

LABOUR AGREEMENT

2012 - 2017

BETWEEN

CANFOR PULP PRODUCTS INC
Canfor Pulp Limited Partnership
Intercontinental Pulp, Prince George Pulp & Specialty Paper
(hereinafter referred to as the **Company**)

- AND -

PULP, PAPER AND WOODWORKERS
OF CANADA, LOCAL 9

(hereinafter referred to as the **Union**)

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2012 - 2017**

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A G R E E M E N T

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 co-operate 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

The parties hereto subscribe to the principles of the Human Rights Code. The Company and 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 Company status, members of Local 9 will retain all of their rights under the Labour Agreement.

ARTICLE II - DEFINITIONS

Wherever used in this Agreement, including Exhibits:

- (a) The word EMPLOYEES means all persons in the pulp and paper mills, including on site facilities (pump houses, power and recovery) except office and sales staff, supervisory personnel and paper machine, paper finishing and beater room employees. 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 he is usually employed, his status as to tour or day work during such temporary assignment is determined by the nature of such assignment. All other employees are considered Day Workers.
- (c) The word DAY means a period of twenty-four (24) hours beginning at 8:00 a.m., or at the regular hour of changing shifts nearest to 8:00 a.m., in the mill.
- (d) The word WEEK means a period of seven (7) calendar days beginning at 8:00 a.m., or at the regular hour of changing shifts nearest to 8:00 a.m., on Sunday.

ARTICLE III - BARGAINING AGENCY

Section 1: Recognition

The Company recognizes the Union 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: Co-operation

The Company will co-operate with the Union in obtaining and retaining as members the employees as defined in this Agreement, and to this end will present to new employees and to all supervisors and foremen the policy herein expressed. Any new employee shall be introduced to the shop steward by his supervisor within three (3) days of starting work.

- a) A local union representative shall be given an opportunity to speak with all new employees during the employee's indoctrination.
- b) 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 2: Union Shop

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

Section 3: Discharge of Non-Members

Any employee who fails to maintain his membership in good standing in the Union 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 his membership in good standing.

Section 4: Application for Membership

No employee shall be subject to any penalties against his application for membership or re-instatement, 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 new employees who have worked a minimum of forty (40) hours.

ARTICLE V - STANDING COMMITTEE

Standing Committees shall be maintained in the following manner:

- (1) The General Manager shall appoint a Company Standing Committee of four (4) individuals, which shall represent the Company.
- (2) 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.

- (3) 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.

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 bases:

(1) Day Workers

- (a) For all work performed on Sunday (8 a.m. Sunday to 8 a.m. Monday) and on holidays as specified in Articles XII and XIII of this Agreement.
- (b) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive straight time hours.
- (c) For work performed on an employee's designated day off as provided for in Section 3 herein.
- (d) For work in excess of forty (40) hours average per week. By average is meant the number of weeks mutually agreed upon in advance as the correct schedule.
- (e) The Company agrees that employees may carry over 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.

(2) Tour Workers

- (a) For all work performed on Sunday (7 a.m. Sunday to 7 a.m. Monday) and on holidays as specified in Articles XII and XIII of this Agreement.

- (b) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive hours except:
 - (i) When such work in excess of eight (8) hours is caused by the change of shifts.
 - (ii) Overtime work by special arrangement between a Tour Worker and his mate to exchange shifts with the approval of his Supervisor, and when this can be accomplished without additional cost or penalty to the Company.
- (c) For work in excess of forty (40) hours average per week. By average is meant the number of weeks mutually agreed upon in advance as the correct schedule.
- (d) For work performed on an employee's designated day off as provided for in Section 3 herein.
- (e) 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.

(3) Banking of Overtime

- (i) Tour Workers who work in excess of eight (8) consecutive hours shall have the option of receiving the overtime premium on the basis of this Section or of receiving straight time for hours in excess of eight (8) consecutive hours and taking equivalent time off in units of not less than four (4) hours at the hourly rate for the job when the work was performed, at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for purposes of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it is earned, the Company shall pay the deferred one-half (1/2) premium pay. Tour Workers who choose to bank overtime may later re-elect to receive the deferred one-half (1/2) 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) 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 cancelling approved time off.

Section 3: Days Off and Schedule of Shifts

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

Relief employees, employed to provide relief of employees who follow regular schedules, will be scheduled when required for coverage. The Company shall use its best efforts to:

- i) schedule days off for relief employees on a consecutive basis; and
- ii) 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 his 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 during the first eight (8) hours of his last shift preceding the new shift, the employee shall receive two (2) hours penalty payment at the straight time day rate for the first shift worked resulting from the change.

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

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

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

Section 4: Starting and Stopping Work

(a) Tour Workers

When a tour begins, each Tour Worker is required to be in his place. At the end of a shift no Tour Worker shall leave his place to wash up and dress until his mate has reported to take on the responsibility of the position. If a Tour Worker does not report for his regular shift, his mate shall notify the Foreman. He shall remain at his post until a substitute is secured, and, if necessary, he shall work an extra four (4) hours. If work in excess of twelve (12) hours is required by refusal of a mate to report in, or when no other qualified relief is available, then the employee shall complete the extra shift.

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 his regular shift, he will, if it is reasonably possible, notify his Foreman or the office at least four (4) hours before his 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 1:00 p.m. to 5:00 p.m., he shall be at his post ready to work at 8:00 a.m. and 1:00 p.m. and shall not quit work until 12:00 noon and 5:00 p.m.

Section 5: Meals

A hot meal shall be provided to an employee when he is required to remain at work for more than one (1) hour after completion of his 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.

ARTICLE VII – WAGES

Section 1: Wage Scale

On the date of ratification a lump sum payment of \$3,750.00 for all active employees, with the exception of students who will receive a lump sum payment of \$500.00.

Effective May 1st 2013 a lump sum payment of \$3750.00 for all active employees. Payment shall be made as soon as practicable, no later than May 31st. Employees will have the option of directing the lump sum payments into a Tax Free Savings Account or RRSP of their choice, or receive payment on a separate cheque.

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

Section 2: Shift Differential

(a) Tour Workers

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

	% of base rate
7:00 am to 7:00 pm	2.50%
7:00 pm to 7:00 am	4.25%

- ii) Where tour work is scheduled 7-3, 3-11 and 11-7, the following shift differential will be paid in addition to the hourly rate on all work performed:

	% of base rate
7:00 am to 3:00 pm	2.00%
3:00 pm to 11:00 pm	3.55%
11:00 pm to 7:00 am	4.50%

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

	% of base rate
3:00 pm to 11:00 pm	2.25%
11:00 pm to 7:00 am	3.25%

(b) Day Workers

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

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

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

(c) All Employees

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

ARTICLE VIII - ALLOWANCE FOR FAILURE TO PROVIDE WORK

Section 1: No Work

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

Section 2: Where Shift Commenced

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

(b) Call to work on a designated day off

When required to report for work on a designated day off.

(c) Statutory Holiday Work

For any work performed on a holiday as specified in Article XII.

Section 2: Payment

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

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

	Length of Vacation	Vacation Pay, being the greater of:	
An employee who is on the payroll on May 1st, who has been continuously employed during the qualifying period, and who has:		% of the total wages earned by the employee during the preceding vacation period	or hours pay at the hourly rate of the employee's regular job.
(A) been employed for less than one year and does not qualify under (B) below;	1/4 day for each 40 hours of actual work performed during the preceding vacation period provided no vacation of less than one day will be granted.	4-1/2%	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) & Supplementary Special (Personal) Floating Holidays; Jury or Witness Duty; Bereavement Leave; Contractual Steam Plant and Apprenticeship Leaves; Banked Days Off and Days Off in lieu of work performed on a Statutory Holiday;	2 weeks	4-1/2%	or 80 hours
(C) qualified for his 2nd vacation under this Agreement;	3 weeks	6-1/2%	or 120 hours
(D) qualified for his 7th vacation under this Agreement;	4 weeks	8-1/2%	or 160 hours
(E) qualified for his 14th vacation under this Agreement;	5 weeks	10-1/2%	or 200 hours
(F) qualified for his 23rd vacation			

under this Agreement;	6 weeks	12-1/2%	or 240 hours
(G) qualified for his 29th vacation under this Agreement.	7 weeks	14-1/2%	or 280 hours

Section 2: Additional Pay

In addition to the vacation pay to which an employee is entitled under Section 1 above, each employee shall, on qualifying for vacation under categories (B), (C), (D), (E), (F) and (G) above, be entitled to an additional amount of vacation pay equivalent to ten (10) hours' pay at the hourly rate of the employee's regular job in respect of the first week of his vacation.

