of Mates. (Page 328, 1950 Transcript)

Management 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) **Clarification of "Breakdown".** (Statement of Manufacturers, 1959 Wage Conference)

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.

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 their shop they shall be on that job ready to begin work at the time their pay starts and shall not cease work in advance of the time their pay stops. If the worker's time clock is not located close to the route they must travel to their job, they may, at the discretion of management, report directly to the job without punching their time card and their foreman shall be responsible for having their time recorded.

ARTICLE VIII - ALLOWANCE FOR FAILURE TO PROVIDE WORK

- I. **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.

- II. **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 they are reporting for their regular duties and then no work is provided.

If the employee's regular duties consist of ship loading and bull gang work, they may be transferred from one regular assignment to another without penalty providing they obtain work on either job. However, while working on ships they will receive the ship rate and while working in the yard they 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 their election, they shall nevertheless receive the rate paid them on their regular job.

ARTICLE IX - CALL TIME

- I. **Applicability of Section in Specific Instances.** (Page 157, 1946 Transcript)
 - A. 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, they will receive two (2) hours' Call Time because the shift was designated at 12:00 noon.
 - B. A day worker whose shift is from 8:00 a.m. to 5:00 p.m. is told to continue their work until 6:00 p.m. and then at 6:00 p.m. is told to go home and return at 8:30 p.m. will receive two (2) hours' Call Time since more than two (2) hours have elapsed.
 - C. A day worker whose shift is from 8:00 a.m. to 5:00 p.m. is told to continue their work until 6:00 p.m. and then at 6:00 p.m. is told to report at 7:30 p.m. will not receive Call Time because two (2) hours have not elapsed.
- II. **Definition of "Regular Scheduled Shift".** (Page 65, 1949 Transcript)

A regular scheduled shift is the work defined for an employee by management.
- III. **Applicability of Section in Specific Instances.** (Questions and answers - report of Call Time Committee, 1949 Transcript)
 - A. Section 1(d) relating to the payment of Call Time to tour workers, the phrase "after they have completed their shift" shall be considered to mean at that point when their pay stops upon being relieved by a mate.

- B. A day worker is called in on their designated day off reporting for work at 8:00 a.m. and working until 10:00 a.m. for which they receive four (4) hours' pay as the minimum allowance for an employee who starts work. If notification had not been given during their last shift preceding the work involved, they would qualify for Call Time and would also qualify under the provisions of Section 2(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 2. 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.
- C. 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 their designated shift terminated at 12:00 noon and more than two (2) hours elapsed between their designated shift and their return to work.

ARTICLE XI - VACATIONS

I. Application of 4-Week Vacation Clause.

The provisions of Section 4 shall not be made inoperative due to the fact that the Joint Labour Agreement has not been in operation for fifteen (15) years.

II. Allotment of Vacation Time. (Statement by Companies, 1959 Wage Conference)

Companies will endeavor, by discussion with the employees or their representatives, to arrange vacations to suit the employees' wishes.

III. Computation of Vacation Pay

Where an employee's vacation pay for the current year is to be computed as a percentage of their "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 XII - STATUTORY HOLIDAYS

I. **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.

II. **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.

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

A. 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.

B. It is understood that an employee's vacation shall be exclusive of a paid holiday as recognized by the Joint Labour Agreement. Therefore, if one or more such holidays fall within the employee's vacation period, they 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 their vacation period when they take the required additional time off.

C. 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 they are entitled to holiday pay.

D. The sixty (60)-day qualifying period referred to in clause (a) refers to "calendar" days.

E. **Clarification of Section 4(d).** (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 Management in each Mill in each case.

ARTICLE XVIII - LEAVE OF ABSENCE

Section 2: Bereavement Leave

Bereavement Leave Clause Does Not Affect Changing of Days Off.
(Statement agreed upon 1964 Wage Conference)

That in the application of the Bereavement Leave clause, days off may only be changed in accordance with the provisions of Article VI of the Joint Labour Agreement.

Section 3: Jury or Witness Duty

Jury or Witness Duty Clause Does Not Affect Changing of Days Off.
(Statement agreed upon 1964 Wage Conference)

That in the application of the Jury or Witness Duty clause, days off may only be changed in accordance with the provisions of Article VI of the Joint Labour Agreement.

ARTICLE XXVII - SAFETY

Unsafe Working Conditions. (Page 136, 1947 Transcript)

It is not the policy of management to require an employee to work under unsafe conditions. It is admitted by the union and management 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 XXVIII - CAUSES FOR DISCIPLINARY ACTION

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

Wherever practical, Management 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 their case to the Standing Committee for consideration and if deemed proper the Standing Committee may follow the usual grievance procedure.

II. **Neglect of Duty.** (Page 75 et seq., 1946 Transcript)

It is recognized by both management and the union that a mutual problem exists on the question of neglect of duty and the union undertakes to do everything possible to see that its members live up to the spirit and intent of the agreement.

III. **Definition of "Gambling" and "Mill Premises".** ((i) Page 307; (ii) Page 97, 1950 Transcript)

A. Definition of gambling will be in accordance with local mill rules.

B. Mill premises is defined as the actual mill area and is not to include the town site, or bunkhouses.

ARTICLE XXIX - ADJUSTMENT OF COMPLAINTS

Standing Committee Can Call in Members for Discussion of Grievances with Management. (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 they have taken over the duties and responsibilities of that job, without the guidance of the employee who is breaking him in. They 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 their previous regular job."

MISCELLANEOUS

- i. **Status of Employees Refusing to Work in Excess of Eight (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 their 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 cooperation from their employees.

- ii. **Leave of Absence**

The manufacturers are of the opinion that granting of leave is a matter between the employees and the mill concerned. The companies will, however, consider length of service and will endeavor to arrange leaves of absence to suit the employee's wishes. Employees who have ten (10) or more years of service will be given special consideration.

May 24, 1992

Re: 1992 Union Agenda Item #22 - Rehiring

Mr. Norm McLellan
Vice-President, Region IV
Canadian Paperworkers Union
#540-1199 West Pender Street
Vancouver, B.C. V5E 2R1

Mr. Stan Shewaga
President
Pulp, Paper and Woodworkers of Canada
201-1184 West 6th Avenue
Vancouver, B.C. V6H 1A4

Dear Norm and Stan:

Re: Letter of Understanding - Rehiring

The following practice will be observed during the 1992-1994 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 may be extended for a period of three (3) months at any time during the third month of its currency. Normal job qualifications must be met.

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

Yours very truly,

Eric Y. Mitterndorfer
President
May 24, 1992

Re: 1992 Union Agenda Item #26 - Contracting Out

Mr. Norm McLellan
Vice-President, Region IV
Canadian Paperworkers Union
#540-1199 West Pender Street
Vancouver, B.C. V5E 2R1

Mr. Stan Shewaga
President
Pulp, Paper and Woodworkers of Canada
201-1184 West 6th Avenue
Vancouver, B.C. V6H 1A4

Dear Norm and Stan:

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,

Eric Y. Mitterdorfer
President

LETTER OF UNDERSTANDING - FLEXIBLE WORK PRACTICES

1. The introduction of flexible work practices is designed to improve productivity, improve product quality, reduce down time and lower costs while ensuring that the work is completed in a safe manner. The efficiencies that result from flexible work practices are also intended to assist in fulfilling the intention of Article 23 of the Agreement.
2. The parties agree that this letter on flexible work practices recognizes that the primary responsibility for the operation of the mill will remain with operators and the primary responsibility for maintaining the mill will remain with trades persons and steam plant maintenance employees.
3. It is understood that the intent of this letter will supersede local practices, and verbal and written agreements which would impair the implementation of flexible work practices.
4. All work will be performed in a manner consistent with safety articles of the Collective Agreement as well as the Company's safety rules and the regulations issued by WorkSafeBC. It is recognized that some tasks can only be performed by employees who possess certain government certifications and in that instance, the work will only be performed by employees who possess the required government certificate.
5. The intent of this agreement is to provide that all employees will safely utilize all of their existing skills and maximize their productivity and learn and use new skills to enhance their effectiveness.
6. The Company and the Unions will meet to discuss a module based training program that will enhance the existing skills of employees. They will also discuss the option of using trainers from the bargaining unit to assist in the design and delivery of the training modules. The Company will design and introduce new training programs to facilitate the implementation of and evolution of flexible work practices.
7. All employees will be required to complete training programs as prescribed by the Company and utilize new skills acquired as a result of training. Training will be consistent for all employees in each job classification as defined by the business areas at each site.

8. The parties recognize that the acquisition of new skills that facilitate the implementation of flexible work practices is an ongoing process and will continue over time to support the changing needs of the business.
9. The following payments will be made for flexible work practices:

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

to be implemented as follows:

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

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

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

The parties agree that there will be no pyramiding of credits under the job evaluation plan for duties that are being compensated for under the flexible work practices agreement, unless the changes constitute new regular job duties added to 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.

