

2008 - 2019

LABOUR AGREEMENT

BETWEEN

**NANAIMO FOREST PRODUST LTD.
HARMAC PULP OPERATIONS**

AND

PULP, PAPER AND WOODWORKERS

OF CANADA

LOCAL #8

**LABOUR AGREEMENT
IN THE PROVINCE
OF BRITISH COLUMBIA
2008 - 2019**

BETWEEN

**NANAIMO FOREST PRODUCTS LTD.
HARMAC PULP OPERATIONS, NANAIMO, B.C.**

AND

LOCAL #8 OF THE PULP, PAPER, AND WOODWORKERS OF CANADA

**In this Collective Agreement, the Employer is referred to as "The Company"
and the Local Union as "The Union".**

LABOUR AGREEMENT

2008 - 2019

I N D E X

Article No.		Page No.
I	GENERAL	11
	SEC. 1 - Purpose	11
	SEC. 2 - Mutual Responsibilities.....	11
	SEC. 3 - No Interruption of Work	11
	SEC. 4 - Human Rights Code	11
	SEC. 5 - Change of Employer.....	11
II	DEFINITIONS	12
III	BARGAINING AGENCY	12
	SEC. 1 - Recognition.....	12
	SEC. 2 - Bulletin Boards	12
IV	UNION SECURITY	13
	SEC. 1 - Cooperation.....	13
	SEC. 2 - Union Shop.....	13
	SEC. 3 - Discharge of Non-Members.....	13
	SEC. 4 - Application for Membership.....	13
	SEC. 5 - Union Dues Deduction.....	13
V	STANDING COMMITTEE.....	13
VI	HOURS OF WORK	14
	SEC. 1 - Basic Work Week.....	14
	SEC. 2 - Overtime.....	14
	SEC. 3 - Days Off and Schedule of Shifts.....	16
	SEC. 4 - Starting and Stopping Work.....	17
	SEC. 5 - Meals.....	17

Article No.		Page No.
	SEC. 6 - Day Worker Called in After 12 Midnight.....	18
VII	WAGES	18
	SEC. 1 - Wage Scale.....	18
	SEC. 2 - Shift Differentials.....	18
	SEC. 3 - Job Evaluation Plan.....	20
VIII	ALLOWANCE FOR FAILURE TO PROVIDE WORK	24
	SEC. 1 - No Work.....	24
	SEC. 2 - Where Shift Commenced.....	24
IX	CALL TIME	24
	SEC. 1 - Qualifying Conditions.....	24
	SEC. 2 - Payment.....	25
X	FOURDRINIER WIRE ALLOWANCE	25
XI	VACATIONS	26
	SEC. 1 - Entitlement.....	26
	SEC. 2 - Additional Pay.....	28
	SEC. 3 - Payment on Termination.....	28
	SEC. 4 - General Rules.....	28
	SEC. 5 - Computation of Vacation Pay.....	30
XII	STATUTORY HOLIDAYS	30
	SEC. 1 - Recognized Days.....	30
	SEC. 2 - Adjustment in Hours.....	31
	SEC. 3 - Holiday Work.....	31
	SEC. 4 - Pay for Holiday Work.....	32
	SEC. 5 - Qualifying Conditions.....	32

Article No.		Page No.
XIV	SUPPLEMENTARY SPECIAL (PERSONAL FLOATING HOLIDAYS)	33
	SEC. 1 - Five-Year Service.....	33
	SEC. 2 - Ten-Year Service.....	34
	SEC. 3 - Twenty-Year Service.....	35
	SEC. 4 - Rate for Holiday Work.....	35
	SEC. 5 - Holiday Pay.....	35
	SEC. 6 - Credit for Time Lost.....	35
	SEC. 7 - Service Period.....	36
	SEC. 8 - Partial Entitlement.....	36
XV	WELFARE PLAN	36
	SEC. 1 - Plan.....	36
	SEC. 2 - Board of Trustees.....	36
	SEC. 3 - Interpretation.....	36
	SEC. 4 - Umpire.....	36
	SEC. 5 - Portability.....	37
XVI	PENSION PLAN	37
	SEC. 1 - The Plan.....	37
	SEC. 2 - Contributions.....	37
	SEC. 3 - Board of Trustees.....	37
	SEC. 4 - Existing Plan.....	37
XVII	SENIORITY	38
	SEC. 1 - Principles.....	38
	SEC. 2 - Probationary Period.....	38
	SEC. 3 - Retention of Seniority.....	38
	SEC. 4 - Training.....	39
	SEC. 5 - Lay-off and Vacation Entitlement.....	39
	SEC. 6 - Welfare Coverage.....	39

Article No.		Page No.
XVIII	LEAVE OF ABSENCE.....	40
	SEC. 1 - Union and Public Office.....	40
	SEC. 2 - Bereavement Leave.....	40
	SEC. 3 - Jury or Witness Duty.....	41
	SEC. 4 - Steam Plant Leave.....	41
	SEC. 5 - First Aid Certificate.....	41
	SEC. 6 - Maternity Leave.....	42
	SEC. 7 - Other Leave.....	42
	SEC. 8 - Time of Application.....	42
XIX	ENVIRONMENTAL PROTECTION	42
XX	JOB SECURITY	42
	SEC. 1 - Objective.....	42
	SEC. 2 - Definition.....	43
	SEC. 3 - Joint Committee.....	43
	SEC. 4 - Required Notice.....	43
	SEC. 5 - Seniority Status.....	43
	SEC. 6 - Severance Allowance.....	44
	SEC. 7 - Training.....	45
XXI	PERMANENT MILL CLOSURE	45
	SEC. 1 - Notice.....	45
	SEC. 2 - Severance Allowance.....	45
XXII	JOB ELIMINATION	46
	SEC. 1 - Definition.....	46
	SEC. 2 - Exclusions.....	46
	SEC. 3 - Notice.....	46
	SEC. 4 - Elimination Options.....	46
	SEC. 5 - Severance Allowance.....	46
XXIII	CONTRACTING	47
XXIV	FLEXIBLE WORK PRACTICES.....	48

Article No.		Page No.
XXV	APPRENTICESHIP TRAINING PROGRAM.....	48
	SEC. 1 - Training Program.....	48
	SEC. 2 - Apprenticeship Act.....	48
XXVI	COMPRESSED WORK WEEK	48
XXVII	SAFETY	49
	SEC. 1 - Principle.....	49
	SEC. 2 - Joint Safety Committee.....	49
	SEC. 3 - Joint Labour/Management Safety Conference	49
XXVIII	CAUSES FOR DISCIPLINARY ACTION.....	50
XXIX	ADJUSTMENT OF COMPLAINTS	51
	SEC. 1 - Grievance Procedure.....	51
	SEC. 2 - National Officer.....	52
	SEC. 3 - Time Limit.....	52
	SEC. 4 - Arbitration Procedure.....	52
	SEC. 5 - Expedited Arbitration.....	53
	SEC. 6 - Minutes.....	53
	SEC. 7 - Local Agreements.....	53
XXX	DURATION AND AMENDING PROCEDURE	54
	SEC. 1 - Term of Agreement.....	54
	SEC. 2 - Labour Code.....	54
	SEC. 3 - Notice of Re-opening.....	54
	SEC. 4 - Collective Bargaining.....	54
	SEC. 5 - Termination.....	55
	SIGNATURES OF PARTIES TO AGREEMENT	55

EXHIBITS

EXHIBIT "A" -	Job Categories and Wage Rates.....	56
EXHIBIT "B" -	Welfare Plan.....	60
EXHIBIT "C" -	Apprenticeship Training Program	73
EXHIBIT "D" -	Leave of Absence for Steam Plant Personnel Attending Vocational School.....	78

STATEMENTS OF POLICY

II	DEFINITIONS.....	82
V	STANDING COMMITTEE.....	82
VI	HOURS OF WORK.....	83
VIII	ALLOWANCE FOR FAILURE TO PROVIDE WORK	85
IX	CALL TIME	86
XI	VACATIONS.....	87
XII	STATUTORY HOLIDAYS.....	87
XVIII	LEAVE OF ABSENCE	88
XXVII	SAFETY	89
XXVIII	CAUSES FOR DISCIPLINARY ACTION	89
XXIX	ADJUSTMENT OF COMPLAINTS	90
	EXHIBIT "A"	90
	MISCELLANEOUS	90

LETTERS OF UNDERSTANDING

•	LETTER OF UNDERSTANDING RE: REHIRING	91
•	LETTER OF INTENT RE: CONTRACTING OUT.....	92

	Page No.
• LETTER OF UNDERSTANDING RE: CODE OF ETHICS - CONTRACTING	93
• LETTER OF UNDERSTANDING RE: FLEXIBLE WORK PRACTICES	95
• LETTER OF UNDERSTANDING RE: COMMITMENT TO EMPLOYMENT	100
• LETTER OF UNDERSTANDING RE: JOB SECURITY.....	101
• LETTER OF UNDERSTANDING RE: TRADES QUALIFICATION.....	102
• LETTER OF UNDERSTANDING RE: PENSIONS – LETTER TO PENSION PLAN TRUSTEES.....	103

LOCAL AGREEMENTS FOR THE TERM OF THE AGREEMENT

• COMPRESSED WORK WEEK AGREEMENT	104
• MAINTENANCE SHIFT RELIEF PROCEDURE.....	108
• MAINTENANCE TRADES SENIORITY RULES.....	109
• APPRENTICESHIP AGREEMENT	110
• CREW CHANGE PROCEDURE – STATUTORY HOLIDAYS..	112
• FIRST AID DEPARTMENT FLU SHOTS.....	114
• SUMMER STUDENT HIRING AGREEMENT.....	114
• SAFETY FOOTWEAR – REBATES.....	115
• SHIPMENT OF PULP.....	115
• COMMON EMPLOYER STATUS.....	116
• EMERGENCY RESPONSE TEAM.....	116
• EMPLOYEE MUTUAL BENEFITS ASSOCIATION.....	117
• LOCKOUT COMMITTEE.....	126
• STATUTORY HOLIDAY SCHEDULES.....	126
• VACATION ROTATION GROUNDRULES.....	127

	Page No.
• UNION DUES DEDUCTIONS.....	129
• FIRST AID COVERAGE.....	129

MEMORANDUM OF AGREEMENT

- Amendments to the 2003-8 Labour Agreement.....130

STANDING COMMITTEE AGREEMENTS

• MAINTENANCE VACATION SCHEDULING.....	137
• 10 HOUR SHIFT AGREEMENT – DAY WORKERS.....	138
• COMPENSATION – SUNDAY LETTER.....	140
• VACATIONS & LEAVES OF ABSENCE.....	141
• STOCK LINE STRUCTURE.....	143
• MILL SERVICES CREW.....	144
• MAINTENANCE / SERVICES CREW COORDINATOR.....	145
• LINE CHOICE PROCEDURES – PULP OPERATIONS.....	148
• UNION DUES & BENEFITS DEDUCTIONS – EMBA PLAN....	149
• TEMPORARY EMPLOYEE AGREEMENT.....	150
• DAY SHIFT UTILITY – STEAM PLANT.....	151
• RELIEF COVERAGE – SR. UTILITIES ENGINEER.....	152
• MAINTENANCE TRADES OVERTIME ALLOCATION.....	153
• STEAM PLANT LINE OF PROGRESSION – QUALIFICATION PROGRESSION.....	156
• TEMPORARY JOB POSTING AGREEMENT.....	158
• COMPOSITE TRAINING RATE AGREEMENT.....	159
• PULP PRODUCTION TRAINING PROGRAM AGREEMENT...	161
• CALCULATION OF VACATION PAY	162
• STEAM PLANT CREW COORDINATOR	163
• CONTINUITY PAY	165
• SUPER SENIORITY	166
• MEAL TICKET ALLOWANCE	167

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 (or Plants) hereinafter mentioned under methods which will further, to the fullest extent possible, the safety and physical welfare of the employees, economy of operation, quality and quantity of output, cleanliness of Plant and protection of property. It is recognized by this Agreement to be the duty of the company and the employees to cooperate fully, individually and collectively, for the advancement of said conditions.