Section 3: Payment on Termination

In the event an employee's employment terminates either before he becomes entitled to a vacation with pay, or, being entitled to it, before he takes it, he shall be paid on termination 4-1/2%, 6-1/2%, 8-1/2%, 10-1/2%, 12-1/2% or 14-1/2% (depending on whether he belongs in the category of employees described in (A) or (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 4: General Rules

- (a) The vacation period is May 1 to April 30.
- (b) Vacations with pay provided in accordance with Section 1 above for employees in category (A) may not be counted when determining whether an employee has qualified for the vacations provided under Section 1 for employees in categories (C), (D), (E), (F) or (G).
- (c) Vacations with pay are not cumulative and must be taken during the vacation period except as provided below:
 - 1) Vacations earned under Section 4 (d).
 - 2) (i) 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.
 - (ii) Employees shall have the option at any time during the vacation year to bank paid vacation entitlement in excess of the statutory minimums 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.

- (iii) (iii) 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.
- (f) The allocation of vacation times is to be decided by the Company. However, the Company will endeavour by discussion with the employees or the Union, to arrange vacations to suit the employees' wishes.
- (g) Time lost as the result of an accident recognized as compensable by the Workers' Compensation Board, suffered during the course of employment with the Company, shall be considered as time worked for the purpose of calculating vacation entitlement upon return to work.
- (h) Time not exceeding one (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 employer may require that the employee provide a certificate from a qualified medical practitioner. Time exceeding one (1) year shall be recognized as uninterrupted service for the purpose of establishing vacation time off, upon return to work.
- (i) Time lost as the result of layoff shall not be considered as time worked for the purpose of qualifying for a vacation.
- (j) Time on Leave of Absence for union business duly approved by the employer in writing shall be considered as uninterrupted service for the purpose of establishing vacation time off, during the year of this 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 his 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 endeavour 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.
- (m) Employees who qualify for vacation under categories (c), (d), (e), (f) or (g) may at their option elect to forfeit one (1) week of vacation, subject to the Employment Standards Minimum, and be paid the vacation pay they would have received in lieu of the week of vacation.

Employees must declare their intention for this option prior to the start of the vacation year, and will be paid out between May 15th - 31st of the vacation year.

Section 5: Computation of Vacation Pay

Where an employee's vacation pay for the current year is to be computed as a percentage of his "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
Family Day	24 hours, 8:00 a.m. the 2 nd Monday to 8:00 a.m. the 2 nd Tuesday of February (7am to 7am for compressed work week schedules).
Easter Monday	24 hours, 8:00 a.m. Monday to 8:00 a.m. Tuesday
Canada Day	24 hours, 8:00 a.m. July 1 to 8:00 a.m. July 2
Labour Day	24 hours, 8:00 a.m. Monday to 8:00 a.m. Tuesday

Christmas Eve	24 hours, 8:00 a.m. December 24 to 8:00 a.m. December 25
Christmas Day	24 hours, 8:00 a.m. December 25 to 8:00 a.m. December 26
Boxing Day	24 hours, 8:00 a.m. December 26 to 8:00 a.m. December 27

Section 2: Adjustment in Hours

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

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

Section 3: Holiday Work

- (a) The Company will provide the Union with not less than thirty (30) days notice of the general scope of operating and/or maintenance plans on Statutory Holidays. Unanticipated weather conditions or maintenance requirements may alter those plans.
- (b) On Christmas Eve, Christmas Day, and Boxing Day, operational and maintenance manning required will be identified on a scheduled crew basis. Any employee scheduled to work who wishes to be excused from working on a particular Statutory Holiday will be accommodated provided a request for leave is made seven (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 working 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 his straight time hourly rate. Such time off shall be treated in the same manner as a Special (Personal) Floating Holiday.

Section 5: Qualifying Conditions

In addition to any other compensation earned, any employee who is on the payroll of the Company on any of the foregoing recognized Statutory Holidays will be granted

eight (8) hours' pay at the straight time rate of the employee's regular job, subject to compliance with all of the conditions (a) to (f) set forth below:

- (a) The employee must have been on the payroll for not less than the sixty (60) days just preceding the holiday and must have previously qualified for a Statutory Holiday as provided in (d) below, and
- (b) The employee must have worked at least one (1) day during the sixty (60)-day qualifying period just preceding the holiday, and
- (c) The employee must have worked his scheduled workday before, and his scheduled workday after, such holiday, unless failure to work his scheduled work day before or after the holiday was due to any of the following events:
 - (i) When the employee is on his regular authorized paid vacation;
 - (ii) When the employee is unable to work by reason of an industrial accident as recognized by the Workers' Compensation Board or non-occupational sickness or injury;
 - (iii) When the operation in which the employee is engaged is curtailed or discontinued by the decision of the Company and which curtailment or discontinuance changes or eliminates the employee's scheduled work day before, or his scheduled work day after, such holiday;
 - (iv) When a trade in shifts agreed upon between employees and approved in advance by the company results in a temporary change of the scheduled workday before, or the scheduled work day after, the holiday, provided the employee works the shift agreed upon;
 - (v) When the employee is on a leave of absence authorized by the Company.
- (d) The employee who has been on the payroll for at least sixty (60) days but who has not previously qualified for a Statutory Holiday will qualify for the holiday if he has worked a minimum of one hundred eighty (180) hours during the sixty (60)-day qualifying period just preceding the holiday and meets the requirements of (b) and (c) above.
- (e) Time lost as the result of an accident as recognized by the Workers' Compensation Board, suffered during the course of employment, or time lost as a result of non-occupational sickness or injury shall be considered as time worked for the purpose of qualifying for a recognized paid holiday, it being understood that the employee will only be entitled to this credit for time while on Workers' Compensation or non-occupational sickness or injury for a period of up to but not exceeding one (1) year from the date of his sickness or injury.

- (f) It is understood and agreed, however, that an employee shall not receive the above provided holiday pay if he has agreed to work on such holiday and fails or refuses to work, except in the case where bona fide sickness, or other bona fide reason approved by the Company, prevents his working on such holiday.

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, during the contract year, so that there will be no loss of production.

Effective May 1, 1998, employees on the compressed work week schedule shall be granted five (5), twelve (12) hour Special (Personal) Floating Holidays per contract year, as outlined in Subject XXIV Twelve (12) Hour Shifts, Section 10 (a).

Section 2: Qualifying Conditions

For each Special (Personal) Floating Holiday taken an employee will be granted eight (8) 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 his first Special (Personal) Floating Holiday and on the payroll for one hundred eighty (180) days to qualify for his second, third, fourth and fifth Special (Personal) Floating Holidays.
- (b) Employees will not qualify for Special (Personal) Floating Holidays if on leave of absence of more than nine (9) months in the contract year except in the case of sickness or injury.
- (c) If an employee is required to work on any of these Special (Personal) Floating Holidays, after a definite date has been designated for such holidays, the employee shall be paid overtime for such work at the rate of time and one-half. The employee will then be entitled to take 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 his 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 he is entitled under Article XIII of the Agreement, be entitled to one (1) Supplementary 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 his 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, he must advise the Company in writing of his election in advance for that five (5) year period. If an employee elects to take his 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 Labour Agreements within his current five (5) year entitlement period, will receive Supplementary Vacation proportionate to his 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 he is entitled under Article XIII of the Agreement, be entitled to two (2) Supplementary 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 his Supplementary Special (Personal) Floating Holidays as a vacation after completing ten (10) years of continuous service with the Company, and again on his fifteenth (15) year of continuous service with the Company. If the employee wishes to elect this option, he must advise the Company in writing of his election in advance for that five (5) year period.

If an employee elects to take his 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 Labour Agreements within his current five (5) year entitlement period, will receive Supplementary Vacation proportionate to his 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) Supplementary Special (Personal) Floating Holidays; after completing thirty (30) years of continuous service, employees shall be granted four (4) Supplementary Special (Personal) Floating Holidays, and after completing forty (40) years of continuous service employees shall be granted five (5) Supplementary Special (Personal) Floating Holidays, each contract year.
- (b) After completing twenty (20) years of continuous service an employee may elect to take his 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 his election in advance for each five (5) year period. He will be immediately entitled at the start of each five (5) year period to the number of days that would normally accrue to his credit during the said five (5) year period.