10. Training programs implemented under point (6) are not intended to force qualification in another trade.
11. The Company agrees that no employees 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 their trade is performing their trade core duties.
14. The Company agrees that no employee's regular job rate will be reduced when they are assigned to perform work under this work place flexibility agreement. This does not apply to an employee who is laid off or whose job is temporarily curtailed and is recalled or works in a different job category on the basis of mill seniority.
15. The Company commits to maintain apprenticeship agreements.
16. 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:
 - Review and monitor progress toward meeting performance, sales, employment and other targets set out in the Annual Business Plan;
 - Review the capital expenditure programs
 - Review major sale, lease or rental of assets
 - 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 the Division
- Human Resources Manager of the Division
- President and one additional delegate from Local Union
- PPWC National President or a designate

Where it is mutually agreed to have these meetings outside the Cowichan Valley, the Company agrees to pay for all reasonable expenses for the attendance of each Local Union President (or their designate) and one additional delegate for attendance at President's Council.

17. The parties agree that disputes relating to the implementation of this letter shall be reviewed by the Presidents' Council which will make every effort to resolve these disputes in accordance with the spirit and terms of this letter.
18. With respect to the implementation of flexible work practices at Catalyst Paper, the parties agree that they will consult with respect to ways and means to avoid jurisdictional difficulties between the unions.

LETTER ON THE CODE OF ETHICS

September 30, 2002

Mr Ron Thistlewaite
President, Local 2
Pulp, Paper and Woodworkers of Canada
P. O. Box 370
1616 Chaplin St.
Crofton B.C.
V0R 1R0

Dear Ron,

This is to confirm the agreement between the Company and your union 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 Union acknowledges that, subject to contracting Article XXIII, the Company retains the right to select contractors as it deems appropriate.

No aspect of this policy applies to contractors which are certified to a Union 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

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. Honouring of Picket Lines

Contractors' employees shall honour all legal picket lines at the mill site. Failure to do so shall result in disqualification from 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.

Yours truly,
Ron Buchhorn
Vice President, Human Resources

September 30, 2002

**LETTER BETWEEN THE PARTIES:
JOB SECURITY/JOB ELIMINATION**

Mr. Ron Thistlethwaite
President, Local 2
Pulp, Paper and Woodworkers of Canada
P. O. Box 370
1616 Chaplin St.
Crofton B.C.
V0R 1R0

Dear Ron,

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 very truly,

Ron Buchhorn,
Vice President, Human Resources

LETTER BETWEEN THE PARTIES: START TIMES

The following letter will be in affect from the date of ratification until April 30, 2012. The letter then becomes null and void unless mutually agreed to by the Company and the Union. Failure to come to an agreement on the continuation of this letter would mean that the early start provisions in the contract would once again be in effect.

To support the business needs of the operation, the Company may alter the start time of an employee from their regular shift start/stop time by up to 2 hours for the following reasons:

1. Paper machine maintenance shutdowns
2. TMP quarterly shutdowns
3. TMP plate changes / line maintenance shutdowns
4. Scheduled department or area shutdowns
5. any other circumstances where the Company and the union agree

A minimum of 30 calendar day's notice of the shutdown dates and job positions required will be provided. The effected employees whose shift start time will change will be notified of their shift change in the week prior to the shutdown.

When such notice is given no call time premium shall apply to the shift. Overtime will be paid when the employee is required to work past their rescheduled stop time.

A 10 minute break may be taken by the employee during the first two hours of their altered shift.

Overtime will be paid as per the contract.

LETTER BETWEEN THE PARTIES: COMMITMENT TO \$80 PER TONNE LABOUR COSTS (2008 – 2012)

Building a Platform for Success

Both the Company and the union recognize there are fundamental challenges facing the industry and that the need to work together to maintain a competitive cost structure is essential to the success of the business.

In order to ensure that we remain competitive, the parties agree to work together to identify opportunities that allow achievement of an \$80/t labour cost. To this end the parties agree to the following as a means of ensuring continuous focus on this goal through the duration of this collective agreement:

- a committee will be established consisting of the site's senior management teams and union representatives;
 - meetings will take place at least monthly. Out of these meetings updates on progress toward the objectives will be provided to the CEO and VP operations;
 - the purpose of the meeting will be to review actual costs versus targets and develop action plans to address any variances;
 - both parties commit to championing the agreed to cost reduction initiatives and working to overcome impediments to reducing those costs;
 - while the committee's main focus will be on achieving labour costs of \$80/t, they will also consider all controllable costs in order to ensure we achieve the lowest total product cost as the means to provide the best opportunity for a sustainable future for the mill and its employees.
-

LETTER BETWEEN THE PARTIES: NON-CORE WORK

In our mutual effort to achieve \$80/tonne labour cost and reinvestment into Crofton, PPWC Local 2 agrees that the following tasks may be provided by other resources;

- Replacement/Repair of mill site PC's
- Dumping of TMP & Kraft Chip Trucks
- Stocking of Point-of-Use machines and satellite stores
- Major track maintenance (lubrication, inspection, minor repairs will be done by mill crews)

These duties will be exempt from Article XXIII – Contracting b) & c) PPWC Local 2 agrees that over the term of the agreement, other non-core activities that would benefit from lower cost alternatives may be identified and treated in a similar manner as above. These opportunities will be reviewed and discussed with PPWC Local 2 and will only be implemented upon mutual agreement. Such mutual agreement is not required for situations the Company is entitled to contract under the collective agreement.

LETTER BETWEEN THE PARTIES: HEALTH AND WELFARE PLAN

The PPWC and Catalyst will recommend to the PPWC Employer trustee Health and Welfare plan to look at ways to cut costs of the benefits. This is to include but not limited to ways to reduce drug cost and the administration cost of the plan. After this review the trust will report to all parties with recommendations on their findings.

LETTER BETWEEN THE PARTIES: RETIREE EXTENDED HEALTH BENEFITS

The Company will reimburse the additional premium coverage incurred by the union for Retiree Extended Health Benefit coverage for retired members who's Extended Health Benefit has exceeded the contractual limit.

The union will provide annually the names of the members affected and the total premium costs incurred.

Such reimbursement will be limited to a maximum of \$25,000 per contract year for the aggregate cost of the additional premium.

This will be used to address the issue of ensuring benefits coverage when the retiree or their spouse exceeds the Retiree Extended Health Benefits Lifetime maximum of \$30,000.

LETTER BETWEEN THE PARTIES: PENSION PLAN

The parties agree to refer the matter of integrating the bridge provisions into the Pulp and Paper Industry Pension Plan to the Board of Trustees for their review. The PPWC and Catalyst will recommend that their respective trustees support this review. Recommendations from this review are to be sent to all parties for their review and/or approval.

PLAN OF ARRANGEMENT

AGREEMENT

Between

**Catalyst Paper Corporation
(the Company)**

And

**Pulp, Paper and Woodworkers of Canada, Local 2
(the Local Union)**

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 Union.

Whereas the Local Union has made substantial amendments and concessions to the Company in furtherance of its intention to cut operating costs and continue operating.

Whereas the Local Union has made these concessions explicitly to assist the Company but also so that obligations of the Company to members and former members of the Local Union 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 Local Union is agreeing to the compromise contained in the revised Collective Agreement explicitly on the basis that these obligations will continue as set out above and below.

The parties agree:

- a) The company will ensure that all obligations (including any obligations currently in dispute through the grievance process under a collective agreement tot the extent that the Company is

determined to be responsible under such process) and amounts owing to Local Union members and former Local Union 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.

- b) The Company will be responsible for obtaining the agreement of the 2016 Bondholder group to this arrangement under a plan of arrangement the Company files under the CCAA.
- c) 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 obligations with respect to the following amounts continue to apply in any “plan of arrangement” regardless if the amount owing to individual Local Union members or former members was accrued prior to the CCAA filing date of January 31, 2012 namely:
 - 1) All pension top-up payments due and owing under various early retirement agreements between the parties.
 - 2) All “bridging” payments due and owing for “early retiree’s” under the various Collective Agreements including “pop-up” payments.
 - 3) 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.
 - 4) 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.
- d) This agreement is entered into as part of and conditional upon the revised Collective Agreement and if this agreement is nullified in any way, then the revised Collective Agreement is also nullified.

Dated this 13th day of March 2012

For Catalyst Paper Corporation

For Pulp, Paper and
Woodworkers of Canada,
Local 2

Steve Boniferro

Paul Zarry

Robert Stepusin

Kevin McPetrie

Sherman Power

SECURITY AND REVERSIONS AGREEMENT

SECURITY AND REVERSIONS AGREEMENT

Between

Catalyst Paper Corporation

(the Company)

And

Pulp, Paper and Woodworkers of Canada, Local 2

(the Local Union)

The Memorandums of Agreement related to the renewal of the 2008 – 2012 Labour Agreement are entered into on the following understandings:

The Local Union will be entitled to satisfy itself through the efforts of an Accountant designated by the Local Union 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 Union and this agreement and concessions will not be effective until the Local Union has 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 holder on a confidential basis.

The amendments to the Collective Agreement have been agreed by the Local Union to assist the Company in developing a “plan of arrangement” to facilitate the furtherance and conclusion of the CCAA process and to facilitate the continued operation of the various mill operations represented by the Local Union. 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 Local Union, then the amendments to the Collective Agreement set out below shall be deemed null and void and the current Collective Agreement between Local Union and the company, (defined as the 2008 -2012 Labour Agreement that are in place 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 Agreement shall immediately be deemed to be and have been the Labour Agreement between the parties at each location.

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

Dated this 13th day of March 2012

For Catalyst Paper Corporation

Steve Boniferro
Robert Stepusin

For Pulp, Paper and
Woodworkers of Canada,
Local 2

Paul Zarry
Kevin McPetrie
Sherman Power

the 1990s, the number of people in the world who are living in poverty has increased from 1.2 billion to 1.6 billion (World Bank 2000).