Section 2: Mutual Responsibilities

It is recognized by this agreement to be the duty of the Signatory 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 Signatory 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 Signatory Company during the period of this Agreement.

Section 4: Human Rights Code

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

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

Section 5: Change of Employer

In the event of a change in employer status, members of Local 8 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 on the payroll of the Signatory Company at the location named in this Agreement, excepting: those engaged in administration, in actual supervision, in sales, engineering, technical and research, accounting, clerical, stenographic and other office work, excluding those employed on jobs listed in Exhibit "A".

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

(b) The words TOUR WORKERS means employees when engaged in operations scheduled in advance for at least twenty-four (24) hours' continuous running; it being understood, however, that if a Tour Worker is temporarily assigned to work not connected with the continuous operation on which 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 particular mill.

(d) The word WEEK means a period of seven (7) calendar days beginning at 8:00 a.m. Sunday, or at the regular hour of changing shifts nearest to 8:00 a.m.

ARTICLE III - BARGAINING AGENCY

Section 1: Recognition

The company recognizes the Pulp, Paper and Woodworkers of Canada Local #8 as the certified unit for its employees as defined in this Agreement.

Section 2: Bulletin Boards

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

ARTICLE IV - UNION SECURITY

Section 1: Cooperation

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

Section 2: Union Shop

All employees in the employment of the Company shall, as a condition of continued employment, maintain membership in good standing in the union. New employees shall, as a condition of continued employment, become members of the union forty-five (45) 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 reinstatement, except as may be provided for in the Constitution and By-Laws of the Union.

Section 5: Union Dues Deduction

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

ARTICLE V - STANDING COMMITTEE

Standing Committee shall be maintained in the following Manner:

- (1) The Resident Manager shall appoint a Company Standing Committee which shall represent the Company.

(2) The Local Union shall select from its membership a Union Standing Committee of four (4) which shall represent that Local Union for the purposes stated in this Agreement.

ARTICLE VI - HOURS OF WORK

Section 1: Basic Work Week

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

Section 2: Overtime

Overtime at the rate of time and one-half will be paid to hourly paid workers on the following bases:

(1) Day Workers

(a) For all work performed on Sunday (8:00 a.m. Sunday to 8:00 a.m. Monday) and on holidays as specified in 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) Compensation Sunday Letter – Reference Compensation – Sunday Letter Agreement – July 8, 2009.

(2) Tour Workers

(a) For all work performed on Sunday (6:00 a.m. Sunday to 6:00 a.m. Monday) (Reference Compensation Sunday Letter Agreement – July 8, 2009) and on holidays as specified in Articles XII and XIII of this Agreement.

(b) For all work in excess of twelve (12) hours in any one day or in excess of twelve (12) consecutive hours except:

- (i) When such work in excess of twelve (12) hours is caused by change of shifts.
- (ii) Overtime work by special arrangement between a Tour Worker and his mate to exchange shifts with the approval of his Supervisor, and when this can be accomplished without additional cost or penalty to the Company.
- (c) For work in excess of forty (40) hours average per week. By average is meant the number of weeks mutually agreed upon in advance as the correct schedule.
- (d) For work performed on an employee's designated day off as provided for in Section 3 herein.

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

(3) Banking of Overtime

Reference – Letter of Understanding – Overtime Accruals and Time Off

LETTER OF UNDERSTANDING OVERTIME ACCRUALS AND TIME OFF

All overtime hours eligible for banking will be paid at double time until a payroll system can be developed by Nanaimo Forest Products to track the accrual of time off.

Local 8 will work with Nanaimo Forest Products to develop a liberalized leave of absence policy.

Reference language defining “hours eligible for banking”.

(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 canceling 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.

The company's policy is to schedule days off on a consecutive basis and every reasonable effort will be made to implement the said policy.

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 signatory union and the signatory 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.

Section 4: Starting and Stopping Work

(a) Tour Workers

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

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

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

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

(b) Day Workers

Day Workers shall be at their respective posts ready to begin work at the time their pay starts and shall not quit work in advance of the time their pay stops. For example, if a Mechanic's pay time is from 8:00 a.m. to 12:00 noon, and from 12:30 p.m. to 4:30 p.m., he shall be at his post ready to work at 8:00 a.m. and 12:30 p.m. and shall not quit work until 12:00 noon and 4:30 p.m.

Section 5: Meals

A hot meal shall be provided to an employee when they are required to remain at work for more than one (1) hour after completion of their shift. One

additional meal shall be provided every four (4) hours thereafter. The meal shall be eaten on company time.

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

Section 6: Day Worker Called In After 12 Midnight

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

ARTICLE VII - WAGES

Section 1: Wage Scale

The Contract will be reopened one year from the date of ratification of the agreement (October 3, 2008) and in each subsequent year over the term of the labour agreement for the purpose of reviewing and adjusting wage and benefit levels.

The parties will consider regional labour market comparisons including the pulp sector in the Coastal region of BC.

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

Section 2: Shift Differentials

(a) Tour Workers

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

	<i>(% of base pay)</i>
<i>6:00 am to 6:00 pm</i>	<i>3.80%</i>
<i>6:00 pm to 6:00 am</i>	<i>5.55%</i>

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

	(% of base pay)
8:00 am to 4:00 pm	3.05%
4:00 pm to 12:00 am	4.65%
12:00 am to 8:00 am	5.90%

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

	(% of base pay)
4:00 pm to 12:00 am	2.60%
12:00 am to 8:00 am	3.90%

(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 pay)
4:00 pm to 12:00 am	2.60%
12:00 am to 8:00 am	3.90%

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

(c) **All Employees**

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

Section 3: Job Evaluation 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 Companies.

(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 the Companies.

(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 Companies 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, Companies, 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 Companies 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.

ARTICLE VIII - ALLOWANCE FOR FAILURE TO PROVIDE WORK

Section 1: No Work

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

Section 2: Where Shift Commenced

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

ARTICLE IX - CALL TIME

Section 1: Qualifying Conditions

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

(a) **Call to work following a shift**

When required to report for work after completing their designated shift.

(b) **Call to work on a designated day off**

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

(c) **Statutory Holiday Work**

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

(d) **Assignment of work not connected with the initial call-in**

When a Day Worker is required to report for work in accordance with (a), (b) or (c) above, they shall receive one (1) additional Call Time payment if the initial call-in was to perform emergency work and they are then required to perform any work other than that which necessitated the call-in.

Section 2: Payment

(a) The employee shall receive a minimum payment of four (4) straight time hours' pay including payment for Call Time and time worked, but not the payment provided in Section 1(d).

(b) Not more than one (1) basis shall be used to cover the same period of work except as provided in Section 1(d).

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

ARTICLE X - FOURDRINIER WIRE ALLOWANCE

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

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

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

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

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

ARTICLE XI - VACATIONS

Section 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 the first day of the Taxation Year, 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) A temporary or casual employee is entitled to vacation pay accrual for all hours worked;	Vacation pay accrual is paid as a % of total earnings per pay period. Time off requests are granted as a Leave of Absence.	4-1/2% or NIL hours
B) New full time employees will be entitled to 10 hours of vacation per month of employment in the first year of employment prorated based on their start date. In subsequent years the employee must work 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; Supplementary Special (Personal); Jury or Witness Duty; Bereavement Leave; Contractual Steam Plant, Apprenticeship and First Aid Leaves;		

	3 weeks	6-1/2%	or 120 hours
(C) qualified for his 4 th year of vacation under this Agreement;	4 weeks	8-1/2%	or 160 hours
(D) qualified for his 14th year of vacation under this Agreement;	5 weeks	10-1/2%	or 200 hours
(E) qualified for his 23th year of vacation under this Agreement;	6 weeks	12-1/2%	or 240 hours
(F) qualified for his 29th year of 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), and (F), 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 vacation pay entitlement will be calculated based on their accrued vacation in the vacation period. Vacations taken but not earned will be reconciled and required to be repaid to the company by the terminated employee.

Section 4: General Rules

- a) The Vacation Year for vacation pay purposes and time off entitlements will commence with the beginning of the first pay period that is **paid** in the new taxation year. This is intended to comply with Revenue Canada remittances for the taxation year. For clarification, the taxation year ends with the last completed pay period in December.

b) Vacations with pay are not cumulative and must be taken during the vacation period except as provided below:

- 1) Vacations earned under Section 4 (i).
- 2) Hours not taken in the vacation year up to 40 hours of vacation time may be carried over to the next vacation year. These hours must be taken in advance of the next year's vacation allotment.

(c) No employee may continue to work and draw vacation pay in lieu of taking the vacation.

(d) The allocation of vacation times is to be decided by the Company. However, the Company will endeavor by discussion with the employees or the Union, to arrange vacations to suit the employees' wishes.

(e) Time lost as a result of an accident recognized as compensable by the Worksafe BC, 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.

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.

(f) Time lost as the result of layoff shall not be considered as time worked for the purpose of qualifying for a vacation.

(g) 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 his 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.
- (h) Employees will be allowed to take vacations on a tour basis.
- (i) 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.

Section 5: Computation of Vacation Pay

Where an employee's vacation pay for the current year will be reconciled after the end of the year and paid out by the end of January. It will be computed as a percentage of their "total wages earned" in the previous year, such "total wages earned" shall include the amount of vacation pay the employee received in the previous year.

ARTICLE XII - STATUTORY HOLIDAYS

Section I: Recognized Days

The following shall be the recognized Statutory Holidays:

New Year's Day	24 hours, 8:00 a.m. January 1 st to 8:00 a.m. January 2
BC Family Day	24 hours 8:00 a.m. Monday to 8:00 a.m. Tuesday
Good Friday	24 hours 8:00 a.m. Friday to 8:00 a.m. Saturday.
Easter Monday	24 hours, 8:00 a.m. Monday to 8:00 a.m. Tuesday
Victoria Day	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
B.C Day	24 hours, 8:00 a.m. Monday to

Labour Day	8:00 a.m. Tuesday 24 hours, 8:00 a.m. Monday to 8:00 a.m. Tuesday
Thanksgiving Day	24 hours, 8:00 a.m. Monday to 8:00 a.m. Tuesday
Remembrance Day	8:00 a.m. November 11 th to 8:00 a.m. November 12 th .
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

Statutory holidays that fall on a weekend will be observed in the following manner for 8 hour day workers: If Stat falls on a Saturday it will be observed on a Friday; if Stat falls on a Sunday it will be observed on a Monday.

For workers on compressed work week schedules the respective compressed work week agreements will apply.

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

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.

Stat Holidays hours will be aligned with the shift schedules in place for Day Workers and Tour Workers eg. 12 hour Compressed Work Week 24 hours -6AM to 6AM, 10 hour Compressed Work Week 24 hours - 7AM to 7AM.

Section 3: Holiday Work

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

(b) On Christmas Eve, Christmas Day, and Boxing Day, operational and maintenance manning required will be identified on a scheduled crew basis. Any employee scheduled to work who wishes to be excused from working on a particular statutory holiday will be accommodated provided a request for leave is requested 7 days in advance of the statutory holiday and provided that a trained volunteer can be found to replace them for the shift. If no trained volunteer is found, the employee will be required to work the shift.

(c) Employees who work at Christmas shall be paid double time for work during that period identified in Clause (b).

Section 4: Pay for Holiday Work

(a) Overtime shall be paid for all work performed during holidays at the rates hereinafter specified.

(b) An employee who works on such a holiday shall receive additional pay equal to their straight time hourly rate for hours worked.