If an employee elects to take his 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 his regular job for each such holiday.

Section 6: Credit for Time Lost

Time lost as the result of an accident as recognized by the Workers' Compensation Board, 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 Workers' Compensation for a period of up to but not exceeding one (1) year from the date of his 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 his 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 his 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, 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 unresolvable 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 is he 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 an industry basis and coverage will be portable in all units covered by the Health and Welfare Plan. There will be no further waiting period for qualified employees changing employers covered by the Plan.

ARTICLE XVI - PENSION PLAN

Section 1: The Plan

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

Section 2: Contributions

The contribution levels will be based on a percentage of employees' hourly wage rates as follows:

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

Employee contributions will increase from the current 3% as follows:

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

Section 3: Board of Trustees

The Board of Trustees will consist of three (3) trustees elected or appointed by the PPWC, three (3) trustees elected or appointed by the CEP, and three (3) trustees appointed by the member employers.

Section 4: Pension Bridge Benefit

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 pension bridge benefit will not be payable beyond the age of 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.

An employee who chooses to retire at age sixty (60) 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, layoff, recall and permanent movement from day to shift positions, of an employee, providing the employee has the qualifications and ability to perform the work.

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

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

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

Section 2: Probationary Period

Until an employee has been on the payroll of the company for forty-five (45) calendar days, or until he has accumulated thirty (30) working days in a ninety (90) calendar day period, he 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 his own, shall retain seniority and shall be recalled on the following bases:
 - (i) An employee with less than one year's continuous service shall retain these rights for six (6) months from the date of layoff.
 - (ii) An employee with one or more year's continuous service shall retain these rights for twelve (12) months from the date of layoff, plus two (2) additional months for each year's service up to an additional twenty-four (24) months.
- (b) Failure of the employee to report for work within one (1) week of notice by registered mail at his last address reported to and received by the mill shall result in his termination of employment with the Company. Bona fide reasons for failure to report shall not deprive an employee of his recall rights.

Section 4: Training

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

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

- (b) Up to four (4) 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) Where a layoff results from a permanent partial plant closure or a temporary closure in excess of ninety (90) days, the Company will participate in a program of training or retraining for another job within the operations to facilitate the exercising of mill seniority, recognizing there will be limitations where special qualifications are required. Phasing in arrangements to implement the program will be discussed by the Company and the Local Union and shall not exceed three (3) months from the date of closure.

Section 5: Layoff and Vacation Entitlement

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

Section 6: Welfare Coverage

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

ARTICLE 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 his union, or to Federal, Provincial, Municipal or Aboriginal office, shall be granted as much leave as is necessary during the term of such office.

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

Section 2: 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 he shall be compensated at his regular straight time hourly rate for hours lost from his regular schedule for a maximum of three (3) days.
- (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, spouse's siblings, step-parents, grandparents and grandchildren.
- (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 Union, unless subpoenaed by the Crown, on a day when he would normally have worked, will be reimbursed by the Company for the difference between the pay received for such duty and his regular straight time hourly rate of pay for his regularly scheduled hours of work necessarily lost.

It is understood that employees will be reimbursed by the Company for the difference between the pay received for such duty and his straight time rate of pay for his regularly

scheduled hours of work in that week. The employee will be required to furnish proof of performing such service and such duty pay received.

(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 endeavour to arrange leave of absence to suit the employee's wishes. Employees with ten (10) or more years service will be given special consideration.

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.

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

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

Section 6: Severance Allowance

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

*	Years of Employment	Weeks per Year of Service	Severance Allowance or % of Earnings
C	1 st Twenty Years	2	4%
O	Subsequent years	1	2%
m	Maximum Severance Allowance	*52 Weeks	2080 hours
p			
u			

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

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

At the time of separation the employee shall have the option of receiving the severance allowance on termination, or he may elect to have his severance

allowance held in abeyance for up to one (1) year from the date of termination. He may apply in writing at any time during the year, at which time his full severance allowance will be paid forthwith.

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

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

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

No payment will be made under this section in cases where the employee has already qualified under Article 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 the 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:

2 week's pay per year to a maximum of sixty (60) weeks.

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

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

No payment will be made under this section in cases where the employee has already qualified under Article 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:

- (a) of curtailments of a temporary or indefinite duration, however curtailments in excess of one (1) year will allow employees the option of taking severance,
- (b) of employees hired for work of known or temporary duration,
- (c) where the employee has already qualified under technological change or permanent mill closure provisions.

Section 3: Notice

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

Section 4: Elimination Options

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

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

Such employee must elect his option within thirty (30) days of notification that his loss of employment is permanent. If Option (2) is selected, the employee will be deemed to have terminated effective the last day worked.

Where a temporary curtailment becomes permanent, severance eligibility will be determined by the status of the employee at the time of the temporary curtailment.

Section 5: Severance Allowance

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

Years of Employment	Weeks per Year of Service	Severance Allowance or % of Earnings
1 st 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.

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

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

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

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

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 his recall rights at which time the employee will be terminated and his severance allowance paid forthwith.

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

ARTICLE XXIII - CONTRACTING

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

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

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

For greater clarity, it is agreed that:

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

ARTICLE XXIV - 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 XXVIII - 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 XXV - 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 XXVI - 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 Union and the Company shall co-operate in selecting a Safety Committee, which will meet at least once a month to consider all safety problems.

The parties agree to co-operation 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 (2) delegates in attendance at the safety conference. The (2) delegates shall be compensated by their respective employer for any loss of wages. Travel and hotel expenses of the delegates shall not be paid by their respective employers.
4. A Senior Management representative shall attend the conference. Senior company officials and representatives of WorkSafe BC will be encouraged to attend. Additional delegates of either labour or management will be permitted to attend on an observer basis.
5. The agenda shall address issues that will promote occupational health and safety in their respective workplaces. Agenda items shall be submitted to the respective representative no later than November 30th prior to the conference.
6. The planning committee shall initially meet no later than one hundred and eighty (180) days prior to the established date of the conference and then schedule follow up meetings in accordance as required by the planning committee.
7. The planning committee shall be comprised of the following members:
 - a. One (1) CEP Local Union member
 - b. One (1) PPWC Local Union member
 - c. One (1) CEP representative from the Regional Office
 - d. One (1) PPWC representative from the National Office
 - e. One (1) Employer representative from the employer group
 - f. One (1) Industry representative
 - g. One (1) Conference Facilitator
8. The Occupational Health and Safety Conference shall be funded on the basis of an industry contribution of three cents (\$0.03) 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 XXVII - DISCIPLINARY ACTION

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

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

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

The presence of a Shop Steward is mandatory unless waived by the employee at any meeting during which the employee is disciplined. The Company will notify the Union of an employee's choice to waive Shop Steward representation before the meeting takes place.

ARTICLE XXVIII - ADJUSTMENT OF COMPLAINTS

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

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

Section 1: Grievance Procedure

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

Step Two: If there is no satisfactory resolution at first step, then the union may, within seven (7) days, advise the department supervisor that the employee intends to proceed with the grievance. The department supervisor and

chief shop steward will then have fourteen (14) days from the date of notification to deal with, and answer the grievance. Grievances other than those of individual employees may be initiated at Step Two by either party.

Step Three: If there is no satisfactory resolution at second step then either party may, within seven (7) days, refer the question to the Standing Committees by advising the chairmen of the Standing Committees of the intention to proceed with the grievance. The Standing Committees 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 Union and the General Manager, who 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 Prince George.

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 the Company and the 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) An arbitrator shall be selected by mutual agreement of the Company and Union.
- (b) The chosen arbitrator must meet and hear the evidence of both parties within fifteen (15) days after assignment.
- (c) The unavailability of counsel shall not be a reason to delay an arbitration under this section.
- (d) The parties will endeavour to agree on a statement of material facts which may be submitted to the arbitrator in advance of the hearing.
- (e) The arbitrator will give his decision 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 Labour Agreement, shall be subject to the grievance procedure contained herein.

ARTICLE XXIX – FLEXIBLE WORK PRACTICES

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

ARTICLE XXX - JOB EVALUATION PLAN

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

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

ARTICLE XXXI - DURATION AND AMENDING PROCEDURE

Section 1: Term of Agreement

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

Section 2: Labour Relations Code

The parties agree that the operation of sub-section (2) of Section 50 of the Labour Relations Code of British Columbia and Amendments thereto, 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, 2012, 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 General Manager (or his representative).