There are a number of reasons for this increase in poverty. One of the main reasons is the rapid population growth in the developing world. The population of the world is expected to reach 8 billion by the year 2025 (United Nations 2000). This rapid population growth is putting a strain on the world's resources, particularly in the developing world.

Another reason for the increase in poverty is the rapid technological change in the developed world. The rapid technological change is creating a large number of jobs in the developed world, but it is also creating a large number of jobs in the developing world. The rapid technological change is also creating a large number of jobs in the developing world, but it is also creating a large number of jobs in the developed world.

A third reason for the increase in poverty is the rapid economic growth in the developing world. The rapid economic growth in the developing world is creating a large number of jobs, but it is also creating a large number of jobs in the developed world. The rapid economic growth in the developing world is also creating a large number of jobs in the developed world, but it is also creating a large number of jobs in the developing world.

A fourth reason for the increase in poverty is the rapid technological change in the developing world. The rapid technological change in the developing world is creating a large number of jobs, but it is also creating a large number of jobs in the developed world. The rapid technological change in the developing world is also creating a large number of jobs in the developed world, but it is also creating a large number of jobs in the developing world.

A fifth reason for the increase in poverty is the rapid economic growth in the developed world. The rapid economic growth in the developed world is creating a large number of jobs, but it is also creating a large number of jobs in the developing world. The rapid economic growth in the developed world is also creating a large number of jobs in the developing world, but it is also creating a large number of jobs in the developed world.

A sixth reason for the increase in poverty is the rapid technological change in the developed world. The rapid technological change in the developed world is creating a large number of jobs, but it is also creating a large number of jobs in the developing world. The rapid technological change in the developed world is also creating a large number of jobs in the developing world, but it is also creating a large number of jobs in the developed world.

A seventh reason for the increase in poverty is the rapid economic growth in the developing world. The rapid economic growth in the developing world is creating a large number of jobs, but it is also creating a large number of jobs in the developed world. The rapid economic growth in the developing world is also creating a large number of jobs in the developed world, but it is also creating a large number of jobs in the developing world.

A eighth reason for the increase in poverty is the rapid technological change in the developing world. The rapid technological change in the developing world is creating a large number of jobs, but it is also creating a large number of jobs in the developed world. The rapid technological change in the developing world is also creating a large number of jobs in the developed world, but it is also creating a large number of jobs in the developing world.

A ninth reason for the increase in poverty is the rapid economic growth in the developed world. The rapid economic growth in the developed world is creating a large number of jobs, but it is also creating a large number of jobs in the developing world. The rapid economic growth in the developed world is also creating a large number of jobs in the developing world, but it is also creating a large number of jobs in the developed world.

A tenth reason for the increase in poverty is the rapid technological change in the developed world. The rapid technological change in the developed world is creating a large number of jobs, but it is also creating a large number of jobs in the developing world. The rapid technological change in the developed world is also creating a large number of jobs in the developing world, but it is also creating a large number of jobs in the developed world.

2012 CODIFICATION OF LOCAL AGREEMENTS

with

PPWC LOCAL 2

Catalyst Paper CROFTON DIVISION

2012 INDEX

CODIFICATION OF LOCAL AGREEMENTS

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SECTION ONE

Shift Schedules, Hours Of Work, Rates Of Pay

A) Tour Meal Relief

The Company agrees to provide a 20 minute relief period each shift for the Machine Room Balerman.

B) Overtime Continuation for Day Maintenance & Day Power & Recovery Maintenance Called in Early

The Company agrees that Day Maintenance and Day Power and Recovery Plant Maintenance including Shift Tour Tradesmen, called in two hours prior to their regular start time for emergency jobs which extend into the new day, i.e. past normal starting time, will continue to receive the overtime rate until completion of the job for which they were called in. This applies only to the hours worked in relation to the emergency call-in for that shift and does not apply to following days of work.

Working at overtime rate past their regular start time (Job continuation) will not reduce Sunday letter premium time.

C) Recovery Operator Rate When Boiler is Down

The Company will pay the Power Plant Maintenance—3rd Class rate to the Recovery Engineer when the boiler is shut down and maintenance is required except when there are less than 4 hours remaining on the shift when the boiler is taken off the line, or on a Statutory Holiday, when the boiler goes back on the line within the first 4 hours of the shift.

D) Crew Changes

Crew changes will be implemented based on business needs. Consideration will be given to the impact of the crew change on employees' schedules.

When a crew change is made the Company will endeavor to maintain affected employees' vacation schedules, understanding that the Company will not incur additional costs.

E) Maintenance Personnel – 4 - 12 Shift

The Company agrees to make afternoon shifts for Maintenance Workers from 4:00 p.m. to 12:00 midnight and lunch will be eaten on the fly.

F) Probationary Period – Temporary Trades

The parties agree to relax the provision of Article XVII, Section 2 and allow the Company to employ temporary maintenance

employees with a probationary period of 60 working days in 90 calendar days. This applies to special projects and illness. This rule will apply to individuals and not specific jobs or positions.

Other circumstances will be discussed and agreed with the union.

G) Special Work Assignments Agreement

This Agreement applies to Tour Workers taken off their regular schedule at Company request for special work assignments of 3-days or more per week (minimum of 24 hours) to a maximum of two consecutive weeks. This could apply to individual training, customer visits, department projects and other work assignments not covered under the "Hourly Relief Agreement". Excluded from this Policy and covered by Management Rights or Agreements are:

- 1) "Day Worker" job training for positions in line of progression; i.e. Tug Boat Operator/Helper
- 2) Attendance at Technical School; i.e. Stationary Engineering Course.
- 3) Reassignment because of production curtailment as per seniority provisions.

Job Rate and Pay: Employees will be kept whole in remuneration for regular scheduled hours of work as though they were still at work on their regular schedule for the week. Employees will be paid at their card rate or set up rate whichever is higher. All premiums including "Special Leave" entitlement will be continued. The continuation of regular scheduled earnings will be called "Ghosting".

Hours Worked: Employees will be expected to work in total up to the same number of hours paid as per the "Ghosting" pay arrangement outlined above. In the event hours worked exceed the scheduled hours "Ghosted", then the employee will be paid overtime at regular job rate. See examples below:

Employees rescheduled for 3-days of Special Assignment work will be scheduled off two regular shifts within the week.

Employees rescheduled for 4-days of Special Assignment work will be scheduled off three regular shifts within the week.

Employees rescheduled for 5-days of Special Assignment work will be scheduled off four regular shifts within the week or if on a 36-hour tour shift week will be paid four hours overtime.

Note: If employee is off their regular tour shift schedule in two consecutive calendar weeks, then overtime would be paid for hours worked in excess of 42 hours average over the total period.

Employee Selection: As regular earnings will be maintained, assignment to alternate work activity will be by selection by Department Head. Employees selected will be fully qualified for the alternate work assignment.

Employee Communication: This Policy will be explained in advance to all employees involved in alternate work assignments.

This Agreement would be subject to cancellation by either party upon 30 days written notice.

H) Apprentice Wages While Attending Technical School

The Company agrees to provide Apprentices full wages on a voluntary basis while attending technical training. Company will recover an amount equal to the Apprentices Canada Manpower allowance through payroll deduction. Deduction will be in the amount of a calculation of the total allowance divided by the number of pay periods prior to the apprentice's next scheduled technical training or a one (1) year period, whichever is shorter. In the event of termination all outstanding balance will be recovered from the employees' termination cheque.

I) Production Rate Increases During Term Of The Collective Agreement

1. Job rates will be adjusted by measuring production over a six month consecutive cycle, i.e.: January 1st to June 30th or July 1st to December 31st.
2. Job rate changes will be effective at the beginning of the 6 month cycle.
3. The Wage Delegate Committee will be advised of any job rate adjustment before implementation.
4. The Union cannot arbitrate or appeal the amount of the job rate increase during the term of the agreement.

5. Any disagreement regarding the change in job rate would be negotiated during Collective Bargaining.

J) Job Rate Dispute Procedure

The parties adopt the following procedure to provide a final and binding resolution of job rate disputes and at the same time reaffirm the obligations under Article 1, Section 3, of the Crofton Labour Agreement to operate new equipment and perform job duties without interruption of work.

1. Where a new job is created or an existing one is changed, the Company will establish a job rate and discuss the basis upon which the rate was established with the Union.
2. When the introduction of new equipment results in a new or changed job, the Company will advise the Union of the anticipated start-up as soon as possible but no later than 30 days before the new equipment is started up.
3. Either party may request discussion concerning the rate for a new job or changed job. If either party is dissatisfied with the job rate and wishes to refer the matter to final and binding arbitration, as described in section (D) below, it must notify the other party in writing of its intention no later than one hundred and eighty (180) days after the changes to the job have been implemented.
4. A job rate dispute as described in (C) above will be referred to a three-man Arbitration Board, comprised of a Union nominee, a Company nominee and a chairman.
5. The Arbitration Board will answer the following questions: "Is the job rate fair as it relates to rates paid within the Crofton Pulp and Paper Mill as covered by this Collective Agreement? If not, what should the rate be?"
6. The following jobs are exempt from the application of this Agreement:
 - Mechanics and Apprentices
 - Longshore categories
 - Saw Filers
 - Saw Fitters
7. Any job rate dispute resulting from other than the introduction of new equipment and/or changed job duties is not subject to this procedure.