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 their scheduled work day before, and their scheduled work day after, such holiday, unless failure to work their scheduled work day before or after the holiday was due to any of the following events:

(i) When the employee is on their regular authorized paid vacation;

(ii) When the employee is unable to work by reason of an industrial accident as recognized by 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 their scheduled work day after, such holiday;

(iv) When a trade in shifts agreed upon between employees and approved in advance by the company results in a temporary change of the scheduled work day before, or the scheduled work day after, the holiday, provided the employee works the shift agreed upon;

(v) When the employee is on a leave of absence authorized by the Company.

(d) The employee who has been on the payroll for at least sixty (60) days but who has not previously qualified for a statutory holiday will qualify for the holiday if 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 their sickness or injury.

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

ARTICLE XIII - SUPPLEMENTARY SPECIAL (PERSONAL) FLOATING HOLIDAYS

Section 1: Five-Year Service

After completing five (5) years of continuous service with the Company, an employee shall, in addition to the Special (Personal) Floating Holidays to which they are entitled under Article XIII of the Agreement, be entitled to one (1) Special (Personal) Floating Holiday with pay each contract year, such special holiday to be arranged at a time suitable to the employee and the Company, during the contract year, so that there will be no loss of production.

An employee may elect to take 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 Joint Labour Agreements within their 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 they are entitled under Article XIII of the Agreement, be entitled to two (2) Special (Personal) Floating Holidays with pay each contract year, such special holidays to be arranged at a time suitable to the employee and the Company, during the contract year, so that there will be no loss of production.

An employee may elect to take 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 their remaining entitlement within that period.

Section 3: Twenty-Year Service

- (a) After completing twenty (20) years of continuous service, employees shall be granted three (3) Special (Personal) Floating Holidays; after completing thirty (30) years of continuous service, employees shall be granted four (4) Special (Personal) Floating Holidays, and after completing forty (40) years of continuous service employees shall be granted five (5) Special (Personal) Floating Holidays, each contract year.
- (b) After completing twenty (20) years of continuous service an employee may elect to take 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. They will be immediately entitled at the start of each five (5)-year period to the number of days that would normally accrue to their credit during the said five (5)-year period. If an employee elects to take their Supplementary Special Floating Holidays in full week periods they may be taken in conjunction with the regular vacation to which the employee is entitled provided such regular vacation is not scheduled to be taken during the months of July or August, in which event the Supplementary Holiday shall be taken at a time to be agreed upon by the Company and the employee.

Section 4: Rate for Holiday Work

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

Section 5: Holiday Pay

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

Section 6: Credit for Time Lost

Time lost as the result of an accident as recognized by 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 them 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 which are plan members, to be responsible for the selection of the underwriter or underwriters and the administration of the Plan.

Section 3: Interpretation

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

Section 4: Umpire

Where a dispute is 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 Labour Agreement. There will be no further waiting period for qualified employees changing employers within those covered by the Labour Agreement.

ARTICLE XVI - PENSION PLAN

Section 1: The Plan

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

Section 2: Contributions

The Company contribution level is 10%.

The Employee contribution level is 8%.

Section 3: Board of Trustees

"A Board of Trustees will be established pursuant to the Pension Plan Summary dated December 6, 1975, to administer the said Plan. Effective May 1, 2003, the Board will consist of three (3) elected trustees of the PPWC, three (3) appointed trustees of the CEP and three (3) appointed trustees of the member employers.

Section 4: Existing Plan

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

ARTICLE XVII - SENIORITY

Section 1: Principles

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

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

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

Section 2: Probationary Period

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

Section 3: Retention of Seniority

(a) Any employee, other than a probationary employee, whose employment ceases through no fault of his own, shall retain seniority and shall be recalled on the following basis:

(i) An employee with less than one year's continuous service shall retain these rights for six (6) months from the date of lay-off.

- (ii) An employee with one or more year's continuous service shall retain these rights for twelve (12) months from the date of lay-off, plus two (2) additional months for each year's service up to an additional twenty-four (24) months.
- (b) Failure of the employee to report for work within one (1) week of notice by registered mail at their last address reported to and received by the mill shall result in 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 one (1) day where the layoff is estimated to be in excess of ten (10) days;
- (b) Up to two (2) days where the layoff is estimated to be in excess of twenty-one (21) days;
- (c) Up to five (5) days where the layoff is estimated to be in excess of thirty-five (35) days;
- (d) Where the layoff is estimated to be in excess of ninety (90) days the company will discuss with the local union training provisions of up to fifteen (15) days;
- (e) Where a layoff results from a permanent partial plant closure or a temporary closure in excess of one hundred eight (180) 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: Lay-off and Vacation Entitlement

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

Section 6: Welfare Coverage

- (a) An employee with one (1) or more year's seniority may have 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) year's seniority may have his welfare coverage continued for three (3) months while on lay-off.
- (c) An employee who elects to maintain coverage while laid off will be required to pay the employee portion of the premium in advance on a monthly basis.
- (d) An employee who has welfare coverage as provided for in paragraphs (a) and (b) above will on return to work have their 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 their employment.
- (f) An employee will qualify for a new period of welfare coverage as provided in paragraphs (a) and (b) above if they return to work for at least ten (10) days within a floating period of thirty (30) consecutive days.

ARTICLE XVIII - LEAVE OF ABSENCE

Section 1: Union and Public Office

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

An employee appointed or elected to full-time office in 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 they shall be compensated at their regular straight time hourly rate for hours lost from their regular schedule for a maximum of three (3) days.

(b) Members of the employee's immediate family are defined as the employee's spouse, mother, father, brothers, sisters, sons, daughters, step-children, mother-in-law, father-in-law, son-in-law, daughter-in-law, step-parents, grandparents 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 Trade Unions, 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 in such duty and their regular straight time hourly rate of pay for their regularly scheduled hours of work necessarily lost. It is understood that employees will be reimbursed by the Company for the difference between the pay received for such duty and their straight time rate of pay for their regularly scheduled hours of work in that week. The employee will be required to furnish proof of performing such service and such duty pay received.

(b) Holidays and Overtime

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

Section 4: Steam Plant Leave

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

Section 5: First Aid Certificates

A First Aid Attendant authorized by the Company to attend classes for obtaining, renewing or upgrading a First Aid Ticket will be compensated for lost earnings. The duration of the course shall include graveyard shifts on the day immediately preceding the day the course/exam begins and the day the course/exam finishes. The Company shall compensate the first aid attendant for travel each way for training at the straight time hourly rate.

The maximum travel time shall be four hours for travelling to the course and four hours when returning from the course.

Section 6: 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 7: 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 year's service will be given special consideration.

Section 8: 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, means the introduction of equipment or material of a different nature or kind than that previously utilized, or a change in the operation that is directly related to the introduction of that equipment or material.

Section 3: Joint Committee

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

Section 4: Required Notice

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

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

Section 5: Seniority Status

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

(b) An employee who is set back to a lower paid job because of mechanization, technological change or automation will receive the rate of their regular job at the time of the set-back for a period of six (6) months, and for a further period of six (6) months they will be paid an adjusted rate which will be midway between the rate of their regular job at the time of the set-back and the rate of their new regular job. At

the end of this twelve (12) month period, the rate of their new regular job will apply. However, such employee will have the option of terminating their employment and accepting severance pay as outlined in Section 6(a) below, provided they exercise this option within the initial six (6) month period referred to above.

(c) An employee assigned to an equal or higher rated job because of mechanization, technological change or automation will have the option of terminating their employment and accepting severance pay as outlined in Section 6(a) below if the job should be proved to be unsuitable, provided they exercise their option within six (6) months of starting on the job.

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

Section 6: Severance Allowance

(a) An employee with one (1) or more years 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:

<u>Years of Employment</u>	<u>Severance Allowance</u>	
	<u>Weeks/yr.*</u>	<u>or</u> <u>% of Earnings</u>
1st ten years	2	4%
Subsequent years	1	2%
Maximum Severance Allowance	45 weeks	1800 hours

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

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

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

Where the right of recall and seniority retention under Article XXI is elected, the employee's severance allowance will be held in abeyance for the duration of

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

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

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

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

Section 7: Training

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

ARTICLE XXI - PERMANENT MILL CLOSURE

Section 1: Notice

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

Section 2: Severance Allowance

Such employees shall be entitled to a severance allowance based on their years of employment during their last period of continuous service computed on the basis of forty (40) straight time hours at the employee's regular rate on the following basis:

Two (2) weeks pay per year of service to a maximum of fifty-two (52) weeks.

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

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

ARTICLE XXII - JOB ELIMINATION

Section 1: Definition

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

Section 2: Exclusions

No payment will be made under Section 5 in cases:

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

Section 3: Notice

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

<u>Years of Employment</u>	<u>Severance Allowance</u>	
	<u>Weeks/yr.*</u>	<u>% of Earnings</u>
1st ten years	2	4%
Subsequent years	1	2%
Maximum Severance Allowance	45 weeks	1800 hours

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

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

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

ARTICLE XXIII - CONTRACTING

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

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

(b) The company will not bring a contractor into the mill:

- (i) which directly results in the layoff of employees, or
- (ii) to do the job of employees on layoff, or

- (iii) to do the job of a displaced employee working outside his job category
- (c) It is not the intent of the Company to replace its regular work force through the use of contract firms.

For greater clarity it is agreed that:

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

ARTICLE XXIV – FLEXIBLE WORK PRACTICES

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

ARTICLE XXV - APPRENTICESHIP TRAINING PROGRAM

Section 1: Training Program

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

Section 2: Apprenticeship Act

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

ARTICLE XXVI - COMPRESSED WORK WEEK

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

ARTICLE XXVII - SAFETY

Section 1: Principle

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

Section 2: Joint Safety Committee

The Local Union and the Company shall co-operate in selecting one or more Safety Committees, which will meet at least once a month to consider all safety problems.

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

Section 3: 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 CEP Local Union member
 - b) One PPWC Local Union member
 - c) One CEP representative from the Regional Office
 - d) One PPWC representative from the National Office
 - e) One Employer representative from the employer group.
 - f) One industry representative
 - g) One 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 hour worked into a
Jointly Trusteed Occupational Health and Safety Conference Fund.

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

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

ARTICLE XXVIII - CAUSES FOR DISCIPLINARY ACTION

The extent of disciplinary action would depend on the seriousness of the situation.

Bringing intoxicants into or consuming intoxicants in the mill or on mill premises.
Reporting for duty under influence of liquor.
Disobedience.
Smoking in prohibited areas.
Deliberate destruction or removal of Company's or another employee's property.
Neglect of duty.

Refusal to comply with Company rules, provided that such rules shall be posted in a conspicuous place where they may be read by all employees or given to each employee in booklet form, and further that no rules shall apply that are inconsistent with this Agreement; and further provided, that any existing or new rules or changes in rules may be the subject of discussion between the Standing Committee and the Resident Manager, and in the case of disagreement, the procedure for other grievances shall apply.

Disorderly conduct.
Dishonesty.
Sleeping on duty.
Giving or taking a bribe of any nature, or as an inducement to obtaining work or retaining a position.
Failure to report for duty without bona fide reasons.
Gambling on mill premises.

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

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 Union Shop Steward is mandatory at any meeting during which an employee is disciplined.

ARTICLE XXIX - ADJUSTMENT OF COMPLAINTS

Section 1: Grievance Procedure

Preamble: It is mutually desired and intended by the parties that any dispute or complaint arising out of the interpretation of this agreement will be communicated by the employee to their 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 their immediate supervisor they may then initiate a grievance.

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

Step Two - If no satisfactory settlement is made, the employee may, within thirty (30) days, refer the question to the Union Standing Committee. Within three (3) days after written notification by either the Union or Company Standing Committee to the other of the existence and general outline of any dispute, complaint or grievance, the Company Standing Committee and the Union Standing Committee shall agree on a mutually satisfactory date for a meeting thereon, but in no case longer than five (5) days after such notice is given. Subjects not listed on the written notice shall nevertheless be dealt with.