Section 4: Collective Bargaining

If notice of desire for changes has been given in accordance with Section 3 above, the parties shall, as soon as agreeable to the parties following such date of notice, meet for 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, We, the undersigned have hereunto set our signatures this

_____ day of _____, 2012 in Prince George, B.C.

Original Signed By:

**CANFOR PULP AND PAPER
A division of Canfor Pulp Limited
Partnership
PRINCE GEORGE PULP AND PAPER
MILLS**

**PULP, PAPER AND WOODWORKERS
OF CANADA, LOCAL 9**

Onkar Athwal

Stuart Blundell

Rick Lewis

Niel Chadwick

Markku Paivarinta

Joe Garon

Al Spencer

Chuck Leblanc

Chad Third

Frank Robertson

Rick Vankoesveld

Brad Waddell

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 ("A" Mechanic)	37.215	37.215	37.959	38.908	40.076
"B" Mechanic	34.495	34.495	35.185	36.065	37.146
"C+" Mechanic	31.695	31.695	32.329	33.137	34.131
"C" Mechanic	30.380	30.380	30.988	31.762	32.715
"D" Mechanic	29.865	29.865	30.462	31.224	32.161
APPRENTICES					
5th Year Apprentice	37.215	37.215	37.959	38.908	40.076
4th Year Apprentice	34.495	34.495	35.185	36.065	37.146
3rd Year Apprentice	31.695	31.695	32.329	33.137	34.131
2nd Year Apprentice	30.380	30.380	30.988	31.762	32.715
1st Year Apprentice	29.865	29.865	30.462	31.224	32.161
LABOUR RATE	27.530	27.530	28.081	28.783	29.646

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.

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
MAINTENANCE					
Lubrication Mechanic	34.495	34.495	35.185	36.065	37.146
Lubrication inspector: - after 60 days	29.705	29.705	30.299	31.057	31.988
Oiler: - 0 - 60 days	28.955	28.955	29.534	30.272	31.181
Garage Serviceman	28.955	28.955	29.534	30.272	31.181
Trade Utility: - after 18 mos.	28.590	28.590	29.162	29.891	30.788
- 7 - 18 mos.	27.625	27.625	28.178	28.882	29.748
- 0 - 6 mos.	27.530	27.530	28.081	28.783	29.646
WOODYARD					
Equipment Oper. - Chip Pile	30.725	30.725	31.340	32.123	33.087
Equipment Oper. - Utility	29.950	29.950	30.549	31.313	32.252
Utility Floater	27.530	27.530	28.081	28.783	29.646
YARD					
Heavy Equipment Operator (Drott, Pettibone, D8 & up, TD 15, 980 & Grader)	30.725	30.725	31.340	32.123	33.087
Medium Equipment Operator (Double axle trucks, 10-ton Truck, Dumpster Hiab, Hough, Case, D4)	28.955	28.955	29.534	30.272	31.181
Light Equipment Operator (Single axle trucks and forklifts)	28.440	28.440	29.009	29.734	30.626
Labourer	27.530	27.530	28.081	28.783	29.646
Janitor	27.530	27.530	28.081	28.783	29.646
PULPMILL - Prince George Pulp & Paper and Intercontinental Mills					
Head Operator	38.395	38.395	39.163	40.142	41.346
Process Operator	36.620	36.620	37.352	38.286	39.435
Field Operator	32.780	32.780	33.436	34.271	35.300
Utility relief	27.750	27.750	28.305	29.013	29.883
Utility Floater	27.530	27.530	28.081	28.783	29.646
STEAM AND RECOVERY - Prince George Pulp & Paper and Intercontinental Mills					
Plant Engineer - 3rd (2 competencies)	39.415	39.415	40.203	41.208	42.445
Plant engineer - 3rd (1 competency)	36.620	36.620	37.352	38.286	39.435
Field Engineer - 4th (3 competencies)	33.805	33.805	34.481	35.343	36.403
Field Engineer - n.t. (3 competencies)	32.780	32.780	33.436	34.271	35.300
Field Engineer - 4th (2 competencies)	32.255	32.255	32.900	33.723	34.734
Field Engineer - n.t. (2 competencies)	31.245	31.245	31.870	32.667	33.647

	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
Field Engineer - n.t. (1 competency)	28.690	28.690	29.264	29.995	30.895
Utility Relief	27.750	27.750	28.305	29.013	29.883
PULP MACHINE					
Prince George Pulp & Paper Mill					
Machine Tender	34.815	34.815	35.511	36.399	37.491
Back Tender	32.780	32.780	33.436	34.271	35.300
Scalerman	30.230	30.230	30.835	31.605	32.554
Pulp Tester	29.950	29.950	30.549	31.313	32.252
Utility Relief	27.750	27.750	28.305	29.013	29.883
Utility Floater	27.530	27.530	28.081	28.783	29.646
Intercontinental Pulp Mill					
Machine Tender	36.350	36.350	37.077	38.004	39.144
Back Tender	33.805	33.805	34.481	35.343	36.403
Field Operator	30.725	30.725	31.340	32.123	33.087
Pulp Tester	29.705	29.705	30.299	31.057	31.988
Utility Relief	27.750	27.750	28.305	29.013	29.883
Utility Floater	27.530	27.530	28.081	28.783	29.646
WAREHOUSE					
Prince George Pulp & Paper Mill					
Warehouseman	30.725	30.725	31.340	32.123	33.087
Paper Driver	29.950	29.950	30.549	31.313	32.252
Pulp Driver	29.450	29.450	30.039	30.790	31.714
Utility Floater	27.530	27.530	28.081	28.783	29.646
Intercontinental Pulp Mill					
Warehouse Driver	29.950	29.950	30.549	31.313	32.252
Driver/Leadhand	29.705	29.705	30.299	31.057	31.988
TECHNICAL - Prince George Pulp & Paper Mill					
Chip Quality Tester	28.200	28.200	28.764	29.483	30.368
MILL STORES - Prince George Pulp & Paper and Intercontinental Mills					
Stores Person (over 18 months)	30.230	30.230	30.835	31.605	32.554
Stores Person (12 - 18 months)	29.450	29.450	30.039	30.790	31.714
Stores Person (6 - 12 months)	28.690	28.690	29.264	29.995	30.895
Stores Person (0 - 6 months)	28.200	28.200	28.764	29.483	30.368
Utility Floater	27.530	27.530	28.081	28.783	29.646
Tool Crib Coverage. Counterman - ten (10) cents per hour over base rate					

CAFETERIA	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
Lunchroom Attendant	28.955	28.955	29.534	30.272	31.181
Lunchroom Assistant	27.750	27.750	28.305	29.013	29.883

DIRTY MONEY

While engaged in working on the following jobs, employees will be paid their regular rate, or fifteen (15) cents per hour over base rate, whichever is greater.

1. Handling bag lime.
2. Abnormal handling of sodium sulphate.
3. Cleaning out lime kilns.
4. Cleaning out liquor tanks.
5. Recovery furnace hearth clean-out.
6. Cleaning out upper passes in recovery.
7. Cleaning out upper passes in power boiler.
8. Cleaning out green and white liquor clarifier and mud washers.
9. Cleaning out inside precipitator and cyclone duct.
10. Blowing out Flakt dryer steam coils.

SPRAY PAINTING AND SANDBLASTING

An additional eight (8) cents per hour will be paid to Painters while actually using spray guns or sandblasting equipment.

HEIGHT PAY

Employees working over thirty feet (30') in height from non-permanent structures will be paid an additional fifteen (15) cents per hour while so working.

STEAM AND RECOVERY TICKET DIFFERENTIALS

Ticket differential for Steam and Recovery Engineers working on jobs below their ticket qualifications will be:

- | | | |
|-----------|---|---------------------------------|
| 1st class | - | forty (40) cents per hour |
| 2nd class | - | thirty (30) cents per hour |
| 3rd class | - | twenty-five (25) cents per hour |
| 4th class | - | ten (10) cents per hour |

JACKHAMMERING

Employees actually using a Jackhammer shall receive \$26.28 per hour effective May 1, 2008, \$26.935 per hour effective May 1, 2009, \$27.61 per hour effective May 1, 2010, and \$28.44 per hour effective May 1, 2011, or their regular rate, whichever is greater.