K) Dirty Money

A premium of fifteen (15) cents per hour above the base rate will be paid for the following jobs:

1. Cleaning out inside Lime Kiln.
2. Cleaning out inside Liquor Tanks.
3. Handling quick lime.
4. Cleaning out Lime Slaker, Lime Elevator Pit or Lime Mud Storage Tanks.
5. Cleaning out inside furnace and boiler in Power and Recovery Boilers.
6. Cleaning out Precipitator.
7. Dumping alum at Filter Plant.
8. Acid Cleaning floors.
9. Oil spills in harbour.
10. Dumping talc in Bleach Plant.
11. Filling and dumping of lime barrels in Recaust.
12. Retrieving dead heads in mud flats in low tides.
13. Addition of brightening agents to Groundwood Stock Chest.
14. Shoveling Lime Rock.
15. Cleaning the Hogger.

This premium will bring the rate for the above jobs to fifteen (15¢) cents above base rate. No premium will be paid on jobs already on this rate or higher.

It must be born in mind that the list of jobs are the only jobs for which dirty money is payable, and it will be noted that payment is more for dealing with chemicals than for merely working on a job which involves dirty conditions.

L) Recovery Time

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 recovery time will be considered as time worked for the purposes of calculating weekly overtime, except that recovery payment will be paid at straight time only.

Examples:

Scenario #1 –

- **8-4:30 Day worker** called in @ 10:00 pm
- Works from 10:00 pm until 2:00am
- Recovery Time - 2 hours
- Employee option: return to work at 10am – 4:30 pm; paid full 8 hours straight time pay or return to work at 8:00 am – 2:30 pm; paid full 8 hours straight time pay.

Scenario #2 –

- **8:00-4:30 Day worker** called in @ 1am
- Works from 1:00 am until 7:00 am
- Recovery Time – 6 hours
- Employee option: return to work at 2:30pm – 4:30pm; paid full 8 hours straight time pay or employee takes 1 hour unpaid break and returns to work at 8:00am – 10:00am; paid full 8 hours straight time pay.

Scenario #3 –

- **7:00 – 5:00 Day worker** 10-hour called in @ 1:00 am
- Works from 1:00 am until 7:00 am
- Recovery Time - 6 hours
- Employee option: return to work at 1:00 pm – 5:00 pm; paid full 10 hours straight time pay or employee continues to work until 11:00 am and is paid full 10 hours straight time pay.

Scenario #4 –

- **8-4:30 Day worker** called in @ 5:30am
- Works from 5:30am until 8 am
- Recovery Time - 0 hours

M) Letter Of Understanding – Banked Overtime

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.

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 Hours at the straight time rate
- Two hours at the rate of time and one-half
- Two hours at the straight time rate
- Two hours banked at the half time rate (one hour in the bank)

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

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

A day worker is called to work at 10pm and works four hours following completion their regular scheduled shift. They would be entitled to:

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

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

- Twelve hours at the straight time rate
- Four hours at the straight time rate
- Four hours at the half time rate (two hours in the bank)

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

- Eight hours at the rate of time and one half
- Four hours at the straight time rate
- Four hours at the half time rate (two hours in the bank)

A 10-hour day worker works 4 hours beyond the end of their scheduled shift. They would be entitled to receive:

Ten hours at the straight time rate

Four hours at the rate of time and one half or four hours at straight time (two hours in the bank)

N) On Call (Pager) Provision

Any employee who upon request agrees to carry a pager and to respond after their normal work hours will be compensated with five (5) hours pay per day at straight time. The premium will not be considered as time worked.

SECTION TWO

CLOTHING

A) Safety Footwear

Purchase of safety footwear will be reimbursed at 75% of cost, to a maximum of \$175 per employee, per calendar year. Employees must submit the receipt for payment.

Employees may combine 2 years entitlement to purchase more expensive boots.

Note: this will begin January 1, 2009 and Company will allow the \$350 limit for the first year of implementation (2009).

Loss of Clothing due to Chemicals (Boots)

In unusual circumstances where an employee's clothing has been damaged by a chemical splash, where protective clothing was not required, and the employee had taken caution, the employee will be reimbursed for the actual loss. The decision to pay for such loss would be carefully considered and be at the sole discretion of the Company.

B) Coveralls

Company agrees to provide up to a maximum of four (4) pair of coveralls every two (2) years on the basis of each employee being provided with one pair of laundered coveralls per week. Employees who qualify as below must indicate their desire to participate. Employees will be responsible for the replacement cost of coveralls lost while in their possession. Individuals may elect to receive two (2) pairs of coveralls per year and be responsible for laundering. Coveralls will be issued to the following:

- i) Trades Groups
- ii) General Service Employees
- iii) Power and Recovery: the Company agrees to provide the Power and Recovery operations employees with 5 laundered coveralls (in the alternative, employees may elect to receive 2 pairs of coveralls per year and be responsible for laundering).
- iv) Train Crew
- v) Bleach Plant Field Operators and Bleach Operator Assistants
- vi) Digesters / Re-caust: Digester Field Operators, Re-caust/Kiln Assistants, Digester/Re-caust Labourers

Laundered coveralls will be available for permanent full time employees of the above departments

Cloth coveralls will be made available to employees in the Machine Room area as required on a loan basis

Paper coveralls will be limited to dirty jobs.

A small supply of cloth coveralls will be made available for loan to Maintenance Employees whose coveralls become soiled beyond use during any one week.

Coveralls – Carpenters

Company agrees to provide Carpenters with either coveralls or aprons of good style and quality once per year.

Coveralls – Garage Mechanic

Company agrees to provide Garage Mechanics one (1) pair of chemical resistant coveralls per year.

C) Welder's Clothing

- i) Company agrees to pay 50% of the cost of one leather jacket or sleeves per year.
- ii) Company agrees to supply peaked welding caps to Welders on return of the old cap and on authorization of the Welding Foreman.
- iii) Company agrees to replace Welders vests or aprons damaged in the course of employment.

D) Boom Department Clothing and Caulk Boots

- A) Company agrees to provide one suit of rain gear to each employee per year. Company agrees to provide rubber gloves upon request if there is evidence of wear. Company agrees to pay 60% of cost of leather caulk boots purchased through the Company. Company agrees to pay 60% of rubber caulks purchased one pair/year.
- B) Company agrees to provide Boom Department Employees with the option, every second year, of taking the cash equivalent to Company supplied rain gear as a subsidy towards the cost of purchasing caulk boots.

E) Earplugs – Moulded

The Company will provide moulded earplugs at 100% of the cost.

F) Safety Glasses – Frames

Company agrees to provide industrial safety glass frames.

SECTION THREE

Time Off: Vacation, Statutory Holidays and Leaves

A) Number of Employees Allowed Off

Maintenance

Company agrees to allow 20% off—more on Fridays (excluding shutdown weeks, during shutdown weeks 5% are allowed off) subject to the total number off in the crew for paid time, sickness, leave of absence, and taking into consideration the workload for the day.

Operations

The division will maintain an adequate site operational relief structure to support a minimum of 20% absences averaged on a yearly basis. It is recognized that absences include all paid leave, sickness/WorkSafeBC, other leaves and takes into consideration the business needs.

B) Employee's Day Off Falls on a Statutory Holiday

An employee whose day off falls on a Statutory Holiday may elect to take another day off in Lieu of the Statutory Holiday. The employee must apply for the Day Off in Lieu in advance of the Statutory Holiday and the deferred Statutory Holiday Pay

will be paid when the Day Off in Lieu is taken.

If the Day Off in Lieu 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 Statutory Holiday Pay and the Day Off in Lieu will be forfeited.

It is understood that the scheduling of Days Off in Lieu will be on a "non demand" basis.

C) Vacations – Less than Full Week/Tour

Tour Workers will be allowed to schedule less than a full tour vacation, subject to the normal number allowed off at the commencement of their last night shift, on a first come first serve basis, for the following tour.

Day Workers will be allowed to schedule less than a full week vacation subject to the normal number allowed off, commencing on Friday morning of the preceding week, on a first come first serve basis, for the following week.

D) Statutory Holiday Work Assignments — Letter of Understanding

The Company agrees that when an employee has accepted a work assignment on a Statutory Holiday, as defined under Article XII Section 3B, and that work for which the assignment was scheduled is cancelled after the start of the Holiday, the employee has the choice of reporting and performing other meaningful work for the scheduled shift or of declining to come in.

E) Special Leave Accumulations

Company agrees effective July 1, 1988 to defer pay for Special Leave Accumulations.

Special leave may be used to fill hours of vacation/supplemental where vacation is taken in 40 hour blocks. (Leave to Complete)

Special Leave shall be used to make up hours for any week of curtailment or other equipment downtime where the employee is not fully scheduled.

ACCRUAL Effective July 1, 1988, Tour workers, when they work their full 48 hour **scheduled** week, (or combination of work and Regular Floaters that total more than 44). Employee pay at straight time will be deferred until Special Leave is taken off at which time straight time pay will be paid to the employee.

It is expected that employees will take Special Leave time off in full tours or in combination with other time off entitlements: i.e.: Vacations, Banked Overtime, Floaters, etc.