Step Three - If the two (2) Standing Committees are unable to arrive at a satisfactory settlement within five (5) days, the question may, within thirty (30) days, be taken up directly with the Resident Manager.

Step Four - If the Resident Manager and Local Union are unable to come to a satisfactory settlement within five (5) days, the question may, within thirty (30) days, be referred to an impartial Board of Arbitration.

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

Section 2: National Officer

It is understood that in all discussions concerning grievances, any National Officer may accompany the Union Standing Committee in their meetings with Company officials.

Section 3: Time Limit

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

Section 4: Arbitration Procedure

- (a) The Company will have the right to select one (1) member of this Arbitration Board and the Union shall select one (1) member, then the two (2) arbitrators thus named will choose a third Arbitrator who shall act as Chairman.
- (b) After the Board of Arbitration has been chosen by the foregoing procedure this Board shall meet and hear evidence of both sides and render a decision within fifteen (15) days after they have concluded their hearings, said decision to be final and binding upon all parties to this Agreement.
- (c) In the case of discharge or suspension, which the Board of Arbitration has determined to have been unjust, the Board shall order the reinstatement of the employee and shall award him back pay. In the case of back pay, should there be any doubt in the opinion of the Board, the Board may order all or part back pay as it deems fit.

- (d) Should the parties be unable to agree on a third arbitrator, either party may request the Minister of Labour to appoint one.
- (e) The parties may agree to submit the grievance to a sole arbitrator.

Section 5: Expedited Arbitration

- (a) A panel of six (6) arbitrators, each of whom shall be appointed for a two (2)-year term, shall be selected by mutual agreement of the Pulp and Paper Employee Relations Forum on behalf of the member companies and the National Union on behalf of the Local Unions. Grievances processed under this section shall be assigned to the arbitrators on a rotational basis.
- (b) An arbitrator must meet and hear the evidence of both parties within fifteen (15) days after assignment. If an arbitrator is unable to commit himself to do so, the grievance shall immediately be assigned to the next arbitrator in order of rotation.
- (c) The unavailability of counsel shall not be a reason to delay an arbitration under this section.
- (d) The parties will endeavour to agree on a statement of material facts, which may be submitted to the arbitrator in advance of the hearing.
- (e) The arbitrator will give his decision 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.

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 XXX - DURATION AND AMENDING PROCEDURE

Section 1: Term of Agreement

This Agreement shall be in effect from midnight October 3, 2008 to midnight April 30, 2019 and thereafter from year to year subject to the conditions as set out in Article XXX, 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 S.B.C. Chapter 122 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, 2019, but in any event not later than midnight April 30, 2019, that a change is desired, and if no such notice is given by either party on or after the said January 1st and before the said April 30th, 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 / CEO, Harmac Pulp Operations, Nanaimo Forest Products Ltd. (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 Signatory Company being represented in such negotiations by a Bargaining Committee appointed by the Company, and the Signatory Union being represented by a Bargaining Committee selected by said Union. Any agreement on changes arrived at and approved in such negotiations shall be binding upon the parties to this Agreement. If such negotiations cannot be completed prior to the May 1 following the date on which such notice was given, any changes in compensation to employees shall nevertheless be retroactive to the said May 1.

Section 5: Termination

In case negotiations conducted in accordance with Section 4 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*

29th day of August, 2008.

NANAIMO FOREST PRODUCTS LTD.,
HARMAC PULP OPERATIONS, NANAIMO, B.C.
by:

Paul Sadler
Grant Brebber
Bart Howey

PULP, PAPER AND WOODWORKERS OF CANADA,
LOCAL NO. 8
by:

Arnold Bercov
Gerald deJong
Les Hillier
Reg Miller

EXHIBITS

EXHIBIT 'A' JOB CATEGORIES AND WAGE RATES

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

	JOB RATE Dec 22/13	JOB RATE Dec 21/14	JOB RATE Dec 20/15
TRADES			
Trades Coordinator - Supervisory Relief +10%	41.810	42.850	44.135
Trades Coordinator - +5%	39.900	40.900	42.125
Trades Coordinator	39.435	40.420	41.635
Tradesman - Journeyman	38.005	38.955	40.125
5 th Year Apprentice	38.005	38.955	40.125
4 th Year Apprentice	35.230	36.110	37.195
3 rd Year Apprentice	32.365	33.175	34.170
2 nd Year Apprentice	31.020	31.795	32.750
1 st Year Apprentice	30.490	31.250	32.190
Machinist - Big Lathe	38.455	39.415	40.595
Lubrication Mechanic Coordinator	36.985	37.910	39.045
Lubrication Mechanic	35.230	36.110	37.195
Oiler (>2yrs/<3yr)	33.815	34.660	35.700
Oiler (>1yr/<2yr)	32.395	33.205	34.200
Oiler (>30 days/<1yr)	30.975	31.750	32.705
Oiler Trainee (<30 days)	28.075	28.775	29.640
SERVICES			
Mill Services Coordinator	34.180	35.035	36.085
Equipment Operator	30.280	31.035	31.965
Cranemobile (Grove RT 400 RT 22T)	31.855	32.650	34.445
Truck Mounted Crane (Stinger)	30.815	31.585	33.075
Landfill Cat Operator	30.020	30.770	31.695
966F Operator	30.020	30.770	31.695
Vacuum Truck Operator	29.785	30.530	31.445
Fork Lift Operator	29.785	30.530	31.445
Vacuum Sweeper Operator	29.515	30.255	31.165
Tandem Dump Truck Driver	29.785	30.530	31.445
Single Axle Roll off Bin Truck Operator	29.245	29.975	30.875
Truck	28.755	29.475	30.360

Bobcat Operator	28.990	29.715	30.605
MILL STORES			
Spare Parts Warehouseman	31.325	32.110	33.075
Receiver/Shipper	30.535	31.300	32.240
Counter Attendant	30.020	30.770	31.695
Inventory Warehouseman	29.245	29.975	30.875
FIRST AID			
Plant Protection Coordinator	35.040	35.915	36.990
Central First Aid Attendant - Level III	31.325	32.110	33.075
Central First Aid Attendant - Level III (Trainer)	31.855	32.650	33.630
	JOB RATE Dec 22/13	JOB RATE Dec 21/14	JOB RATE Dec 20/15
MISCELLANEOUS			
Track Loader	29.515	30.255	31.165
Janitor Coordinator	29.470	30.205	31.110
Head Janitor	28.755	29.475	30.360
Janitor	28.075	28.775	29.640
Digester Winch	28.325	29.035	29.905
Cleanup / Labourer	28.075	28.775	29.640
PRODUCTION			
FIBER LINE			
Fibre Line Leadhand	33.145	33.975	34.995
Chip / Hog Cat Operator	31.605	32.395	33.365
Barge Unloader Operator	31.325	32.110	33.075
Mill Utility	28.075	28.775	29.640
STOCK LINE			
Senior Pulping Operator	37.570	38.510	39.665
Pulping Operator	34.730	35.600	36.670
Junior Pulping Operator	34.465	35.325	36.385
Recaust/Kiln Operator	34.465	35.325	36.385
Crew Utility	31.325	32.110	33.075
BLEACH LINE			
Senior Bleach Operator	36.030	36.930	38.040
Bleach Operator	34.465	35.325	36.385
Bleach Field Assistant	32.880	33.715	34.725
Bleach Cleaner Operator	32.880	33.700	34.710

MACHINE LINE

#3 Machine Tender	36.275	37.180	38.295
#1 & #2 Machine Tender	35.215	36.095	37.180
#3 Back Tender	33.915	34.765	35.810
#1 & #2 Back Tender	32.880	33.700	34.710
Assistant Back Tender	32.115	32.920	33.910
Head Balerman	31.075	31.850	32.805
#3 Baler	30.815	31.585	32.535

SHIPPING

Working Foreman	32.880	33.700	34.710
Diesel Locomotive Operator	31.855	32.650	33.630
Lead Clamp Truck Operator	30.815	31.585	32.535
Senior Brakeman	30.815	31.585	32.535
Hyster Straddle Carrier	30.535	31.300	32.240
Clamp Truck Operator	29.785	30.530	31.445
Dayshift Shipping Utility	30.280	31.035	31.965
Shift Driver/Quality Inspector	30.535	31.300	32.240

Deep Sea Loading

Working Foreman	33.540	34.380	35.410
Lead Clamp Truck Operator	31.445	32.230	33.195
Straddle Carrier Operator	31.200	31.980	32.940
Clamp Truck Operator	30.695	31.460	32.405

STEAM PLANT

Asst. Shift Engineer, 3 rd	41.235	42.515	43.790
Asst. Shift Engineer (Recovery Area) 3 rd	38.380	39.600	40.790
Utilities Engineer, 3 rd	35.485	36.665	37.765
#1 Recovery Assistant Engineer, 4 th	32.625	33.700	34.710
Service Evaps Operator, 4 th	31.855	32.650	33.630
Fireman, 4 th	31.325	32.110	33.075
Utility/Trainee	28.075	28.775	29.640

Notes:

1. Lubrication must have three (3) years experience working as an Oiler Inspector.
2. Spray Painting and Sandblasting - An additional eight (8) cents per hour will be paid to paint crew while actually using spray guns or sandblasting equipment.
3. Steam and Recovery Plant:
 - a. Employees holding a 4th class certificate, where no certificate is required, will receive ten (10) cents per hour over their job rate.
 - b. Employees holding a 3rd class certificate, where a 4th class certificate is required, will receive twenty-five (25) cents per hour over their job rate.
 - c. Employees holding a 2nd class certificate, where a 3rd class certificate is required, will receive thirty (30) cents per hour over their job rate.
 - d. Employees holding a 1st class certificate, where a 2nd class certificate is required, will receive forty (40) cents per hour over their job rate.

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

4. First Aid Attendants and Security Guards

The following bonus will be paid to employees who perform first aid duties in addition their regular

duties (combination jobs):

Level III First Aid Ticket - eighty-five (85) cents per hour.

Level II First Aid Ticket - fifty (50) cents per hour.

Or the designated First Aid Attendants rate for the equivalent level, whichever is greater (no stacking).

EXHIBIT "B"
WELFARE PLAN

This Exhibit sets forth the respective coverage's, 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 coverage's. Benefits will be payable as a result of death, from any cause on a twenty-four (24) hour coverage basis.

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

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

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

The coverage limit for Group Term Life Insurance will be adjusted from the May 1, 2002 limit in each year of the agreement consistent with the percentage increase in general wage rates.

Group Term Life and A.D.&D. Insurance Coverage Table

	Group Term Life	A. D. & D.
October 3, 2010	\$92,768	\$92,768
October 3, 2011	\$96,479	\$96,479
October 3, 2012	\$98,408	\$98,408
December 22, 2013	\$100,376	\$100,376
December 21, 2014	\$102,885	\$102,885
December 20, 2015	\$105,972	\$105,972

2) 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.

3) Coverage for quadriplegia, paraplegia, and hemiplegia will be at 200%.

(c) Non-Occupational Accident and Sickness Insurance

- 1) The Welfare Plan will include Non-occupational Accident and Sickness Insurance in accordance with the Table. The coverage limit for Non-occupational Accident and Sickness Insurance will be adjusted from October 3, 2008 limit in each year of the agreement consistent with the percentage increase in general wage rates. Weekly Indemnity benefits will be payable beginning with the first day of disability caused by non-occupational accident or disability. 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.
- 2) The Plan will provide benefits for loss of time as a result of attempted suicide under the Plan provisions covering other mental illness. Coverage also includes injury, disability arising from attempted suicide.
- 3) Weekly Indemnity benefits which begin prior to age 65 will continue until the employee has received at least 15 weeks of benefit, 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.

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

The employee and the company will no longer pay EMBA premiums after the employee reaches the age of 64 years and 6 months.

- 5) The EMBA Plan will assume all costs for completion of medical forms and specialist reports required by the Plan.