**JOB EVALUATION PLAN
CONVERSION TABLE BY STEPS**

STEP	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
Base	27.53	27.530	28.081	28.783	29.646
1/2	27.62	27.620	28.172	28.877	29.743
1	27.75	27.750	28.305	29.013	29.883
2	27.98	27.980	28.540	29.253	30.131
3	28.2	28.200	28.764	29.483	30.368
4	28.44	28.440	29.009	29.734	30.626
5	28.69	28.690	29.264	29.995	30.895
6	28.955	28.955	29.534	30.272	31.181
7	29.21	29.210	29.794	30.539	31.455
8	29.45	29.450	30.039	30.790	31.714
9	29.705	29.705	30.299	31.057	31.988
10	29.95	29.950	30.549	31.313	32.252
11	30.23	30.230	30.835	31.605	32.554
12	30.48	30.480	31.090	31.867	32.823
13	30.725	30.725	31.340	32.123	33.087
14	30.995	30.995	31.615	32.405	33.377
15	31.245	31.245	31.870	32.667	33.647
16	31.51	31.510	32.140	32.944	33.932
17	31.745	31.745	32.380	33.189	34.185
18	32.005	32.005	32.645	33.461	34.465
19	32.255	32.255	32.900	33.723	34.734
20	32.51	32.510	33.160	33.989	35.009
21	32.78	32.780	33.436	34.271	35.300
22	33.025	33.025	33.686	34.528	35.563
23	33.275	33.275	33.941	34.789	35.833
24	33.54	33.540	34.211	35.066	36.118
25	33.805	33.805	34.481	35.343	36.403
26	34.055	34.055	34.736	35.605	36.673
27	34.29	34.290	34.976	35.850	36.926
28	34.55	34.550	35.241	36.122	37.206
29	34.815	34.815	35.511	36.399	37.491
30	35.085	35.085	35.787	36.681	37.782

STEP	May 1/12	May 1/13	May 1/14	May 1/15	May 1/16
31	35.335	35.335	36.042	36.943	38.051
32	35.585	35.585	36.297	37.204	38.320
33	35.845	35.845	36.562	37.476	38.600
34	36.1	36.100	36.822	37.743	38.875
35	36.35	36.350	37.077	38.004	39.144
36	36.62	36.620	37.352	38.286	39.435
37	36.86	36.860	37.597	38.537	39.693
38	37.105	37.105	37.847	38.793	39.957
39	37.38	37.380	38.128	39.081	40.253
40	37.635	37.635	38.388	39.347	40.528
41	37.885	37.885	38.643	39.609	40.797
42	38.145	38.145	38.908	39.881	41.077
43	38.395	38.395	39.163	40.142	41.346
44	38.65	38.650	39.423	40.409	41.621
45	38.91	38.910	39.688	40.680	41.901
46	39.175	39.175	39.959	40.957	42.186
47	39.415	39.415	40.203	41.208	42.445
48	39.67	39.670	40.463	41.475	42.719
49	39.925	39.925	40.724	41.742	42.994
50	40.18	40.180	40.984	42.008	43.268
51	40.45	40.450	41.259	42.290	43.559
52	40.685	40.685	41.499	42.536	43.812
53	40.945	40.945	41.764	42.808	44.092
54	41.21	41.210	42.034	43.085	44.378
55	41.45	41.450	42.279	43.336	44.636
56	41.72	41.720	42.554	43.618	44.927
57	41.965	41.965	42.804	43.874	45.191
58	42.22	42.220	43.064	44.141	45.465
59	42.47	42.470	43.319	44.402	45.734
60	42.74	42.740	43.595	44.685	46.025
61	43.01	43.010	43.870	44.967	46.316
62	43.255	43.255	44.120	45.223	46.580
63	43.505	43.505	44.375	45.484	46.849
64	43.755	43.755	44.630	45.746	47.118
65	43.99	43.990	44.870	45.992	47.371

EXHIBIT "B"

WELFARE PLAN

This Exhibit sets forth the respective coverages, benefits, rights and obligations of the Company and its employees, effective January 1, 1977 under the Welfare Plan 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 Coverages. Benefits will be payable as a result of death, from any cause on a twenty-four (24) hour coverage basis.

While not included in the Welfare Plan, the Company will provide employees the opportunity to purchase optional life insurance for themselves and their dependents through payroll deduction.

(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.

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

(c) Non-Occupational Accident and Sickness Insurance

The Welfare Plan will include Non-occupational Accident and Sickness Insurance 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 local mill.

Weekly Indemnity benefits which begin prior to age 65 will continue until the employee has received at least 15 weeks of benefits, or until the employee is no longer disabled or retires, whichever comes first. Where the employee recovers an amount from a liable third party for loss of income as a result of the same accident or illness, they must reimburse the plan once they 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

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

(e) Table of Hourly Job Rate Brackets and Corresponding Coverages

	<u>Group Term Life</u>	<u>A.D.&D.</u>
Effective May 1, 2012	\$ 98,500	\$ 98,500
Effective May 1, 2013	\$ 98,500	\$ 98,500
Effective May 1, 2014	\$ 100,470	\$100,470
Effective May 1, 2015	\$ 102,980	\$102,980
Effective May 1, 2016	\$ 106,070	\$106,070

Weekly Indemnity benefits will be calculated at 60% of job rate with a cap at \$865 effective May 01, 2012. The cap will then be indexed to the yearly wage increase.

May 1, 2012	\$865
May 1, 2013	\$865

May 1, 2014	\$880
May 1, 2015	\$905
May 1, 2016	\$930

(f) Dental Care Plan

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

(g) Long Term Disability Plan

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

(h) 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 \$2,500. Receipts will be required and forwarded on the claim form prescribed by the Carrier. This benefit will not stack on top of or duplicate existing provisions under local Medical Travel Benefit or government plans."

(i) Health Spending Account

Benefit year May 1 to April 30

Plan credits \$400 per benefit year

Eligible expenses The Income Tax Act specifies a broad range of expenses eligible to be paid from the HSA. Eligible expenses include items such as the deductible under the extended health plan, expenses greater than plan maximums and eligible expenses for you, your spouse, or any dependents for whom you are claiming a tax deduction that year. A complete list of eligible expenses is provided on the Canada Revenue Agency

website (www.cra.gc.ca) under Medical Expenses in the individual tax return deductions section.

An eligible expense is incurred on the date the services are received or on the date supplies are purchased or rented.

<i>Unused plan credits</i>	If you do not use all the credits placed in your account in one benefit year, they will be carried forward and can be used to reimburse eligible expenses incurred the following year. The Income Tax Act specifies that any credits remaining in your account after two benefit years be forfeited.
<i>Claiming deadlines</i>	Expenses must be submitted 30 days after the end of the benefit year (i.e. before May 30 th of the benefit year following the benefit year during which you incur eligible expenses), or 90 days after your HSA coverage ends, whichever is earlier.
<i>When coverage ends</i>	The last day of the month in which your employment ends or you reach age 70, whichever is earlier.

ELIGIBILITY

You are eligible for HSA coverage if you qualify for coverage under the regular extended health plan.

Eligible dependents are your spouse and your dependent children.

Your spouse is your legally married spouse, or common-law spouse if you have been living together for at least one year. Spouse shall include members of the same or opposite sex. You can only cover one spouse at a time.

Dependent children are:

- your or your spouse's unmarried dependent children under age 21;
- your or your spouse's unmarried dependent children over age 21 if they rely on you for support and attend an accredited educational institution full-time; and
- your or your spouse's unmarried dependent children of any age who were covered as dependents will remain covered after age 21 if they are mentally or physically disabled and wholly dependent on you for support.

The HSA also has the advantage of an expanded list of dependents that allows you to claim medical and dental expenses for certain dependents not covered under the regular extended health and dental plans. An eligible dependent is also any person for whom you can claim a medical expense tax credit on your federal tax return in the taxation year. For example, this could include members of your extended family, such as parents, grandparents or grandchildren.

(j) BENEFITS FOR RETIREES

The Company will provide medical and extended health benefits (excluding vision care) to retirees from the bargaining unit.

Effective May 01, 2008, the lifetime maximum has been increased to \$30,000.

These benefits were provided in exchange for the feeding and burning of hog fuel and the water washing of recovery boilers in the steam plants of both mills during the period between 7:00 a.m. December 24th and 7:00 a.m. December 27th when these were “down” Statutory Holidays.

3. Waiting Period

All full-time employees who are actively working and have completed thirty (30) days' service shall be enrolled for coverages 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, 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 his entitlement to Group Life and Accidental Death and Dismemberment coverages as outlined in the schedule contained in Exhibit “B”. Where an employee's regular duties consist of more than one job, his regular rate shall be deemed to be the average of the rates applicable to such jobs.