Hours of Special Leave accrued (and corresponding dollar accrual) [average] will be shown on the employee pay stub. An employee applying for Special Leave time off should be assumed to have the accrual of Special Leave in their account, otherwise they will not be paid. There will be no established limits on the amount of Special Leave accrued, but when an employee's accrual exceeds 96 hours there will be encouragement from their supervisor to schedule a tour of Special Leave off. Requests for less than a full tour off should be held in abeyance until the start of the last shift preceding the next tour.

F) 48 Hour Leave of Absence

The Company agrees to grant each employee short term leave of absence up to a cumulative maximum of forty-eight (48) hours per contract year. There is no requirement that employees use up all outstanding other time off entitlement before taking leave of Absence under this Agreement.

G) Medical Leave of Absence

Necessary time off for an employee to attend a Medical or Dental appointment will not be included in the 48 Hour Leave of Absence Entitlement specified in this Agreement.

H) Leave to Complete

When Tour Workers book a week of vacation (48 hours) they will have the option to take;

- 48 hours of vacation time off, or
- 40 hours of regular vacation plus 8 hours of paid earned time off other than regular vacation or floaters. If no hours are available then unpaid leave will be granted to make up the 8 hours.

SECTION FOUR

Seniority And Job Posting

A) Job Posting

Company agrees to post for fourteen (14) days all day-shift permanent job vacancies and Shipping Department vacancies.

B) Job Posting Exemptions

Company agrees to exempt the Weir Operators from normal seniority and posting agreements

C) Job Posting Interview

Employees who apply for Job Postings and are asked to have an interview with a salaried department representative before the job is awarded can, on request, have a Union representative sit in on the interview as an observer. The Union representative will be strictly an observer, and will not take part in the interview. Comments on the way the interview is conducted, or its content, must not be made during the interview. When the senior applicant is not selected, all other more senior applicants will be interviewed.

SECTION FIVE

Miscellaneous

A) Weekly Indemnity

In an effort to monitor and control claim costs, the Company agrees to involve the Union Welfare Committee in a review of all Weekly Indemnity benefits paid. The review will include a bi-weekly overview of all continuing claims and a review of the establishment of all new claims.

B) Tool Purchases

Company agrees to provide a system for Tradesmen and Power & Recovery Maintenance personnel to purchase tools through Mill Stores. Payment will be made through payroll deduction and a no interest loan to a maximum of \$300.00 will be established. Loan repayment will be on the basis of \$50.00 per pay period.

C) Employee Inductions

Company agrees to allow the Master Shop Steward or their delegate to sign up new permanent employees as Union members during the induction period.

D) Policy Regarding Pollution

As an indication of the genuine concern of this Company in the matter of pollution abatement, the Management will strive to disseminate all possible information regarding in-plant progress and improvements in the area of pollution to the Executive

and Members of Local 2, Pulp, Paper and Woodworkers of Canada.

The Company's policy on controlling polluting wastes will also continue to include procedures which afford all employees the opportunity to present their suggestions and recommendations in this field to Management.

E) Personal Environmental Conditions

Company agrees in principle that any equipment affecting personal environment conditions which breaks down will be replaced or repaired on a priority basis if possible within 48 hours.

F) Replacement Meals

Company agrees to provide a replacement meal if, because of job requirements, an overtime meal gets cold and is unfit to eat.

G) Training

Company agrees to review and upgrade where required, department training programs. Whenever possible, training will be done by the most senior qualified person available.

H) Lunchrooms

Company agrees to supply and maintain adequate microwave ovens, fridges and coffee makers in all lunchrooms.

I) Facilities

The Company is committed to providing employees with a decent standard of shower and washroom facilities.

J) Training Incentive Plan

Employees who have demonstrated the ability to perform one position above in their line of progression and are signed off will have their pay rate adjusted to their card rate plus 50% of the rate difference between their carded position and the next position in the line of progression. This shall become their new carded rate.

Employees will continue to be paid the full rate when performing the duties of the higher position.

K) Power And Recovery Training Program

The Company and Union will work together to plan and implement a program to address the training needs in the P&R

department. The plan will include a formal training plan with milestones. Outside expertise and resources may be used to provide necessary educational fundamentals.

L) Safety Recognition

The Company and the Union agree that safety improvement is a priority at the operation. A safety recognition program shall be established. The fund shall be administered by the Joint Health and Safety Committee for the site. The fund shall receive \$40,000 per year at the beginning of each calendar year (starting January 1, 2013) for a 2-year period. A review of the effectiveness of the program will be made after the second year to determine renewal of the program. If extended after two years, the fund will be increased to \$50,000 per year.

M) Temporary Workers

The parties agree to continue to practice of utilizing temporary workers to assist in meeting the needs of the business.

The Company will not bring in temporary workers into the mill:

- If it directly results in the layoff of employees;
- To do the job of employees on layoff
- To do the job of a displaced employee working outside their job category
- To avoid the payment of overtime

The Company will not replace its regular workforce through the use of temporary workers or use temporary workers in a manner that would prevent the natural growth of the bargaining unit.

Qualified permanent mill employees will be given preference to known overtime opportunities within their trade or operating department prior to bringing in a temporary worker. Temporary workers will be treated the same as mill employees for overtime as a result of job continuation.

The Company agrees to meet quarterly to review the number of hours worked by temporary workers to ensure the spirit of this agreement is being met and to resolve any issues that may arise.

APPENDIX #1 - TWELVE HOUR SHIFT MEMORANDUM OF AGREEMENT

In order to implement a compressed work week schedule, the parties hereby agree to the following terms and conditions:

1. Where it is determined that a department wants to implement the 12-Hour Shift Schedule there will be a 48-week trial period.
2. This trial period may be cancelled by either party with thirty (30) days written notice or within seven (7) days if mutually agreed to by the Union and the Company.
3. The implementation of the compressed work week will be on the conditions that there will be no extra cost to the Company and that the efficiency of any department or departments will not decrease.
4. It is understood by both parties that problems may arise during the trial period. Should this occur, the parties will meet to discuss the problem and attempt to reach a satisfactory solution.
5. It is clearly understood by both parties that replacements must be available for relief purposes when required and that most of these replacements may come from employees on their scheduled days off.
6. Overtime will not be paid if incurred as a result of initial implementation or final discontinuance of the twelve (12) hour shift schedule. Employees entering the twelve (12) hour shift schedule for less than a full tour will be paid overtime at the rate of time and one-half for hours worked in excess of forty for the first week upon entering the schedule and for the last week upon leaving the schedule.
Any employee entering the twelve (12) hour shift schedule will be paid the overtime premium for hours worked in excess of eight (8) hours on the first twelve (12) hour shift, unless notification of entry was given during the first eight (8) hours of their last shift preceding the new twelve (12) hour shift.
7. Employees will give as much notice as they possibly can on requests for leave, so that they can be replaced at straight time. Otherwise, the necessity to work employees on their days off will effectively negate the benefits gained from the additional days free from work in the Compressed Work Week

8. a) Overtime at the rate of time and one-half will be paid for all work in excess of twelve (12) hours in any one day and for all work in excess of forty-four (44) hours in any one week (Sunday to Saturday) except:
Overtime work by special arrangement between a Tour Worker and their mate to exchange shifts with the approval of their supervisor, and when this can be accomplished without additional cost or penalty to the Company
- b) i) The Compressed Work Week cycle will consist of four (4) weeks of forty-eight (48) scheduled hours and four (4) weeks of thirty-six (36) scheduled hours.
ii) Employees working more than forty-four (44) regularly scheduled hours per week will earn Special Leave for each hour over forty-four (44). Normally a maximum of one hundred and four hours can be earned each year.
9. Tour Workers who work in excess of twelve (12) consecutive hours on a regular scheduled shift or in excess of eight (8) consecutive hours on a scheduled day off shall be given the option of receiving the overtime premium on the basis of Article VI, Section 2(3) of the Crofton Labour Agreement or of receiving the straight time for hours in excess of twelve or eight consecutive hours respectively and taking equivalent time off at the hourly rate of the job when the work was performed, at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for the purpose of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it is earned, the Company shall pay the deferred one-half premium pay. Tour Workers who choose to bank overtime may later re-elect to receive the deferred one-half premium.
10. When the Company changes an employee's shift schedule after the start of the week without notification being given during the first twelve (12) hours of their last shift preceding the new shift, the employee shall receive two (2) hours penalty 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 their previously established shift schedule.

11. An employee who has been employed for less than one year and does not qualify under (b) of Article XI—Vacations, of the Crofton Labour Agreement will receive a vacation of two hours for each 40 hours of actual work performed during the preceding vacation period. No vacation of less than one day will be granted.
12. Employees will be allowed to take vacations on a Tour Basis. For purposes of the twelve (12) hour shift schedule, a tour will be the number of consecutive working days without a day off.
13. Employees on the Compressed Work Week schedule may apply for and receive five (5) shifts off as Floating Holidays. Payment for Floating Holidays will be as stated in Article XIII of the Crofton Labour Agreement.
14. For the purposes of the twelve (12) hour shift schedule, entitlement to Supplementary Floating Holidays or Supplementary Vacations will be calculated on the basis of the number of days for which the employee has qualified subject to all other conditions of Article XIV of the Crofton Labour Agreement.
15. Taking of Banked Overtime, Deferred Statutory Holidays, Floating Holidays, Days in Lieu of Statutory Holidays and Special Leave.
 - a) Banked overtime, deferred Statutory Holidays, Floating Holidays, Days in Lieu of Statutory Holidays and Special Leave may be taken off in twelve (12) hour units. For demand time off, the full shift must be booked with demand time.
 - b) Employees will be permitted to group Banked Overtime, deferred Statutory Holidays, Floating Holidays, Days in Lieu of Statutory Holidays and Special Leave to facilitate taking time off in twelve (12) hour units.
 - c) Time off hours will be taken out of the “overtime bank” in the same order as they went in, i.e.: first in, first out.
 - d) Employees may take four (4) hours from grouped hours if so desired to supplement Statutory Holiday pay, if they would normally have worked a twelve (12) hour shift on that day
 - e) With the above exceptions and those elsewhere in the Memorandum of Agreement, all other conditions of the Crofton Labour Agreement will apply to matters covered in the Item No. 17.