6) Table of Hourly Job Rate Brackets and Corresponding Coverages

General Rules

- Benefits will be paid from 1st day of disability or sickness
- Payment will be at 70% of carded rate when mill absenteeism rate is 3% or less
- Payment will be at 65% of carded rate when mill absenteeism rate is over 3% but less than 5%.
- Payment will be at 60% of carded rate when mill absenteeism is 5% or over
- Benefits will only be paid for days employee would have worked
- Absenteeism rate to be reviewed quarterly and adjusted
- Absenteeism rate will be calculated on all unplanned absenteeism exclusive of L.T.D. and includes all employees, including hourly employees covered under this agreement and full time Staff employees of NFP Ltd.

EMBA BENEFIT SCALE

60% LEVEL

			Benefit (\$)			8	10	12
Hourly Rate			40 hr Week	42 hr Week	(Hour)	Daily Rate	Daily Rate	Daily Rate
24	-	24.99	588	617	14.70	118	147	176
25	-	25.99	612	643	15.30	122	153	184
26	-	26.99	636	668	15.90	127	159	191
27	-	27.99	660	693	16.50	132	165	198

28	-	28.99	684	718	17.10	137	171	205
29	-	29.99	708	743	17.70	142	177	212
30	-	30.99	732	769	18.30	146	183	220
31	-	31.99	756	794	18.90	151	189	227
32	-	32.99	780	819	19.50	156	195	234
33	-	33.99	804	844	20.10	161	201	241
34	-	34.99	828	869	20.70	166	207	248
35	-	35.99	852	895	21.30	170	213	256
36	-	36.99	876	920	21.90	175	219	263
37	-	37.99	900	945	22.50	180	225	270
38	-	38.99	924	970	23.10	185	231	277
39	-	39.99	948	995	23.70	190	237	284
40	-	40.99	972	1021	24.30	194	243	292
41	-	41.99	996	1046	24.90	199	249	299
42	-	42.99	1020	1071	25.50	204	255	306
43	-	43.99	1044	1096	26.10	209	261	313
44	-	44.99	1068	1121	26.70	214	267	320
45	-	45.99	1092	1147	27.30	218	273	328
46	-	46.99	1116	1172	27.90	223	279	335
47	-	47.99	1140	1197	28.50	228	285	342
48	-	48.99	1164	1222	29.10	233	291	349
49	-	49.99	1188	1247	29.70	238	297	356
50	-	50.99	1212	1273	30.30	242	303	364
51	-	51.99	1236	1298	30.90	247	309	371
52	-	52.99	1260	1323	31.50	252	315	378
53	-	53.99	1284	1348	32.10	257	321	385
54	-	54.99	1308	1373	32.70	262	327	392
55	-	55.99	1332	1399	33.30	266	333	400
56	-	56.99	1356	1424	33.90	271	339	407
57	-	57.99	1380	1449	34.50	276	345	414
58	-	58.99	1404	1474	35.10	281	351	421
59		59.99	1428	1499	35.70	286	357	428

EMBA BENEFIT SCALE

65% LEVEL

			Benefit (\$)			8	10	12
Hourly Rate			40 hr Week	42 hr Week	(Hour)	Daily Rate	Daily Rate	Daily Rate
24	-	24.99	637	669	15.92	127	159	191
25	-	25.99	663	696	16.58	133	166	199
26	-	26.99	689	724	17.23	138	172	207
27	-	27.99	715	751	17.88	143	179	215
28	-	28.99	741	778	18.53	148	185	222
29	-	29.99	767	806	19.18	153	192	230
30	-	30.99	793	833	19.83	159	198	238
31	-	31.99	819	860	20.47	164	205	246
32	-	32.99	845	887	21.13	169	211	254
33	-	33.99	871	915	21.78	174	218	261
34	-	34.99	897	942	22.43	179	224	269
35	-	35.99	923	969	23.08	185	231	277
36	-	36.99	949	997	23.73	190	237	285
37	-	37.99	975	1024	24.38	195	244	293
38	-	38.99	1001	1051	25.03	200	250	300
39	-	39.99	1027	1079	25.68	205	257	308
40	-	40.99	1053	1106	26.33	211	263	316
41	-	41.99	1079	1133	26.98	216	270	324
42	-	42.99	1105	1160	27.63	221	276	332
43	-	43.99	1131	1188	28.28	226	283	339
44	-	44.99	1157	1215	28.93	231	289	347
45	-	45.99	1183	1242	29.58	237	296	355
46	-	46.99	1209	1270	30.23	242	302	363
47	-	47.99	1235	1297	30.88	247	309	371
48	-	48.99	1261	1324	31.53	252	315	378
49	-	49.99	1287	1352	32.18	257	322	386
50	-	50.99	1313	1379	32.83	263	328	394
51	-	51.99	1339	1406	33.48	268	335	402
52	-	52.99	1365	1433	34.13	273	341	410
53	-	53.99	1391	1461	34.78	278	348	417
54	-	54.99	1417	1488	35.43	283	354	425
55	-	55.99	1443	1515	36.08	289	361	433

56	-	56.99	1469	1543	36.73	294	367	441
57	-	57.99	1495	1570	37.38	299	374	449
58	-	58.99	1521	1597	38.03	304	380	456
59		59.99	1547	1625	38.68	309	387	464

EMBA BENEFIT SCALE

70% LEVEL

			Benefit (\$)			8	10	12
Hourly Rate			40 hr Week	42 hr Week	(Hour)	Daily Rate	Daily Rate	Daily Rate
24	-	24.99	686	720	17.15	137	172	206
25	-	25.99	714	750	17.85	143	179	214
26	-	26.99	742	779	18.55	148	186	223
27	-	27.99	770	809	19.25	154	193	231
28	-	28.99	798	838	19.95	160	200	239
29	-	29.99	826	867	20.65	165	207	248
30	-	30.99	854	897	21.35	171	214	256
31	-	31.99	882	926	22.05	176	221	265
32	-	32.99	910	956	22.75	182	228	273
33	-	33.99	938	985	23.45	188	235	281
34	-	34.99	966	1014	24.15	193	242	290
35	-	35.99	994	1044	24.85	199	249	298
36	-	36.99	1022	1073	25.55	204	256	307
37	-	37.99	1050	1103	26.25	210	263	315
38	-	38.99	1078	1132	26.95	216	270	323
39	-	39.99	1106	1161	27.65	221	277	332
40	-	40.99	1134	1191	28.35	227	284	340
41	-	41.99	1162	1220	29.05	232	291	349
42	-	42.99	1190	1250	29.75	238	298	357
43	-	43.99	1218	1279	30.45	244	305	365
44	-	44.99	1246	1308	31.15	249	312	374
45	-	45.99	1274	1338	31.85	255	319	382
46	-	46.99	1302	1367	32.55	260	326	391
47	-	47.99	1330	1397	33.25	266	333	399
48	-	48.99	1358	1426	33.95	272	340	407
49	-	49.99	1386	1455	34.65	277	347	416

50	-	50.99	1414	1485	35.35	283	354	424
51	-	51.99	1442	1514	36.05	288	361	433
52	-	52.99	1470	1544	36.75	294	368	441
53	-	53.99	1498	1573	37.45	300	375	449
54	-	54.99	1526	1602	38.15	305	382	458
55	-	55.99	1554	1632	38.85	311	389	466
56	-	56.99	1582	1661	39.55	316	396	475
57	-	57.99	1610	1691	40.25	322	403	483
58	-	58.99	1638	1720	40.95	328	410	491
59	-	59.99	1666	1749	41.65	333	417	500

The EMBA Benefit is paid on an hourly rate for hours missed from the employees regular work schedule (i.e./ 40 hour, 48 hour, 36 hour). The benefit is paid from the first day of disability.

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

(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. Effective July 1, 1984, the co-insurance rate for hospitalization will be incorporated into the Extended Health Benefit coverage to a maximum of \$8.50 per day.

Revised Coverage under the Extended Health Plan effective February 1, 1999:

- 1) Foot orthotics - \$250 per employee or eligible dependent per calendar year.
Orthopedic shoes - \$400 per employee or adult dependent and \$200 per dependent child, per calendar year.
- 2) Hearing Aid coverage - maximum benefit payable during a three-year calendar year period is \$600 per dependent child. Payment will be made for maintenance, batteries or recharge devices or other such accessories.
- 3) Physiotherapist and Massage Practitioner – maximum of \$300 per employee or dependent per calendar year...

- 4) Clinical Psychologist - maximum of \$350 per employee or dependent per calendar year.
- 5) Acupuncture treatment - maximum of \$150 per employee or dependent per calendar year. Applies to any professional licensed to perform acupuncture in British Columbia.
- 6) Vision care coverage - maximum of \$400 per employee or dependent within a 24 month calendar year period.

(e) Dental Care Plan

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

- 1) Basic Dental Services (Plan A) - Plan pays 90% of approved schedule of fees.
- 2) Prosthetics, crowns and bridges (Plan B) - Plan pays 50% of approved schedule of fees.
- 3) Orthodontic (Plan C) - Plan pays 50% of approved schedule of fees. The maximum lifetime benefit is \$3,500 per person for all services provided by an Orthodontist.

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

(f) Long Term Disability Plan

The Welfare Plan will include a Long Term Disability Plan which will provide benefits of 50% of regular weekly earnings calculated at 40 times the disabled employee's hourly straight time job rate at date of onset of disability, plus any negotiated increases to that hourly straight time job rate which would take place during the Elimination Period. In any event, benefit payment will not be paid beyond age 65 and in all cases, will cease on recovery. Other terms and conditions of the plan and conditions pertaining to its implementation will be established pursuant to the general principles set forth in the amended text of the Long Term Disability Plan dated July 1, 1988.

- 1) Long Term Disability benefits will be paid as follows:
 - i. There will be a minimum of sixty (60) months of benefit payment for persons with sixty (60) or less months of service.

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

2) Long Term Disability Plan Adjustment

- i. Effective May 1, 1997, an employee who is under 60 years of age and has previously reached their 5 year anniversary on long term disability, will have their future disability benefit recalculated using the greater of their existing long term disability benefit or a recalculation using the base rate effective on May 1, 1997.
- ii. An employee who reaches a subsequent 5 year anniversary (i.e. 10 years, 15 years, 20 years, etc.) on long term disability and is under 60 years of age will have their future disability benefit recalculated using the greater of their existing long term disability benefit or a recalculation using the base rate that is in place on that date.
- iii. The recalculated weekly benefit when combined with all other disability income which the disabled employee is receiving will not exceed 70% of 40 hours multiplied by the base rate in effect at the time of the recalculation."

3) Completion of Forms

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

(g) **Out-of-Province Travel Plan**

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

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

3. Waiting Period

All full-time employees who are actively working and have completed forty five (45) days' service shall be enrolled for coverage's and benefits set forth in this Exhibit as a condition of employment.

4. Union/Management Welfare Committee

A Union/Management Welfare Committee shall be established which shall consist of not less than two (2) nor more than three (3) members representing the Union involved, and not less than two (2) nor more than three (3) members representing the Company. The Union/Management Welfare Committee shall meet as necessary to deal with questions which may arise concerning the operation of the Welfare Plan and to perform any service required by the Trustees to ensure the smooth running of the Plan.

5. Changes in Classification

The regular wage rate of the employee in effect on July 1 and January 1 will determine his entitlement to Group Life and Accidental Death and Dismemberment coverage's 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 coverage's and benefits made available to participating employees under the Welfare Plan will be shared between the Company and the said employees in accordance with the following:

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

Company	100 %
Employee	Nil

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

Company	70 %
Employee	30 %

7. Distribution of Surplus

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

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

Surplus accumulations must be disposed of within reasonable time limits.

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 from any employer party to the Labour Agreement for the purpose of fulfilling duties assigned to them by the Pulp, Paper and Woodworkers of Canada or any of the Local Unions shall have their respective Welfare Plan coverage's 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 Local 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 party to the Labour Agreement 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 the WCB), the Company will continue the extended health benefits for all registered dependents until they reach the age of majority.