6. Costs

Net costs of the coverages and benefits made available to 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 %

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.

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 benefits 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 Company'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 Workers' Compensation Board Weekly Indemnity Claims

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

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

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 for the purpose of fulfilling duties assigned to them by the Pulp, Paper and Woodworkers of Canada or Local Union shall have their respective Welfare Plan coverages maintained at the mill from which 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 Workers' Compensation Board 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 or any local thereof which is a member of the Health and Welfare Plan 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 of twelve (12) months following the death.

15. Welfare Plan 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.

APPENDIX "1"

DENTAL CARE PLAN

A. Benefits

(i) Diagnostic Services

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

Oral examinations

Consultations

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

(ii) Preventive Services

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

Cleaning and scaling

Topical application of fluoride

Space maintainers

(iii) Surgical Services

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

(iv) Restorative Services

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

(v) Prosthetic Repairs

All necessary procedures required to repair or reline, fixed or removable appliances.

(vi) Endodontics

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

(vii) Periodontics

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

(viii) Prosthetic Appliances and Crown and Bridge Procedures

(a) Crowns and bridges.

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

(ix) Orthodontics

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

The maximum lifetime benefit is \$5,000 per person for all services provided by an Orthodontist.

B. Co-Insurance

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

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

APPENDIX "2"

PULP AND PAPER INDUSTRY LONG TERM DISABILITY PLAN SUMMARY

1. Eligibility

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

2. Level of Benefits

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

An employee who is under 60 years of age and reaches his/her annual anniversary on long term disability, and each subsequent anniversary on long term disability, will have his/her future disability benefit recalculated using the greater of his/her existing long term disability benefit or a recalculation using the job rate that is in place on that date.

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

3. Elimination Period

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

4. L.T.D. Benefit Payments

- (a) There will be a minimum of sixty (60) months of benefit payment for persons with sixty (60) or less months of service.
- (b) Additional benefits will be paid on the basis of one (1) month for each two (2) months of continuous service beyond the sixty (60) months service with the member pulp and paper company up to the date of onset of disability.
- (c) Benefits will be paid to age sixty (60) as a minimum if the employee does not have sufficient service to carry him further under (b) above. At the point when he runs out of L.T.D. benefit, he will retire.

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

5. Definition of Total Disability

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

6. Integration with Other Disability Income

- (a) The benefit from this plan combined with all other disability income to which the disabled employee is entitled will not exceed 70% of the employee's basic wage at date of disability.

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

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

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

7. Rehabilitative Employment

- (a) During a period of total disability under this plan, a disabled employee may engage in rehabilitative employment in which case the benefit from this plan will be reduced by 50% of the employee's rehabilitative employment income that exceeds \$50 per month. The benefit from this plan will be further reduced by the amount

that remuneration from rehabilitative employment plus the benefit from the L.T.D. plan exceeds 75% of the employee's basic wage at date of disability.

- (b) Rehabilitative employment shall mean any occupation or employment for wage or profit or any course or training that entitles the disabled employee to an allowance, provided such rehabilitative employment has the approval of the employee, and his doctor in consultation with the underwriter of the L.T.D. plan.
- (c) Rehabilitative employment will be deemed to continue until such time as the employee's earnings from rehabilitative employment exceed 75% of his straight time earnings at date of disability but in no event for more than twenty-four (24) months from the date rehabilitative employment commences.

8. Exclusions

Disabilities resulting from the following are not covered:

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

9. Pre-Existing Conditions

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

10. Successive Disabilities

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

11. Terminations

Coverage will cease:

- (a) On termination of employment.
- (b) On a date fifty-two (52) weeks prior to an employee's 65th birth date.
- (c) On the date leave of absence commences except as provided for in the Labour 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 Labour Agreement, in which case coverage under the plan will continue only for the periods specified in the aforementioned sections of the Labour 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

- (1) The Long Term Disability Plan is payment in kind of the employee's share of the reduction in the Employment Insurance Premium resulting from the qualification of the Weekly Indemnity Plan under the Employment Insurance Regulations. The full E.I. premium reduction including the employee 5/12th's share will be retained by the employer.
- (2) When an employee becomes totally disabled under this plan he or she 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.
- (3) Upon commencement of L.T.D. benefits all terms and conditions of the Labour Agreement will become inoperative except where provided for in Article 4 (b), (c) and (d) below.

- (4) (a) Negotiated wage increases will apply as per Article 2 of the Plan Summary but subsequent increases in plan benefits will not affect employees on L.T.D. benefits.
- (b) Employees in receipt of L.T.D. benefits from this plan will continue to accrue credit under the Pulp and Paper Industry Pension Plan provided such employees are not in receipt of a disability pension under the Pulp and Paper Industry Pension Plan.
- (c) Employees in receipt of disability payments from this plan will continue to be covered under his employer's medical, extended health and dental plans. Coverage under the employer's group life and A. D. & D. plans will also continue in accordance with the conditions of those plans.
- (d) An employee returning to work from an L.T.D. claim will return to a job his seniority, qualifications and ability to perform the work properly entitle him to.
- (e) Active claims as referred to in Section 10 of Exhibit "B" of the Labour Agreement will be defined as that period of time during which an employee is in receipt of weekly indemnity payments only.

EXHIBIT "C"

APPRENTICESHIP TRAINING PROGRAM

1. The purpose of the program is to provide tradesmen of the highest calibre.
2. The Apprenticeship Training Program will cover the trades as set forth below:

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

General Principles

3. The period of Apprenticeship Training will be as defined by the Industrial Training Association (ITA) for each trade. The apprentice will receive the journeyman's rate on successful completion of his apprenticeship or after successful completion of four (4) years, whichever happens sooner, only on the understanding that he

completes his full term of training. If the apprentice refuses to continue his training, he will be removed from the program with no standing as a journeyman in his trade.

4. Training syllabus for each trade to be designed to meet the requirements of the particular trade involved.
5. All provisions of the Labour 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 Industrial Training Association (ITA).
7. Under the program, apprentices will receive rates as per Exhibit "A" of the Labour Agreement.

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

Joint Union-Management Apprenticeship Committee

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

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

- (a) The Company to establish in-plant training programs to support the training syllabus as developed by the Industrial Training Association (ITA) 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 Industrial Training Association (ITA).
- (c) Carry out periodic reviews of the training programs at intervals of not more than three (3) months.
- (d) See that the required practical tests are carried out in cooperation with the Industrial Training Association (ITA).
- (e) Determine the tool requirements by years of training.

- (f) Joint Committee to review any case of lost time from the program because of sickness, accident, etc. and to determine the amount of additional time necessary before an employee meets his requirements of time served.

Central Advisory Committee

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

Entry to Program - New Apprentices

- 10. Selection for entry into the program of persons who have no previous training in the trade will be made by the Company provided that the standards for acceptance established by the Joint Union/Management Apprenticeship Committee and the Industrial Training Association (ITA) 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 Industrial Training Association (ITA). 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 Industrial Training Association (ITA) authorities and will be required to be re-examined within twelve (12) months. Failure to pass the second examination will result in a review of his position by the Joint Apprenticeship Committee and could result in his removal from the program. Employees who are removed from the program will be offered an entry job in keeping with their plant seniority.

- 12. (a) Successful applicants will be assigned to a specific trade as a probationer for a two (2) month period. During the probationary period he shall receive the first year apprentice rate.
- (b) During each year of apprenticeship, he shall work at the trade and attend vocational school as required by the regulations pursuant to the Apprenticeship Act.

- (c) Upon the successful completion of his term of apprenticeship and receipt of his Certificate of Apprenticeship, issued by the Provincial Apprenticeship Committee, the Apprentice shall be designated as a certified journeyman at the regular hourly rate for "A" Mechanics.
- (d) If any of the aforementioned work periods are exceeded due to the unavailability of vocational school facilities, such extra time will be credited to the apprentice in succeeding training requirements. Also, the apprentice's rate shall be adjusted retroactively to the commencement of the scheduled year providing he successfully passes the examinations. Retroactivity will not apply where re-testing is necessary.
- (e) For trades exceeding four (4) years, the following shall be in addition to the above. On successful completion of the fourth period of training at the vocational school, and having spent twelve (12) months as a fourth year apprentice, he shall be reclassified and paid the fifth year apprentice rate which is equivalent to the "A" Mechanic rate for the following twelve (12) months. On completion of the final period at the vocational school the fifth year apprentice shall write his final examination set by the Industrial Training Association (ITA) and, upon becoming certified, shall be designated as a certified journeyman at the regular hourly rate for "A" Mechanics.