- f) Special Leave hours must be taken as per Local Agreement Item "Special Leave Accumulation".
16. 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 they shall be compensated at their regular straight time hourly rate for hours lost from their regular schedule for a maximum of three (3) days according to the provisions of Article XVIII Section 2 of the Crofton Labour Agreement
17. Any regular full-time employee who is required to perform Jury Duty, or who is subpoenaed to serve as a witness in a Court action or Coroner's Inquest, save and except actions involving the Company or Trade Unions, unless subpoenaed by the Crown, on a day on which they would normally have worked, will be reimbursed by the Company for the difference between the pay received for such duty and their regular straight time hourly rate of pay for their regularly scheduled hours of work. It is understood that such reimbursement shall not be for hours in excess of twelve (12) hours per day or forty (40) hours per week over the averaging period, less pay received for such duty. The employee will be required to furnish proof of performing such service and such duty pay received.
18. For purposes of calculating overtime, the scheduled work week shall be reduced by eight (8) hours for each paid Statutory Holiday. For example:
- a) In a forty-eight hour work week in which one (1) paid Statutory Holiday occurs, overtime will be paid for hours worked in excess of forty (40). Should it happen that two (2) recognized paid Statutory Holidays occur in one week, the overtime will be paid for hours worked in excess of thirty-two (32) of that particular week.
- b) In a thirty-six (36) hour work week in which one (1) paid Statutory Holiday occurs, overtime will be paid for hours worked in excess of twenty-eight (28). Should it happen that two (2) recognized paid Statutory Holidays occur in one (1) week, then overtime will be paid for hours worked in excess of twenty (20) of that particular week.

Notwithstanding the above effective March 1, 1996, for those employees who work on a Statutory Holiday, their work week will be reduced by the number of hours worked on the holiday to a maximum of 12.

The foregoing applies only to recognized paid Statutory Holidays and no other hours on which time and one-half has been paid, nor hours paid for call time, may be used for the purpose of calculating the work week.

19. All hours worked on Sunday or Statutory Holidays will be used in the calculation of the scheduled work week.
20. When a Statutory Holiday falls on an employee's regular day off, they may elect to take an alternate day off by the end of the contract year following the contract year in which it is earned.
21. The twelve (12) hour shift times of 7:30 a.m. to 7:30 p.m. and 7:30 p.m. to 7:30 a.m. will define a DAY as a period of twenty-four (24) hours beginning 7:30 a.m. and a WEEK as a period of seven calendar days beginning at 7:30 a.m. Sunday.
22. Weekly Indemnity benefits will continue to be calculated on the basis of seven (7) calendar days and that loss of income has occurred
23. Except and unless specifically varied in this Agreement, all the terms and conditions of the Crofton Labour Agreement shall apply.

APPENDIX #2 – WORKING LEADHAND AGREEMENT

Preamble: This agreement will apply where management determines a working leadhand (leadhand) or relief is required in an area. This agreement supersedes all previous understandings now in place.

Selection, rate of pay and duration

- a. The Company will determine the number of leadhands and relief required as well as their assigned crews.
- b. The Company retains the right to reorganize the leadhand structure and will determine the number of leadhands required based on organizational needs.
- c. The Company will recruit for leadhands by advertising for any vacancy(s); a job description will be provided to candidates outlining responsibilities and job expectations.
- d. The Company will determine the selection criteria and select candidates through a joint interview process.
- e. Final selections will be reviewed with the union for input; however, the final selection decision will be made by the Company.

- f. Relief Leadhands in maintenance will initially be selected through the same process as leadhands; offered to the senior qualified applicant and placed on crews. Subsequent vacancies will be offered to the most senior qualified employee on the crew, where the vacancy exists.
- g. Relief Leadhands in operations will be offered to the most senior qualified employee on the crew where the vacancy exists.
- h. Leadhands will be paid a premium based on 10% above the job rate supervised in production departments, or in maintenance trades a premium based on 10% above "A" trade's rate.
- i. The leadhand will receive the rate for all hours worked with the exception of call-ins unless the job assignment for the call-in is to act as leadhand.
- j. The relief leadhand will only receive the rate when required to relieve; when the crew has less than 5 employees the Company will determine if the relief moves up based on the circumstances and crew needs.
- k. There is no time limit on the tenure of a leadhand or relief; however, at any time the Company may remove an employee from a leadhand position if operating needs and/or circumstances change or the incumbent fails to meet performance expectations.
- l. With 60 days notice, a leadhand may elect to step down from the position.

Hours of work

- a. Hours of work will be clarified in job expectations and shift time will be based on the needs of the area / crew; the leadhand will be expected to work the hours required to fulfill the expectations of the job.
- b. Call time will not apply if the leadhands regular shift schedule requires the leadhand to start before the rest of the crew.
- c. As a working member of a crew, the leadhand is eligible for assigned overtime for hours beyond the length of a regular work day.

Responsibilities and performance expectations

- a. The Company will set the leadhand job expectations which will include adhering to Company policy, the collective agreement and performance expectations.

- b. The working leadhand position is a leadership role and as an agent of the Company the leadhand is expected to:
- set high expectations and performance standards
 - represent the Company whenever they speak or act in the workplace
 - model respectful behaviour for all other employees
 - deal with situations that arise in the workplace that potentially impact the operation of the department (s)
- c. Leadhands are accountable for the performance expectations of their crews and will bring sub-standard performance or potential discipline issues to the union executives attention prior to reporting to management.
- d. Leadhands will be subject to quarterly performance reviews to support their continuous improvement; relief leadhands will be subject to an annual review.

When a supervisor is off for a period of time, the working leadhand may be assigned additional administrative duties to help cover the absence. Management will continue to determine how to cover staff positions when needed.

Application of seniority in the event of layoff:

In the event of layoff, this position is not protected from, nor does it take precedent over, the seniority provisions of the collective agreement.

APPENDIX #3 - MAINTENANCE COVERAGE

Maintenance Trades: On-call Coverage

The following process will be used for maintenance trade on-call coverage and supersedes all previous agreements and practices currently in place.

Guiding Principles

- Ensure the availability of trades employees outside of regular work hours to reduce the risk of extended production losses and maintain the mill in a cost effective manner.

- Develop simple process of accessing employees outside of regular work and respect employees who do not wish to be called.
- Enable employees working on the job that goes past the regular schedule to have first opportunity to work.
- Ensure specialty work is performed by employees with the correct skills to do the work.
- Provide a fair process for maintenance overtime.

Overtime Work

A) Job continuation

Employees required to stay at work beyond regular hours will be contacted in the following manner:

- Person on the job
- Area crew
- Employee in the mill (starting with Call Group) who is likely to work

B) Breakdown

When employees are called in to work outside of regular hours, calls will be made in the following order:

- Call list (includes maintenance specialties)
- Other means

Call List

The call list will consist of employees available for overtime call requests.

Call List Selection

Employees can specify to be included on the call list for:

- their assigned call group
- their assigned call group and the complete mill

Employees will be identified on the call list by trade, area crew, call group, and maintenance specialty.

Calls will be made first to the employee with the least amount of overtime hours in either the specific call group or maintenance specialty.

Employees who do not come in after a certain number of calls (12 call attempts will initially be used) will be removed from the list for one month. Once removed from the list the employee will have to request to have their name returned to the list.

The Company may remove employees from the call list for illness or other reasonable circumstances.

General

Area crew is defined as the maintenance crew in the area where the work is being performed.

Call groups are generally aligned with management line responsibility. Call groups will be established by the Company. Call group changes will be reviewed with standing committee before implemented.

Hours recorded for overtime will be overtime hours worked.

APPENDIX #4 - PAYMENT FOR STATUTORY HOLIDAYS, FLOATERS AND DAYS IN LIEU

The Company will pay for the hours specified above, either the employee's straight time regular job rate, the job rate paid on the last shift worked preceding the Statutory Holiday, Regular Floater, Statutory Holiday Floater, and Days in Lieu, or the job rate paid on the first shift worked following the Statutory Holiday, Regular Floater, Statutory Holiday Floater, and Days in Lieu, whichever is greater.

APPENDIX #5 – APPRENTICESHIP SELECTION

*Note: The first 5 apprenticeships will be awarded to PPWC local 2 employees. Additional apprenticeship opportunities beyond the first 5 will be offered to the PPWC local 2 for the term of the Agreement ending April 30, 2012 at which point any future apprenticeship opportunities become open to both the PPWC and CEP.