16. Subrogation

Subrogation shall apply to the EMBA Plan but not the Long Term Disability Plan as documented in the Trustees Meeting Minutes dated January 21 and 22, 1999.

EXHIBIT "C"
APPRENTICESHIP TRAINING PROGRAM

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

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

General Principles

3. The period of Apprenticeship Training will be as defined by the Apprenticeship Branch for each trade. The apprentice will receive the journeyman'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 appropriate labour agreements in effect at the mill concerned shall be applicable to Apprentices in the program.
6. Apprentices hired with previous training may be placed into the training program at a level determined by the Joint Apprentice-ship Committee, with advice from the Apprenticeship Branch.
7. Under the program, apprentices will receive rates as per Exhibit "A" of the Collective Agreement.

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

Joint Union-Management Apprenticeship Committee

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

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

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

Schedule of Training for Apprentices

11. Upon completion of each period of training in an approved Vocational School, an apprentice will be required to pass examinations set by the Apprenticeship Branch. Practical examinations shall be confined to the area of training received.

In the event of failure to pass examinations, the apprentice shall be required to undergo a period of re-training on subject material specified by the Apprenticeship Branch authorities and will be required to be re-examined within twelve (12) months. Failure to pass the second examination will result in a review of 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 Apprentice-ship, 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, they shall be reclassified and paid the fifth year apprentice rate which is equivalent to the "A" mechanic rate for the following twelve (12) months. On completion of the final period at the vocational school the fifth year apprentice shall write their final examination set by the Apprenticeship Branch and, upon becoming certified, shall be designated as a certified journey-man at the regular hourly rate for "A" Mechanics.

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

Cost of Books

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

Allowances and Wage Make-up

15. i. On successful completion of the required period of vocational school training, the Company will reimburse out-of town expenses to a maximum of two (2) hours pay per day at the first year apprentice rate on a seven (7) day basis while in attendance at school. The reimbursement will also apply to Steam plant personnel. This allowance will be paid for the duration of vocational training, regardless of whether the employee remains at school or commutes to and from school during the period of training. This allowance provided by the employer will not apply to any periods of retraining as specified in Item #11.

- ii. 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 workweek.
- iii. The Company will reimburse for the costs of tuition and student fees.

General

16. (a) The Company agrees to develop and provide a program of on-the-job training for each trade, which shall include doing jobs of gradually increasing skills consistent with the apprentice's training and ability.

(b) Apprentices will be required to acquire and build a kit of tools progressively throughout the program, as specified by the Apprenticeship Branch and the Joint Union-Management Apprenticeship Committee.

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

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

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

17. Testing of existing "A" and "A+" Mechanics for a certificate of competency shall be at the employee's option. Failure to have obtained a trade qualification certificate shall not prejudice the status of a journeyman within the pulp and paper industry. Should 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 they shall receive pay, not to exceed four (4) hours, for time lost from work, if they are required to take the test during their regular work schedule. The Company will pay the fee cost of this first Tradesmen's Qualification Certification examination.

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

1. Upon successful completion of the Department of Education Correspondence Course for a **FOURTH CLASS POWER 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 Power Engineering Certificate.

During his first week at the school the employee will be evaluated by the school authorities to determine their knowledge of the subject, and if the evaluation is favourable they will continue their studies at the school during the two (2) weeks and write the prescribed examination. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and they will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted three (3) weeks' leave of absence, two (2) weeks with pay and one (1) without, to return to the vocational school to complete the course and write the prescribed Fourth Class Certificate examination.

2. Upon successful completion of the Department of Education Correspondence Course for a **THIRD CLASS POWER 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 Power Engineering Certificate.

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

3. Upon successful completion of the Department of Education Correspondence Course for a **SECOND CLASS POWER 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 Power 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 their knowledge of the subject, and if the evaluation is favourable they will continue their studies at the school during the following four (4) weeks and write the examination prescribed for Part "A" or "B", whichever is applicable. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and they will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted five (5) weeks' leave of absence, four (4) weeks with pay and one (1) without, to return to the vocational school to complete the course and write the examination prescribed for Part "A" or "B", whichever is applicable.

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

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

6. The company will bear the cost of the prescribed examination and tuition fees, if any required of candidates writing for power engineering certificates.

7. The company will grant transportation allowance to steam plant personnel attending vocational school on the same basis that transportation allowance is being granted at the time by the Apprenticeship Branch to apprentices attending an approved vocational school.

8. Leaves of absence will be granted at a time suitable to management, bearing in mind the Vocational School curriculum.

9. Normally it will not be possible to grant leave of absence to more than one (1) steam plant employee at a time. However, if relief is available this limit may, at the discretion of management, be exceeded.

10. If at any time provision is made whereby transportation and/or other allowances are granted by the government to steam plant personnel attending an approved vocational school to write for power engineering certificates, the provisions set forth above will then be amended to take into account such government allowances.

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

12. The company will pay 100% of the cost of textbooks specified by the vocational training school as required for those writing for power engineering certificates. The employee will keep these books as his personal property.

STATEMENTS OF POLICY

1945 - 1997

LABOUR AGREEMENT

Taken from the Transcripts
of Negotiations
for Contract Years

1945 - 1952 Inclusive

and from Memoranda issued during
subsequent Wage Conferences

* * * * *

PULP, PAPER AND WOODWORKERS OF CANADA LOCAL UNION NO. 8

* * * * *

**Nanaimo Forest Products LTD.
HARMAC PULP OPERATIONS, NANAIMO, B.C.**

FORWARD

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.

Whereas the Joint Labor Agreement is referred to in the following statements of Policy, it is agreed upon that the Labor Agreement is the successor to the old Joint Labor Agreement.

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 company's 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. If they are given less than forty-eight (48) hours' notice that it is to be changed to Friday. They are then paid as follows:

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

If they are called back at 1:00 p.m. Saturday to work four (4) hours in the afternoon, are they entitled to time and one-half? The answer is "no" for the reason that the Agreement stipulates that overtime will only be paid on the one basis. In other words, we cannot pay overtime twice on the same time. However, in the letter of October 18, 1946, Powell River Company Limited and Pacific Mills Limited did agree to include Sunday time and designated holidays time in the forty-four (44) hour week (amended to forty (40) hours 1952-53), even though time and one-half had been paid on it. They did not agree to include any other time on which time and one-half had been paid and there is no intention of broadening it at this time. On this principle, therefore, in the case above, the hours the employee worked on Tuesday, 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, they will still be paid at the rate of time and one-half.

Relief of Mates. (Page 328, 1950 Transcript)

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

Section 3: Days Off and Schedule of Shifts

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

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

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

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

Section 4: Starting and Stopping Work (b) Day Workers

Clarification of "Starting". (Page 260, 1948 Transcript)

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

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

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

ARTICLE IX - CALL TIME

(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, they 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 they have completed their shift" shall be considered to mean at that point when their pay stops upon being relieved by a mate.

(ii) A day worker is called in on their designated day off reporting for work at 8:00 a.m. and working until 10:00 a.m. for which they received four (4) hours' pay as the minimum allowance for an employee who starts work. If notification

had not been given during their last shift preceding the work involved, they would qualify for Call Time and would also qualify under the provisions of Section 2(a) wherein a minimum of four (4) hours' pay will be paid for each call when work has actually commenced both to tour workers and day workers. In the above case the worker worked two (2) hours at the overtime rate plus a two (2)-hour call which would entitle him to five (5) hours' pay, thereby meeting the requirements of Section 2. It should be made clear that an employee under these circumstances will not receive four (4) hours' minimum pay plus Call Time, if any, but that the four (4) hours' minimum pay includes the Call Time payment.

(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 their designated shift terminated at 12:00 noon and more than two (2) hours elapsed between their designated shift and their return to work.

ARTICLE XI - VACATIONS

(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, they will be required to take the comparable number of additional days off. The employee shall only receive the pay for such recognized paid holidays falling within their vacation period when they take the required additional time off.

(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 XXVII- SAFETY

Unsafe Working Conditions. (Page 136, 1947 Transcript)

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

ARTICLE XXVIII - CAUSES FOR DISCIPLINARY ACTION

(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 XXIX - ADJUSTMENT OF COMPLAINTS

Standing Committee Can Call in Members for Discussion of Grievances with Management. (Page 261, 1946 Transcript)

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

EXHIBIT "A"

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

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

MISCELLANEOUS

(a) 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 cooperation from their employees.

(b) Leave of Absence

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

LETTERS OF UNDERSTANDING

May 24, 1992

Re: 1992 Union Agenda Item #22 - Rehiring

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

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

Dear Norm and Stan:

Re: Letter of Understanding – Rehiring

The following practice will be observed during the 1992-94 contract.

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

- a) their recall rights under Section 3 of Article 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 they fail to accept an offered position. Those hired under this practice will be new employees.

Yours truly,

Eric Y. Mitterndorfer
President

May 24, 1992

Re: 1992 Union Agenda Item #26

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

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

Dear Norm and Stan:

LETTER OF INTENT

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

Yours truly,

Eric Y. Mitterndorfer
President

**RE: 1995 MEMORANDUM OF AGREEMENT - CODE OF ETHICS
CONTRACTING**

March 3, 1995

Mr. Jim White
P.P.W.C. Local 8
596 Albert Street
Nanaimo, B.C.
V9R 2W2

Dear Jim,

This is to confirm the agreement between the Company and your union respecting the conditions that would apply to contractors coming onto the mill site to perform construction work or perform maintenance and repair work of a nature normally performed by employees in the bargaining unit. This agreement will prevail for the duration of the Collective Agreement. In entering into this agreement, the Union acknowledges that, subject to contracting Article XXIII, the Company retains the right to select contractors as it deems appropriate.

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

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

1. Minimum Wages

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

2. Contributions to the Pulp and Paper Industry Pension Plan

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

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

3. Remittance to the Local Union

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

4. Adherence to Safety Regulations

Contractors performing construction work are responsible for ensuring that their employees comply with the health and safety regulations and policies applicable to the work being performed. When the contractors' employees are performing maintenance and repair work which is of a nature normally performed by employees in the bargaining unit, the contractors and their employees shall adhere to the established health and safety regulations and policies in force at the mill site. Management commits to deal promptly with any violations brought to its attention by the Joint Health and Safety Committee.

5. Honouring of Picket Lines

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

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

Yours truly,

E. Lauritzen
President and C.E.O.
Harmac Pacific Inc.

RE: MEMORANDUM OF AGREEMENT 1997 – 2003 – FLEXIBLE WORK PRACTICES

LETTER OF UNDERSTANDING

1. The introduction of flexible work practices is designed to improve productivity, improve product quality, reduce down time and lower costs while ensuring that the work is completed in a safe manner. The efficiencies that result from flexible work practices are also intended to assist in fulfilling the intention of Article 23 of the 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 collective agreement as well as the company's safety rules and the regulations issued by the Workers' Compensation Board of B.C.. It is recognized that some tasks can only be performed by employees who possess certain government certifications and in that instance, the work will only be performed by employees who possess the required government certificate.
5. The intent of this agreement is to provide that all employees will safely utilize all of their existing skills and maximize their productivity and learn and use new skills to enhance their effectiveness.

6. The Company and the unions will meet to discuss a module based training program that will enhance the existing skills of the 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 of 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:
 - Upon ratification of the collective agreement, \$.45 per hour for Maintenance employees and \$.20 for Operating employees.
 - Immediate utilization of existing skills that may not have been previously used due to restrictive work practices.
 - Employees assisting each other regardless of department or occupation.
 - \$.50 per hour for Maintenance employees and \$.20 per hour for Operators upon successful completion of the modular training program and utilization of skills acquired as a result of this training.

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: Journey persons, Steam Plant Maintenance employees 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.