13. Wherever reference is made to a year (or twelve (12) months) as an apprentice, it shall mean a period of not less than 1600 hours worked, the said period to include time spent at the vocational school.

Cost of Books

14. The Company will pay 100% of the cost of text books specified by the Industrial Training Association (ITA). The apprentice will keep these books as his personal property.

Allowances and Wage Make-up

15. (a) Upon 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 Company will not apply to any periods of training as specified in Item #11.

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

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

- 17. Testing of existing "A" and "A+" Mechanics for a certificate of competency shall be at the employee's option. Failure to have obtained a trade qualification certificate shall not prejudice the status of a journeyman within the pulp and paper industry. Should he desire to enter the program, it will be for the purpose of additional training only, without reduction in rate of pay.

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

EXHIBIT "D"

STEAM PLANT VOCATIONAL LEAVE

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 Vancouver Vocational School to complete the course and write the examination for the Fourth Class Stationary Steam Engineering Certificate.

During his first week at the school the employee will be evaluated by the school authorities to determine his knowledge of the subject, and if the evaluation is favourable he will continue his studies at the school during the two (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 he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted three (3) weeks' leave of absence, two (2) weeks with pay and one (1) without, to return to the vocational school to complete the course and write the prescribed Fourth Class Certificate examination.

2. 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 Vancouver Vocational School to complete the course and write the examination for the Third Class Stationary Steam Engineering Certificate.

During his first week at the school the employee will be evaluated by the school authorities to determine his knowledge of the subject, and if the evaluation is favourable he will continue his studies at the school during the following four (4) weeks and write the prescribed examination. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted six (6) weeks' leave of absence, five (5) weeks with pay and one (1) without, to return to the vocational school to complete the course and write the prescribed Third Class Certificate examination.

3. 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 Vancouver

Vocational School to complete the two-part course and write the examination for the Second Class Stationary Steam Engineering Certificate.

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

During his first week at the school in each of the above mentioned cases (i) and (ii) the employee will be evaluated by the school authorities to determine his knowledge of the subject, and if the evaluation is favourable he will continue his studies at the school during the following four (4) weeks and write the examination prescribed for Part "A" or "B", whichever is applicable.

In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted five (5) weeks' leave of absence, four (4) weeks with pay and one (1) without, to return to the vocational school to complete the course and write the examination prescribed for Part "A" or "B", whichever is applicable.

- 4. 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 Industrial Training Association (ITA) 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. Upon 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.
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 his personal property.

EXHIBIT "E"

JOB EVALUATION PLAN

1. The Job Evaluation Plan

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

2. The Scope and Limitations of the Plan

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

3. Administration and Procedure

(a) Job Evaluation Directors

- (i) The Job Evaluation Directors shall be composed of one (1) representative of the Pulp Paper and Woodworkers of Canada (PPWC) and one (1) representative of the Pulp and Paper Employee Relations Forum.
- (ii) It shall be the duty of the Job Evaluation Directors:
 - a) to direct and supervise the functioning of the Job Evaluation Plan in accordance with the policies and procedures adopted by the parties to the Agreement through the Administrative Committee comprised of the Job Evaluation Directors, 3 designated representatives from the PPWC Local Unions and 3 designated representatives of the companies using the plan.
 - b) to receive reports from Plant Evaluation Committees and to recommend improvements where necessary in the procedure of the Committees.
 - c) to review cases of evaluation upon request of either Union or Company members of the Plant Evaluation Committees.
 - d) to review the general operation of the Joint Job Evaluation Board as to methods, factors, procedures, delays, and to order such reviews or surveys of job fields as necessary. It shall also be the duty of the Job Evaluation Directors to adjudicate any disagreement which might arise in the functioning of the Plan.
 - e) to direct the Joint Job Evaluation Board as to changes in methods which do not constitute basic changes. The Directors shall neither negotiate rates nor exercise any of the collective bargaining functions of the National Union or the Company.
 - f) to recommend improvements in the Job Evaluation Plan to the Administrative Committee for consideration. Only in the Administrative Committee is vested the power to amend, add to, or subtract from, the Plan.
 - g) when the Directors are unable to resolve, within sixty (60) days, matters referred to them under (c) or (d) above, the matter may be referred by either Director or the Union or Company members of the Plant Evaluation Committees to the Independent Review Officer as provided for under paragraph 3(d) below.

(b) Joint Job Evaluation Board

- (i) The Joint Job Evaluation Board shall consist of one (1) representative of the National Union and one (1) representative of Pulp and Paper Employee Relations Forum.
- (ii) It shall be the duty of the Joint Job Evaluation Board to evaluate and set the rate for any job presented for evaluation in accordance with this Plan. It shall also be the duty of the Board to develop, revise and maintain in an up-to-date manner the tables necessary to the functioning of the Job Evaluation Plan. All decisions of the Joint Job Evaluation Board must be agreed to by both members of the Board before becoming official.

(c) Plant Evaluation Committee

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

(d) Independent Review Officer

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

4. General Policies

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

- (d) The Joint Job Evaluation Board will complete its evaluation of all jobs at the particular mill involved. The Joint Job Evaluation Board will explain in detail the evaluation computations to the Plant Evaluation Committee and to those job representatives present, before leaving the mill. In those cases where it is not possible to complete the evaluation at the mill, the Joint Job Evaluation Board will return to the mill and explain the evaluation computations before making the results official.
 - (e) The Joint Job Evaluation Board shall furnish to the Plant Evaluation Committee a copy of the job description and evaluation computation forms pertaining to jobs that have been evaluated. Copies of the forms furnished are to be retained in the files at a suitable place, and will be open to members of the Plant Evaluation Committee for study or review.
- NOTE:** It is understood that the Plant Evaluation Committee files referred to in this sub-section are to be available at all times to the members of that Committee for study and review. It will be left to the Plant Evaluation Committee at each mill to determine the most suitable place in which to locate these files.
- (f) Members of the Plant Evaluation Committee or other employees in the mill who are relieved from their jobs during working hours to assist in carrying out the functions of the Job Evaluation Plan or to receive training therein will be paid by the Company at their regular job rates for the time lost during their regular shifts, thereby preventing any loss in regular income. Time put in on evaluation work outside the employee's regular shift will not be paid for by the Company.
 - (g) When a survey or Job Field Study is authorized by the Directors, a projected completion date will be established. The completion date will also be used as a guide in determining the date for implementation of changes that result from the study.
 - (h) A Local Union may opt out of the Job Evaluation Plan during the thirty (30) days following ratification of the Memorandum for renewal of the Agreement. The effective date of any opting out will be the last day of the expiring Agreement.

EXHIBIT "1"
DEFINITION OF MECHANICAL TRADES

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

Machinists
Millwrights

Tinsmiths and Sheet Metal Workers
Automotive Mechanics

Carpenters
Electricians
Pipefitters
Welders
Painters
Blacksmiths

Masons
Roll Grinders
Instrument Mechanics
Pattern Makers
Heat & Frost Insulators
Refrigeration Mechanics

STATEMENTS OF POLICY

Taken from the Transcripts
of Negotiations
for Contract Years

1945 - 1952 Inclusive

and from Memoranda issued during
subsequent Wage Conferences

**CANADIAN FOREST PRODUCTS LTD.
PRINCE GEORGE PULP AND PAPER MILLS DIVISION**

and

**PULP, PAPER AND WOODWORKERS OF CANADA
LOCAL 9**

FOREWORD

The Statements of Policy contained in this booklet have been re-worded 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.

STATEMENTS OF POLICY

ARTICLE II - DEFINITIONS

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

Employees and employers recognize that supervisors are excluded from the provisions of the 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)

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

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

- (iii) Employees attending meetings during their time off will not be paid.
- (iv) Where it is necessary to relieve an employee attending a meeting, the relief man will be paid at straight time except for any time in excess of eight (8) hours in a day which will be paid for at time and one-half.
- (v) The time of the meeting shall be determined by mutual agreement.

ARTICLE VI - HOURS OF WORK

(a) Section 2: Overtime

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. He is given less than forty-eight (48) hours' notice that it is to be changed to Friday. He is then paid as follows:-

Sunday	8 hours plus 4;
Monday	8 hours;
Tuesday	8 hours plus 4;
Wednesday	8 hours;
Thursday	8 hours;
Friday	Off;
Saturday	4 hours.