Apprenticeship Selection

A joint apprenticeship committee will guide the development and improvement of the apprenticeship program. This committee will include representatives from the Company, and PPWC (Company - 2, PPWC – 2).

Committee Method of Selection:

Apprenticeship selection team will consist of delegates from the Company and PPWC. (Company – 2, PPWC – 2)

Apprenticeship vacancies are posted specifying the minimum acceptable educational standards.

Applicants who meet the educational standard are eligible to write the apprentice test battery.

Applicants who meet the minimum requirements of the test battery will be considered for apprenticeship selection.

The selection criteria will be jointly developed and agreed to by the Joint Apprenticeship Committee to conform to the following formula:

Testing – test battery	50 points
Interviewing	30 points
Previous experience	20 points
Training and education	20 points
Seniority	<u>20 points</u> (4 points/yr) (will apply only to every 2nd selection)
Total:	140 points

The selection committee will provide recommendations to Site General Manager prior to selecting and awarding apprenticeships.

Educational Standards for Acceptance into Apprenticeship Program:

INDUSTRIAL INSTRUMENTATION

Grade XI with Grade XII mathematics and first year High School Physics and Chemistry.

INDUSTRIAL ELECTRICAL

Grade XI with Grade XII mathematics and first year High School Physics, or in lieu of Physics, either the High School Industrial Program Electrical Specialty, or successful completion of a recognized Basic Electrical correspondence course.

MILLWRIGHTING	Grade XII Equivalency Certificate is acceptable.
PIPEFITTING	
MACHINIST	
CARPENTRY	
REFRIGERATION	
HEAVY DUTY MECHANIC	
SHEET METAL MECHANIC	Grade XII General Graduation.
	Grade X with first year High School Physics and Grade XI math.
	Industrial Arts Major (4 years)
	Pre-Apprenticeship in applicable trade with Grade X education.
WELDING	Grade X Education
LAGGING	
PAINTING	
MASON	

A 2nd Class Stationary Engineering Certificate qualifies as an acceptable educational standard for all apprenticeship applications.

Access:

Access to the Apprenticeship program will be open to both Crofton bargaining units after April 30, 2012.

When transferring from another Crofton bargaining unit to PPWC local 2, employees will only transfer their company years of service for the purpose of calculating their vacation and floater entitlement. PPWC Local 2 seniority only starts when the employee is indentured.

The following points provide clarification:

1. Educational standards will be established by the Joint Apprenticeship Committee. Proof of the same should be provided at the time of application for an apprenticeship posting.

2. Aptitude test standards required for each trade will be those as established by the Joint Apprenticeship Committee in consultation with an industrial psychologist.
3. All apprenticeship applicants pre-apprenticeship test results will be reviewed jointly by the selection committee. Candidates' inquiries can be directed to any of these people.
4. Unsuccessful apprenticeship applicants will be notified of who was awarded the posting and will also receive information concerning the following:
 - a) Satisfaction of educational requirements
 - b) Satisfaction of minimum test standard required of trade
 - c) Number of times left to write
 - d) Next allowed date of test writing
5. Candidates may write the aptitude tests a maximum of three times. Those wishing re-testing may do so following one calendar year from the initial pre-apprenticeship tests. Candidates wishing a second and final re-test may do so two calendar years after the last test written.

APPENDIX #5 A - COMMITMENT TO APPRENTICESHIPS

January 23, 2012

Mr. K. McPetrie
1st Vice President, PPWC Local 2
Box 370, 1616 Chaplin Street
Crofton, BC V0R 1R0

Dear Kevin,

Re: Apprentices

The issue of apprenticeship selection in the 2008 – 2012 agreement has been raised during negotiations. I want to assure you that I take this issue seriously and commit to select five individuals as apprentices prior to April 30, 2012.

In addition, I commit to having the next 5 apprenticeships also from PPWC, Local 2.

Following ratification of this agreement, I am prepared to sit down with you and the Apprenticeship Committee to identify and verify the first five individuals.

Sincerely,

Rob Belanger
General Manager

APPENDIX #6 – JOB TRANSFER AGREEMENT

The Company agrees that non posted bottom entry job vacancies will be filled by job transfer before outside hire, recognizing ARTICLE XVII (seniority) of the Crofton Labour Agreement.

Any employee selected for job transfer will have a thirty day trial period. Seniority will be retained in the previous department during this trial period.

The following conditions will apply to job transfer applicants:

1. A minimum of 18 months' departmental seniority.
2. The qualifications and ability to do the work.
3. A successful applicant who chooses to return to their former department will not be considered for future job transfers for a period of one year.

APPENDIX #7 - LETTER OF UNDERSTANDING RE: WEIR ATTENDANTS

1. It is understood that control of the Lake Cowichan Weir is seasonal and dependent upon the effects of nature. Scheduling of control requirements will be dependent upon the foregoing.
2. Present Weir Attendants will have first refusal of returning to work when full control is required. The schedule of return will be by seniority. Seniority of incumbent Weir Attendants shall be:
 - a) Rose Sharpe
3. Off control duties will be offered to present Weir Attendants in order of seniority. In the event no incumbent Weir Attendant is available or willing to cover off control periods, management shall recruit a replacement.

4. It is understood and agreed that the above named Weir Attendants will not have seniority rights at Crofton Pulp and Paper Division mill proper.
5. It is understood and agreed that Crofton Pulp and Paper Division employees will not have the right to bump by seniority any of the above named Weir Attendants.
6. Weir Attendant openings will be posted within the mill and only Local 2 members may bid on openings. It is understood and agreed that Weir Attendant openings will not necessarily be filled by the senior applicant. In the event the senior applicant is not chosen, a selection decision will be reviewed by Standing Committee
7. Mill personnel who move to a Weir Attendant opening during full control periods will be considered for casual relief work when the Weir is off full control. Mill personnel engaged in a Weir Attendant position will not be precluded from applying for mill Job Postings.
8. As a car is required in the normal course of duties by Weir Attendants the Company will pay a mileage allowance as defined in Procedure Letter #5-05 for mileage incurred while fulfilling their duties. This does not include any allowance for travel to and from work.
9. The Company agrees to add the option of taking vacation pay every pay period

10. VACATION PAY

A Weir Operator will be paid Vacation Pay at either the end of Control Period or following May 1st each year for the appropriate percentage on the previous years earnings, as per the following table:

1 - 2 Years	3%	15 - 23 Years	19%
3 - 7 Years	5%	24 - 29 Years	11%
8 - 14 Years	7%	30 + Years	13%

Notwithstanding Article XI, each employee will have a reduction of one weeks' vacation entitlement, subject to Employment Standards minimum.

11. Prior to the Company making any application to the appropriate Regulatory Authority to alter the present Permit obligation of providing 24 hour coverage during lake level control periods, the Company will discuss the matter with the Union Standing Committee.

APPENDIX #8 – SUMMER STUDENTS

Students hired for temporary vacation relief positions in the Plant will only appear on Plant seniority lists as a separate entry entitled Vacation Relief-Students. This list would show the student's name and hiring dates only.

Prior to and during the summer relief period, Standing Committee will meet to discuss the hiring priorities and terms of employment for summer students.

If during a student's term of employment as a Vacation Relief they apply for permanent employment, their application for same must be directed personally to the Employment Supervisor.

Such applicants will be considered for permanent work providing they meet normal mill standards of entry, i.e.: satisfactory personnel test results, medically fit, etc.

Upon satisfactorily meeting entrant standards, the applicant will be placed in job openings as they arise, and will only begin acquiring Plant and Department seniority upon commencement of permanent work.

Should permanent job openings not be forthcoming prior to the completion of vacation relief employment, students will be terminated regardless of their application for permanent work, and despite the possibility that junior, but permanent, personnel may be retained. In such cases, applications from students seeking permanent employment will be retained in the active files of the Employment Office for consideration as openings arise.

APPENDIX #9 – HOURLY RELIEF OF FOREMAN AGREEMENT

PREAMBLE: This agreement will apply where it is determined that supervisory relief will be provided by hourly employees as follows:

- for illness up to a maximum period of six calendar months.
 - supervisory staff earned time off.
 - for other reasons up to one week or 1 tour.
1. The Company agrees to implement a new relief agreement that would supersede all previous understandings now in place. Each department will establish the number of relief supervisors required and canvass, in seniority order, to obtain the necessary

number of Relief Supervisors. In maintenance trades, the seniority date will be in accordance with "Journeyman Seniority" as detailed in Procedure Letter No. 1-14. In department/trades where there is more than one line of progression or trade supervised, the incumbents in the senior operating position in each line may apply and the overall department seniority will determine the seniority order, i.e.: Shipping, Kraft Operations, Wood Preparation, General Trades, Painters/Laggers, etc. In departments where there are lines of progression, the incumbent in the senior operating position will move up to do the relief supervisory work, i.e.: Groundwood - CTMP Operator

2. The Company agrees to a standard mill-wide approach for relief that is fair and equitable, recognizing seniority in accordance with Article XVII: Seniority.
3. The Company will pay Relief Supervisory rates on the basis of 10% above the job rate supervised in Production/Services/Oilers Departments, or in Maintenance Trades 10% above "A" Trades rate.
4. No employee's time off will be prejudiced as a result of an employee being temporarily promoted to a supervisory position. The test that will be applied to determine prejudice is whether or not the person applying for time off would have received it if this agreement had not been in effect.
5. The Company agrees that an employee working in a relief supervisory position would not be eligible to work overtime on a bargaining unit job while employed as a relief supervisor. The only exception would be when no other qualified employee is available to do the work, i.e.: as a last resort. This restriction would also apply on days off between two periods of scheduled relief work.
6. The Company agrees that senior qualified employees will provide relief on a first refusal basis.
7. The Company agrees to notify the Union of employees who have accepted the opportunity to move up for relief supervisory work. When possible, this will be done in advance of the relief occurring. The Company will immediately institute a training program for Relief Foremen. The Union will be provided with a time allocation for reviewing terms of reference for all hourly relief foremen annually. The Company will provide the local Union with a monthly list of relief supervisory coverage,

detailing position hours worked and person covered as per attached report.