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 this trade is performing his trade core duties.
14. The Company agrees that no employees 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:

Mill Manager of Harmac Pulp Operations

President PPWC Local 8

Local 8 Standing Committee

Union Representatives as designated by the local

Members of mill management as designated by the employer.

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

17. Clarification of the Letter of Understanding – Flexible Work Practices

- The objective of changed work practices is to enhance the viability of the Harmac Operations and to help improve the security of employment for its employees.
- The key to the introduction of flexible work practices at the Harmac Operations is the commitment of the union, its members and the company to co-operate fully in its implementation.
- Flexible work practices will be implemented with common sense and full regard for the safety of employees.

- Upon ratification of this agreement and with the corresponding introduction of work flexibility, employees at the Harmac Operations will:
 - Safely utilize all existing skills regardless of previous work practices.
 - Utilize new knowledge and skills as they are acquired through hands-on experience and training.
 - Utilize all skills taught under the apprenticeship program. Some of those skills may require refresher training.
- It is the intent of the company with the support of the union to develop and implement training modules identified in the Letter of Understanding by May 1, 2000. There will be one module for each of Maintenance and Operations, the completion of which will result in the premium payment outlined in the Letter of Understanding. Training will be consistent within individual job classifications. At the end of modular training all rates within a given classification will be the same.
- It is not the intention of the company to disqualify employees from their current job classification as a result of the implementation of flexible work practices and associated training.
- Flexible work assignments for non-maintenance employees will be made on the basis of the priorities of the operation of the mill and an employee's skill and availability. Seniority will be a factor in these assignments.
- It is anticipated that the productivity improvements that are expected with the implementation of flexible work practices will reduce the need for the contracting out of work.
- The introduction of flexible work practices will not have an impact on the mill's existing call-in procedures.

December 19, 1998

**RE: MEMORANDUM OF AGREEMENT – 2003 2008 – COMMITMENT
TO EMPLOYMENT**

LETTER OF UNDERSTANDING

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

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

1. The Company and 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.

Pope & Talbot Ltd.

**Paul Sadler
Mill Manager**

PPWC Local 8

**Gerry Tellier
Chairperson**

**RE: MEMORANDUM OF AGREEMENT 1997 – 2003 – JOB SECURITY
AND JOB ELIMINATION**

LETTER OF UNDERSTANDING

December 18, 1999

Mr. Gerry Tellier
President
Pulp, Paper and Woodworkers of Canada (Local 8)
596 Albert Street
Nanaimo, B.C.
V9R 2W2

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.

Yours Truly,

Doug Eamer
V.P. Harmac Pulp Operations

**RE: MEMORANDUM OF AGREEMENT 2003 - 2008 - TRADES
QUALIFICATION**

LETTER OF UNDERSTANDING

British Columbia is facing a skills shortage and the pulp and paper industry is not exempt from the impending crisis. PPWC and Nanimo Forest Products LTD. 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., and as such agree to the establishment of a committee comprised of equal representation from Nanaimo Forest Products LTD. and the Pulp, Paper and Woodworkers of Canada.

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

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

Nanaimo Forest Products Ltd.

PPWC Local 8

**Paul Sadler
Mill Manager**

**Gerry Tellier
Chairperson**

**RE: MEMORANDUM OF AGREEMENT 1997 – 2003 PENSIONS - LETTER
TO PENSION PLAN TRUSTEES**

LETTER OF UNDERSTANDING

The employer agrees to submit a letter to the Pension Plan Trustees recommending that banked overtime hours earned, when taken off in the following calendar year, will be treated in a like manner to banked overtime hours taken off earned before the employee reached the 2080-hour cutoff.

LOCAL AGREEMENTS FOR THE TERM OF THE AGREEMENT

COMPRESSED WORK WEEK AGREEMENT

The compressed work week schedule will be administered under the following terms and conditions.

1. GENERAL

- 1.1. This agreement will be in effect until the expiry of the current Labour Agreement.
- 1.2. This agreement may be cancelled by either party with seven days written notice except as in item 1.5 below. Overtime will not be paid if incurred as a result of initial implementation or final discontinuance of the 12 hour shift schedule.
- 1.3. The compressed workweek was implemented on a department by department basis over a period of several years. It is understood that these departments have a right to individually revert back to the 8 hour schedule (as per Section 1.2) These departments are: Steam Plant, Stockline, Bleachline, Machine Line, Fibre Line, Driving Line, 1st Aid Line, Millwright, Electrical, Instrumentation.
- 1.4. The implementation of the compressed workweek will be on the condition that there will be no extra cost to the Company and that the efficiency of any department or departments will not decrease.
- 1.5. The securing of adequate relief will be mostly from employees on their scheduled days off as outlined in Section 10 of this document. In the event of inadequate relief for the continuation of operations the Company will revert to an 8-hour schedule within a 24-hour period.
- 1.6. Except as outlined in this document, the terms and conditions of the Labour Agreement remain unchanged.

2. HOURS OF WORK (Labour Agreement Reference - Article VI)

- 2.1. A DAY will be defined as a period of 24 hours beginning at 6:00 a.m.
- 2.2. A WEEK is defined as a period of seven calendar days beginning at 6:00 a.m. Sunday.
- 2.3. 12-hour shift times will be from 6:00 a.m. to 6:00 p.m. and from 6:00 p.m. to 6:00 a.m. and will follow the established schedule.
- 2.4. Employees entering the 12 hour shift schedule on a temporary relief basis from an eight / ten hour per day, 40 hour week schedule, will be paid overtime at the rate of time and one-half for hours worked in excess of 40 for the first week upon entering the schedule and for the last week upon leaving the schedule, providing proper notice has not been given and the change occurs after the start of the work week. Proper notice is defined in the Labour Agreement in Article VI Section 3(a).
- 2.5. Any employee entering the 12 hour shift schedule will be paid the overtime premium for hours worked in excess of eight hours on the first 12 hour shift, unless notification of entry was given during the first eight hours of their last shift preceding the new 12 hour shift.
- 2.6. Employees will give as much notice as they possibly can on request for leave, so that they can be replaced at straight time. Otherwise, the necessity to work employees on their days off will effectively negate the benefits gained from the additional days free from work in the compressed workweek.
- 2.7. Overtime at the rate of time and one-half will be paid for all work in excess of 12 hours in any one day and for all work in excess of 44 hours per week.
- 2.8. Tour workers who work in excess of 12 consecutive hours on a regularly scheduled shift, or in excess of eight consecutive hours on a scheduled day off shall be paid double time for hours worked.
- 2.9. When the Company changes an employee's shift schedule after the start of the week without notification being given during the first 12

hours of their last shift preceding the new shift, the employee shall receive two hours penalty payment at straight time rate for the first shift worked resulting from the change.

- 2.10. For the purposes of the twelve (12) hour shift schedule, payment of Shift Differential will be in accordance with Article VII – Wages – Section 2, Paragraph (a)

3. VACATIONS (Labour Agreement Reference - Article XI)

- 3.1 An employee who has been employed for less than one year is granted vacations on a prorata basis for the vacation year. These vacations can be taken during the remainder of the vacation year.
- 3.2. Employees will be allowed to take vacations on a tour basis. For purposes of the 12-hour shift schedule a tour will be the number of consecutive working days without a scheduled day off.
- 3.3 For a 48-hour tour an employee may take 40 hours of annual vacation plus eight hours tour time. (8 hours LOA)

4. STATUTORY HOLIDAYS (Labour Agreement Reference - Article XII)

The New Years Day Statutory Holiday for 12 hour Tour Workers under this agreement will be recognized starting December 31st @ 6PM, ending January 1st @ 6PM.

5. SUPPLEMENTARY SPECIAL (PERSONAL) FLOATING HOLIDAYS (Labour Agreement Reference - Article XIV)

For purposes of the 12 hour shift schedule, entitlement to Supplementary Floating Holidays will be calculated on the basis of the number of days for which the employee has qualified multiplied by eight hours, subject to all other conditions of Article XIV of the Labour Agreement.

6. WELFARE PLAN (Labour Agreement Reference - Article XV and Exhibit B)

Weekly indemnity benefits will be calculated on the basis of loss of straight time earnings for days lost from the employee's regular schedule.

7. LEAVES OF ABSENCE (Labour Agreement Reference - Article XVIII)

7.1 BEREAVEMENT LEAVE

When death occurs to a member of a regular fulltime employee's immediate family, the employee will be granted an appropriate leave of absence and shall be compensated at his regular straight time hourly rate for hours lost from the regular schedule to a maximum of 24 hours.

7.2 JURY OR WITNESS DUTY

Section 3(a) shall not be for hours in excess of 12 hours per day or average of 40 hours per week, less pay received for such duty.

8. CALL-IN PROCEDURES

8.1 The crew will be moved up ONLY if there is sufficient relief to cover all jobs on a straight time basis.

8.2. When there is not enough relief to cover all jobs, the appropriate person on the primary crew on days off will be called.

- Appropriate person – the card rated person designated to fill that job on the latest crew line-up.
- Primary crew – night shifts will be covered by the crew on their first two days off and day shifts on their last two days off.

8.3 If that person does not respond, the next crew member will be moved up by one job position (relevant to pegged people, tickets when appropriate, job break-in) and call the next appropriate person on the Primary crew.

8.4 Repeat, if necessary, and so on down the line, (subject to job break-in). When the line is exhausted go to the top of the Primary crew and

call out for the job position of the original shortage. Specify to these senior people the exact job to be covered carrying the appropriate pay rate for that job.

8.5 If no response from the Primary crew, then the previous steps 10.3, 10.4 and 10.5 can be applied to the Secondary Crew.

- Secondary Crew – day shifts will be covered by the crew on their first two days off and night shifts on their last two days off.

9. GUIDELINES SPECIFIC TO MAINTENANCE DEPARTMENTS

When a day man who previously worked an 8:00 a.m. to 4:30 p.m. day, switches to a 12 hour shift, the hours between 6:00 a.m. and 8:00 a.m. on the twelve hour shift schedule shall be considered part of the forthcoming contract day, i.e. the 12 hour shift defined work day.

This agreement is in effect for the term of the current Labour Agreement.

June 20, 2003

MAINTENANCE SHIFT RELIEF PROCEDURE

This procedure will apply in shops where a mutually satisfactory procedure does not exist. It is subject to renewal at the expiry of the current Labour Agreement.

Procedure

- Maintenance shift relief positions will be open for postings on a monthly basis.
- Tradesmen interested in applying for the shift relief positions must submit a request form by the 21st day of the preceding month to the Maintenance Administrator.
- Each month a list of the Tradesmen assigned to shift relief will be posted at the main gate notice board.

- The senior applicant will be designated shift relief and will be assigned any relief first. If additional relief is required it will be assigned to the next most senior person.

Note: If relief positions cannot be filled on a Volunteer basis, they will be assigned to the junior Tradesmen in the Department requiring shift relief. If this is the case, then relief will be assigned in order from most junior to senior.

- Once committed to a relief period, the person must take all relief for that period. If unable to do so due to sickness the next relief person in line will be responsible for the remainder of that relief period.
- The relief positions will be exchanged on the first Sunday of each month or at the conclusion of the relief period covering a Tour, which commenced in the previous month.

This agreement will be in effect for the term of the current Collective Agreement.

June 20, 2003

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MAINTENANCE TRADES SENIORITY RULES

This agreement supersedes all previous maintenance seniority agreements.

Trades to be included:

Electrician, Instrument Mechanic, Pipefitter, Millwright, Heat and Frost Insulator, Carpenter, Painter, Machinist, Sheet Metal, Welder, Heavy Duty Mechanic, Refrigeration Mechanic and Oilers.

1. Each of the above designated trades shall have a single line of department seniority in accordance with the June 2, 1978 and March 9, 1977 Standing Committee Minutes. **It shall be used for the purposes of promotion, demotion, and shift work.**

Lay-off's from the trade and recall to the trade will be based on the date of entry to the department. If the lay-off results in a senior tradesmen being laid off from the mill, his mill seniority will apply to work in their trade.