If he is called back at 1:00 p.m. Saturday to work four (4) hours in the afternoon, is he entitled to time and one-half? The answer is "no" for the reason that the 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, his 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 his mate who has given proper notice and the overtime worked by the tour worker extends into another day, he will still be paid at the rate of time and one-half.

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

**ARTICLE VIII - ALLOWANCE FOR
FAILURE TO PROVIDE WORK**

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

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

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

In the application of this section it is considered that the allowance is due to an employee only in the case where he is reporting for his regular duties and then no work is provided. If the employee's regular duties consist of ship loading and bull gang work, he may be transferred from one regular assignment to another without penalty providing he obtains work on either job. However, while working on ships he will receive the ship rate and while working in the yard he will receive the bull gang rate.

In the case of an employee, whose regular duties consist of one specified job, and who reports for work and finds no work available, if such employee then transfers to a job carrying a lower rate, at his election, he shall nevertheless receive the rate paid him on his regular job.

ARTICLE IX - CALL TIME

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

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

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

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

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

- (i) Section 1(d) relating to the payment of Call Time to tour workers, the phrase "after he has completed his shift" shall be considered to mean at that point when his pay stops upon being relieved by a mate.
- (ii) A day worker is called in on his designated day off reporting for work at 8:00 a.m. and working until 10:00 a.m. for which he received four (4) hours' pay as the minimum allowance for an employee who starts work. If notification had not been given during his last shift preceding the work

involved, he would qualify for Call Time and would also qualify under the provisions of Section 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.

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

ARTICLE XI - VACATIONS

(a) 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.

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

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

(c) Computation of Vacation Pay

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

ARTICLE XII - STATUTORY HOLIDAYS

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

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

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

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

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

- (i) In the calculation of the forty-two (42) hour work week (amended to forty (40) hours 1952-53) the payment of holiday pay will not be used unless the employee actually worked.
- (ii) It is understood that an employee's vacation shall be exclusive of a paid holiday as recognized by the Joint Labour Agreement. Therefore, if one or more such holidays fall within the employee's vacation period, he will be required to take the comparable number of additional days off. The employee shall only receive the pay for such recognized paid holidays falling within his vacation period when he takes the required additional time off.
- (iii) Where an employee, after having agreed to do so, fails or refuses to work on a holiday, on account of sickness, or other bona fide reason, the company reserves the right to investigate the absence of the employee to decide whether or not he is entitled to holiday pay.
- (iv) The sixty (60)-day qualifying period referred to in clause (a) refers to "calendar" days.

(d) Clarification of Section 4(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 XXVI - 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 XXVII - CAUSES FOR DISCIPLINARY ACTION

(a) 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 his case to the Standing Committee for consideration and if deemed proper the Standing Committee may follow the usual grievance procedure.

(b) 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.

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

(i) Definition of gambling will be in accordance with local mill rules.

- (ii) Mill premises is defined as the actual mill area and is not to include the townsite, or bunkhouses.

ARTICLE XXVIII - 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 he has taken over the duties and responsibilities of that job, without the guidance of the employee who is breaking him in. He shall then receive the higher rate. During the period the employee is being broken in and another employee is on the job and carrying the responsibility for it, the employee being broken in shall receive the hourly rate of his previous regular job."

MISCELLANEOUS

(a) Rents and Services. (Page 122, 1947 Transcript)

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

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

Letter of Understanding – Re: Rehiring

The following practice will be observed during the 2012-2017 contract:

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

- a) their recall rights under Section 3 of Article XVII - 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.

Letter of Intent Re: Equipment Repair

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.

Letter of Understanding - Re: Rehabilitation And Re-Integration Program

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

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

Letter of Understanding - Re: Contractor Code Of Ethics

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 Labour Agreement and will ensure that a copy of this letter is provided to any contractor participating in the contract bidding process.

Letter of Understanding – Re: Flexible Work Practices

1. The introduction of flexible work practices is designed to improve productivity, improve product quality, reduce downtime 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 XXIII of the Labour 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 Labour Agreement as well as the company's safety rules and the regulations issued by the Workers' Compensation Board of B.C. It is recognized that some tasks can only be performed by employees who possess certain government certifications and in that instance, the work will only be performed by employees who possess the required government certificate.
5. The intent of this agreement is to provide that all employees will safely utilize all of their existing skills and maximize their productivity and learn and use new skills to enhance their effectiveness.
6. The Company and the Union will meet to discuss a module-based training program that will enhance the existing skills of employees. They will also discuss the option of using trainers from the bargaining unit to assist in the design and

delivery of the training modules. The Company will design and introduce new training programs to facilitate the implementation of and evolution of flexible work practices.

7. All employees will be required to complete training programs as prescribed by the Company and utilize new skills acquired as a result of training. Training will be consistent for all employees in each job classification 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 per hour 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 all journey persons, apprentices and lubrication mechanics.

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.

Effective April 30, 2003 all flexible work practice payments will be rolled into the wage rates and reflected in Exhibit "A".

10. Training programs implemented under Point 6 are not intended to force qualification in another trade.
11. The Company agrees that no employee will lose their employment with the Company as a direct result of the implementation of flexibility initiatives under this letter. This provision applies to only those employees employed at the date of ratification of this agreement.
12. No trades person or apprentice will be involuntarily displaced from their respective trade on a permanent basis as a result of the implementation of flexible work practices.
13. It is not intended that flexible work practices shall result in a trades person being assigned to a non-trades classification when someone outside of his trade is performing his trade core duties.
14. The Company agrees that no employee's regular job rate will be reduced when he is assigned to perform work under this work place flexibility agreement. This does not apply to an employee who is laid off or whose job is temporarily curtailed and is recalled or works in a different job category on the basis of mill seniority.
15. The Company commits to maintain apprenticeship agreements.
16. For the term of the renewed Labour Agreement, the Company and the Local Union agree to establish and participate in a Presidents' Council that will meet quarterly to discuss issues related to productivity, morale, profitability, work opportunities, market conditions, any alleged discrimination, the ongoing effectiveness of flexible work practices and any other problems related to flexible work practices.

The Presidents' Council shall be comprised of the:

Group Vice President, Pulp and Paper
Vice President, Industrial Relations
President of PPWC Local 9

General Managers
Members of the Local Union as designated by the Union
Members of mill management as designated by the Company
National President PPWC, or designate

The Company will pay all reasonable expenses to attend the Presidents' Council meetings.

17. The parties agree that disputes relating to the implementation of this letter shall be reviewed by the President's Council which will make every effort to resolve these disputes in accordance with the spirit and terms of this letter.

Letter Regarding PPWC Local 9 and Prince George Pulp and Paper Mills

With respect to the implementation of flexible work practices at Prince George Pulp and Paper Mills, the parties agree that they will consult with respect to ways and means to avoid jurisdictional difficulties between the unions.

Letter Between The Parties - Re: Commitment to Employment

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

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

1. The Company and the Union will establish a joint committee on apprenticeship and employment opportunities. The joint committee will be made up of PPWC local and National representatives and Mill Management representatives.
2. The joint committee will examine ways to enhance employment opportunities through new work arrangements, including reduced overtime and working time alternatives. The Company agrees to provide the joint committee with relevant information to ensure an informed discussion of the issues.
3. The joint committee will make recommendations to the parties on enhanced employment opportunities and make recommendations no later than March 31, 2004.
4. Both parties undertake to give active consideration to all recommendations and vigorously work towards implementation of recommendations where agreement is reached.

Letter Of Understanding –
Re: Job Security And Job Elimination

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 Union.

Letter Of Understanding – Re:Trades Qualifications

British Columbia is facing a skills shortage and the pulp and paper industry is not exempt from the impending crisis. PPWC and CANFOR both clearly recognize the critical nature of apprenticeship training and certified trades qualifications mechanisms, and to this end will work toward a strategy of maintaining the principles of certified trades training for British Columbia, and the opportunity for workers to participate in inter-provincial qualifications examinations.

The parties agree to work cooperatively on the issues of workplace and trades training. The Union and the Company agree that closer cooperation will help protect them against any changes that could negatively impact the skills levels and portability of trades persons in B.C. The Joint Union/Management Apprenticeship Committee, with equal representation from Canfor and the Pulp, Paper and Woodworkers of Canada, will be designated to fulfill the commitments outlined in this letter.

The parties also agree that all recommendations from this committee will be communicated collectively to the provincial government.