8. SUPERVISION

Relief Foremen are responsible for the special jobs assigned to them, they are not responsible for discipline. However, they are expected to make suggestions for improvement to Operator/ Tradesman assigned to them. Their broad knowledge of mill procedures and policies enables them to provide guidance and direction when they are not following proper work methods or safe procedures. This type of supervision will be a large part of the work of a Relief Supervisor but not in the punitive sense.

9. TOUR WORKERS RELIEVING AS DAY FOREMEN

Relief Foreman work will be offered to the most senior qualified employee. When the relief work is known in advance and the senior qualified relief employee is on tour shift, the employee will be given the opportunity to do the relief work. There will be no penalty to the Company for voluntary changes in the work schedule resulting from the acceptance of Relief Foreman work.

An employee will not be employed both as a Day Relief Foreman and a tour worker on the same day.

10. Employees "Frozen" are not eligible for Relief Foreman work.

HOURLY RELIEF REPORT

NAME OF HOURLY RELIEF	NAME OF PERSON RELIEVED	REASON ILLNESS / VACATION	NUMBER OF HOURS WORKED

APPENDIX #10 - SPECIAL RELIEF AGREEMENT

PREAMBLE: This agreement will apply where it is determined that work will be provided by hourly employees as follows:

- (1) work that is not covered under the Relief of Foreman Agreement.
 - (2) temporary supervisory positions that are in addition to the regular supervisory staff.
 - (3) non-supervisory positions that are established for a temporary period that are not specified in the Crofton Labour Agreement.
-
1. The Company agrees to inform the Standing Committee of the proposed position and will provide:
 - a) A full description of the proposed job.
 - b) The proposed rate.
 - c) The term of the job.
 - d) The qualifications required for the job.
 2. The Company will post the job for not less than fourteen (14) days.
 3. The senior qualified employee will be given first opportunity to fill the position.
 4. No employee's time off will be prejudiced as a result of this agreement. The test that will be applied to determine prejudice is whether or not the person applying for time off would have received it if this agreement had not been in effect.
 5. The Company will notify the Union of the successful candidate and all unsuccessful candidates.
 6. Employees set up to higher job rate on a temporary basis as a result of the Special Relief Agreement will have Weekly Indemnity and LTD Plan benefits determined by the set up job rate. Plan premiums will be based at the set up job rate.

APPENDIX #11 – 10 HOUR SHIFT AGREEMENT

LETTER OF AGREEMENT
Between
Catalyst Paper Corporation
(the Company)

And
Pulp, Paper and Woodworkers of Canada, Local 2
(the Union)

10 Hour Shift Agreement

The parties hereby agree to implement a 10 hour shift work schedule based on the following terms and conditions:

The schedule shall apply to day worker groups or individuals as decided by the Company.

1. Implementation Conditions

The implementation of the ten hour shift agreement will be on the condition that;

- a) There will be substantial savings to the Company.
- b) This agreement is implemented on the assertion of PPWC Local 2 that the efficiency of all departments and individual employees will increase.
- c) Flexibility of scheduling currently available under the collective agreement will continue to be available under this schedule (change of shift).
- d) All recognized shift schedules remain available for scheduling at the company's option.
- e) Overtime will not be paid if incurred as a result of implementing or discontinuing the schedule.

With reference to the 10 hour shift agreement in case of conflict between the terms of this agreement, and any other terms found outside this agreement, the terms of this agreement shall apply.

With the exception of the articles as amended by this 10 Hour Shift Agreement, all other articles of the Labour Agreement apply.

At the company's discretion, the existing incumbent maintenance shift personnel will stay on their assigned shifts during the trial period.

2. Definitions

- a) The word "day" means a period of twenty-four (24) hours beginning at 07:00 hours (there may be some positions that start earlier).
- b) The word "shift" means a period of 10 consecutive hours.
- c) The word "week" means a period of seven (7) consecutive days beginning at 07:00 hours on Sunday (there may be some positions that start earlier).

3. Shift Schedule

The regular workweek will be determined by the company.

There shall be two regular shifts established;

Day shift 7:00 am – 5:00 pm

Night shift 5:00 pm – 3:00 am (shutdowns)

Employees will routinely work either Monday to Thursday or Tuesday to Friday, with the exception of a small weekend crew.

Two 25 minute rest breaks will be established at 10:00 am and 1:30 pm for day shift and at 8:30 pm and midnight for evening shift. Employees working under this schedule will be expected to work through their break periods if the task or conditions of the mill require it. In these cases, meal/rest breaks will be adjusted without penalty to the Company or employee.

The Company reserves the right to have the majority or all of the normal days off by the regular workweek covered by a small weekend coverage crew. If needed, the work days, number of employees on the crew and trades mix will be determined by the Company.

Shift start time may be moved +/- 2 hours with 4 days notice without penalty to the company.

Days of work and schedules (8 hours vs. 10 hours) may be altered for shutdown support, with notice provided in the previous shift.

It is agreed that there are specific areas where a different shift schedule may be necessary. (e.g. Mill Stores, Garage, material services or other areas determined by the company)

4. Shift Differential

Shift differential shall not apply to the day shift.

Night shift shall be paid shift differential.

5. Change of Shift Schedule

When the Company changes an employee's shift schedule after the start of the week without notification being given prior to the start of their regularly scheduled shift preceding the change, the employee shall receive two (2) hours penalty payment at the straight time day rate for the first shift worked resulting from the change. This does not include change of start times.

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 their previously established shift schedule.

6. Floating Holidays

There will be five (5) 10-hour Floating Holidays.

Employees on the 10-hour shift may apply for and receive five shifts off as floating holidays per contract year. Pay for such floating holidays will be in units of not less than ten (10) hours.

7. Scheduling of Paid Leave

Vacation, Supplemental Leave, Floaters and any other remaining leave shall be taken off in units of 10 hours.

8. Statutory Holidays

Employees will be paid eight (8) hours pay for recognized statutory holidays. For the purpose of calculating overtime, the scheduled work week shall be reduced by eight (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 work week shall then be reduced by eight (8) hours for each paid statutory holiday.

Employees may take two (2) hours from vacation or supplemental vacation hours, if so desired, to supplement statutory holiday pay, if they would normally have worked a ten (10) hour shift on that day.

9. Training

Employees engaged in training will have their shift schedule reviewed on a case by case basis. Reverting to the 8-hour schedule may be necessary in some cases. (e.g. apprentice schooling)

10. Weekly Indemnity

The waiting period for Weekly Indemnity will remain at three (3) days.

11. Bereavement Leave

For employees working under this schedule, pay for Bereavement Leave as defined under Article XVIII shall be for a maximum of three days.

12. Jury Duty

The provisions of Article XVIII, Jury or Witness Duty shall apply with the understanding that pay for such jury duty shall not exceed ten (10) hours per day or forty (40) hours in a week.

13. Planned Personal Business

To maximize productivity employees will attempt to schedule routine personal/medical appointments on days off.

14. Overtime Continuation

For the purposes of this agreement Overtime Continuation, Section 1, B) (page 102) will be applied when called in prior to 5:00 am.

15. Cancellation of Agreement

The schedule may be cancelled by either party with thirty (30) days written notice or within seven (7) days if mutually agreed by the Company and the Union. However the 10 hour shift schedule shall be trialed for a one (1) year period after which cancellation with notice can be enacted.

The parties will meet quarterly to ensure the efficiencies of the 10 hours shift schedule are achieved.

Dated this 13th day of March 2012

For Catalyst Paper Corporation

For Pulp, Paper and
Woodworkers of Canada,
Local 2

Steve Boniferro
Robert Stepusin

Paul Zarry
Kevin McPetrie
Brent Eliason
Sherman Power

APPENDIX #12 – CONTINUITY PAY

January 23, 2012

Mr. P. Zarry
President, PPWC Local 2
Box 370, 1616 Chaplin Street
Crofton, BC V0R 1R0

Dear Paul,

Re: Continuity Pay grievance

The parties agree that the term "called in prior to" referred to in the continuity pay language shall be interpreted as follows;

- a. Employee is contacted to report to work for an emergency breakdown more than 2 hours prior to their normal start time.
- b. The employee responds to the site in a reasonable period of time.
- c. Pay will commence when the employee arrives on the Crofton site.

This resolution is conditional on the acceptance of the new labour agreement with PPWC Local 2.

The Company values the commitment of its employees to support maintenance repairs outside of their regular schedule.

I trust that this will address the issue at hand and more clearly define payment moving forward.

Sincerely,

Rob Belanger
General Manager



PrintCraft 250-746-6191