2. For the purposes of this agreement seniority is defined as:

- Mill seniority - date of hire at Harmac
 - Department seniority - date of entry to trade subject to the March 9, 1977 and June 2, 1978 Standing Committee minutes.
3. During a bump back a bumped tradesman may exercise their department seniority to bump a more junior tradesman off shift providing that they are deemed trained in accordance with the local training agreement as adopted in 1985.
 4. Extraordinary circumstances shall be discussed by the Standing Committee.
 5. This agreement is subject to renewal with the expiry of the current Collective Agreement.

June 20, 2003

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APPRENTICESHIP AGREEMENT

The Union and the Company jointly commit to a continuing Apprenticeship Program at Harmac. The Apprenticeship Program will be implemented as follows:

1. General:

- 1.1. The Company agrees to indenture a minimum of three (3) apprentices in January 2004; two (2) apprentices in January 2005; two (2) apprentices in January 2006; two (2) apprentices in January 2007.
- 1.2. Apprenticeships will be posted in the mill for a minimum of 21 days.
- 1.3. Preference will be given to internal candidates that qualify under this agreement.
- 1.7. In the event that there are no internal qualified candidates, the Company will indenture an external candidate.

2. Eligibility

2.1. Discipline

2.1.1. Applicants for apprenticeships must not have a disciplinary suspension on their personal file.

2.2. Education

2.2.1. The education requirements applied to apprentice selection will be as follows:

- Millwright / Pipefitter / Machinist - Grade 12 or equivalent, including English 12, Algebra or Mathematics 11, or Trade Mathematics 11, and Physics 11 or Science & Technology 11.
- Electrician / Instrument Mechanic - Grade 12 or equivalent, including English 12, Math 12 and Physics 11.

Transcripts will be required.

2.2.2. The educational requirements will be consistent for all apprenticeship candidates.

2.2.3. Apprenticeship applicants holding qualifications in trades referred to in Exhibit C-Section 2 of the Labour Agreement will not be eligible for apprenticeship postings.

2.3. Aptitude Tests

2.3.1. All apprenticeship candidates will write aptitude tests.

2.3.2. All applicants will write the same tests and the results of these tests will be reviewed by the Apprenticeship Committee.

2.3.3. In the event that a 3rd party consultant recommends changes to aptitude tests, the Company and the Union will meet with the consultant to review his recommended changes.

2.3.4. Individuals who fail to qualify for an apprenticeship will have the opportunity to review areas of weakness and be provided with suggestions on how to improve test scores for future available apprenticeship possibilities.

2.4. Employee Evaluation

- 2.4.1. The company makes the commitment that the employee evaluation component of the Selection Process will be undertaken in a fair and balanced manner. This will include feedback to the employee.
- 2.4.2. The Selection Process will consist of a supervisory appraisal of the candidate and a Personal Interview.
- 2.4.3. The Union and the Company will jointly develop the Personal Interview process in consultation with a 3rd party. This process will be completed by January 1/04.

2.5. Seniority

The most senior applicant who satisfies the above requirements will receive the apprenticeship.

3. Subsequent Opportunities:

- 3.1. Employees must successfully meet each category above in order to be considered for future apprenticeship opportunities.
- 3.2. Candidates who fail the selection process may re-apply for an apprenticeship after six months. One re-write of the individual aptitude tests will be permitted after six months. One additional re write of the individual aptitude tests will be permitted two years after the initial re-write.

This agreement is in effect for the term of the current Labour Agreement.

June 20, 2003

CREW CHANGE PROCEDURE - STATUTORY HOLIDAYS

In order to avoid the disruption of employees work schedules around statutory holidays the following procedure will be used for the scheduling of crew changes during these periods.

New Years Day – crew changes to occur a minimum of one week following the stat holiday.

Easter Monday – crew changes to occur no earlier than the Sunday of the week following the stat holiday.

Canada Day – crew changes to occur the Sunday of the week containing June 15th. No further crew changes to occur until after Labour Day.

Labour Day – crew changes to occur no earlier than the Sunday of the week following the stat holiday.

Christmas Holidays – crew changes to occur no later than the week containing December 1st. No further crew changes to occur until the Sunday of the week following the New Years Day stat.

Seniority moves in the lines of progression will apply in all cases of illness, accident or injury where the absence will exceed four tours. Seniority moves will not be done for holidays or training. If it is determined that the absence is for four tours or longer the move will be done immediately.

If crew changes are required at times that fall within the restricted periods they will be discussed at Standing Committee prior to implementing the crew change.

This Agreement is in effect for the term of the current Labour Agreement.
June 20, 2003

FIRST AID DEPARTMENT FLU SHOTS

Carded members of the First Aid Department will be entitled to have voluntary flu shots at the expense of the Company.

Members of the Department who elect to have a flu shot are to submit the receipt for the expense to their Supervisor for authorization. Reimbursement will be made through payroll.

This agreement is in effect for the term of the Current Collective Agreement.

June 20, 2003

SUMMER STUDENT HIRING AGREEMENT

During the summer relief period, from April 15th to September 15 each year, students hired to provide vacation relief will not accumulate seniority under any provision of the Labour Agreement relative to other hourly employees. The Summer Students will have seniority rights relative to other Summer Students for the purpose of the assignment of work and layoff based on their qualifications.

Summer Students must be terminated from their employment by September 15th of each year.

The Union will be notified of the Students who are hired as Summer Students under this agreement.

This agreement is in effect for the term to the current Labour Agreement.

June 20, 2003

SAFETY FOOTWEAR REBATES

On the purchase of new Safety Footwear employees will be entitled to a rebate of 90% of the purchase price effective December 22, 2013. Rebates will be limited to a maximum of \$200 per contract year.

Safety Footwear must have a Class “A” rating under CSA standard Z195 “Safety Footwear”. The footwear purchased is to be for the employee’s own personal use on their job at Harmac Pulp Operations.

To obtain a rebate employees must submit a proof of purchase receipt for the footwear, identifying the type of footwear purchased, its CSA rating, and purchase price to their Supervisor.

Supervisors are to ensure compliance with this agreement, authorize the receipt and submit it to the Accounting Office for rebate to the employee through Payroll.

Repairs to Safety Footwear

The rebate agreement also applies to the repair of employee’s safety footwear. If an employee chooses to have their safety footwear repaired they may submit a receipt for repairs to their Supervisor for rebate.

This agreement is in effect for the term of the current Labour Agreement.

December 22, 2013

SHIPMENT OF PULP

The Company agrees to adopt the pattern established for the majority of coastal B.C. Pulp mills in relation to the issue of the trans-shipment of product by barge to deep-sea ship loading.

This commitment expires with the resolution of this issue associated with the Fletcher Challenge pattern agreement.

June 20, 2003

COMMON EMPLOYER STATUS

For the term of the Collective Agreement, in the event of a change in common employer status of a portion of the Harmac Pulp Operations employees directly impacted by a permanent layoff will be allowed to exercise their seniority rights to transfer between the different legal entities. In addition, where employees are permanently displaced through the application of the new Article Flexible Work Practices, this provision shall be further extended to include such employees. These rights are limited to employees employed at the date of ratification of this agreement.

June 20, 2003

EMERGENCY RESPONSE TEAM

Personal Life Insurance coverage in the amount of \$100,000 will be provided to members of the Harmac Pulp Operations Emergency Response Team. This insurance will apply if the team member is fatally injured while participating in duties assigned them in their role as a member of the Emergency Response Team.

ERT crewmembers will train on Tuesdays or Thursdays from 3:00 PM to 6:00 PM in advance of their first night shift on alternate weeks. Training hours can be accumulated to provide alternate training arrangements.

This agreement is in effect for the term of the current Labour Agreement.

June 20, 2003

EMPLOYEES MUTUAL BENEFIT ASSOCIATION

1. PURPOSE

The purpose of this Association is to provide partial protection for its members against loss of earnings during periods of disability due to non-occupational illnesses or non-occupational injuries, by means of a fund established for such purposes and administered in accordance with the following rules and regulations.

2. ADMINISTRATION

- (a) The Officers of the Association, hereinafter known as the Employees' Mutual Benefit Committee shall consist of four members. Two members of the Committee, one of whom shall be Chairman, shall be selected by the Union and confirmed in writing to Management. Two members of the Committee, one of whom shall be Secretary, shall be selected by Management and confirmed in writing to the Union.
- (b) The Employees' Mutual Benefit Committee shall meet as required, and conduct all business of the Association in the best interest of the membership. A quorum, consisting of at least 75% of the Employees' Mutual Benefit Committee members, shall be required to conduct a Bi-weekly meeting and will be notified in writing in advance.
- (c) The Chairman shall preside over all meetings of the Employees' Mutual Benefit Committee and shall enforce observance of these regulations and general rules of conduct at these meetings, and shall exercise care and supervision of affairs of the Association.
- (d) The Secretary shall keep record of all correspondence of the Association and of all claims received and the disposition of same, and report thereon to the Employees' Mutual Benefit Committee at each meeting.
- (e) All funds of the Association shall be recorded by the Company in a separate account. Premiums shall be collected from employees by means of payroll deduction and credited to the Association account by the Company.

- (f) The Committee will review the experience quarterly and adjust premiums to reflect that experience.
- (g) A complete record of the collections and expenditures of the Association shall be kept by the Company and be open to inspection by the membership at all times.
- (h) All claims are to be paid by cheque issued by the EMBA Committee. Such Cheques shall state the claimant's name, claim number and amount to be paid. A copy of cheques shall be kept on record. Each cheque must bear the signature of one Union and one Management Committee member.
- (i) A financial statement shall be prepared by the Company and submitted monthly to the Employees' Mutual Benefit Committee. Approved statements will be posted on notice boards throughout the mill.
- (j) All claims will be available for review at regular bi-weekly meetings.

3. MEMBERSHIP AND ELIGIBILITY

- (a) All employees of Nanaimo Forest Products Ltd. - Harmac Pulp Operations must enroll in the Employees' Mutual Benefit Association provided:
 - (i) They are covered by the Labour Agreement
 - (ii) They have completed thirty (45) days' continuous employment.
- (b) Portability -
There will be no further waiting period for qualified employees changing employers within those covered by the Labour Agreement.
- (c) Coverage begins on the commencement of membership provided the employee is actively at work. An employee who is absent from work on the day coverage would normally commence will not be covered until he returns to active full-time employment.

- (d) The membership of any member leaving the employ Nanaimo Forest Products Ltd. Harmac Pulp Operations shall terminate on the last day of employment.
- (e) Any member resuming employment following layoff, or leave of absence, shall become reinstated from the first day of the period for which premiums are deducted following resumption of employment.

4. MEMBER CONTRIBUTIONS

- (a) Each member shall pay to the Association by means of payroll deduction a bi-weekly premium from the date of membership at the rate approved from time to time by the Employees' Mutual Benefit Committee.
- (b) Premiums shall be deducted from the earnings of each member and transferred to the Association account regardless of the amount of employment in any period wherein provisions are made for such deductions.

5. COMPANY CONTRIBUTIONS

The Company agrees to contribute to the Association bi-weekly and for the purpose defined in Section 1 of these Rules and Regulations an amount equal to 70% of the premium and members will contribute 30% of the premium bi-weekly in accordance with the premiums established under Section 4, clause (a) above.

6. BENEFITS

- (a) Indemnities for lost time due to non-occupational illness or non-occupational injury shall be paid at a hourly rate according to the schedule of payments listed in the Labour Agreement.
- (b) Successive periods of disability separated by less than two weeks of active work on full-time shall be considered one period of disability unless the subsequent disability is due to an illness entirely unrelated

to the cause of the previous disability and commences after return to active work on full-time.

(Except for disability caused by a non-occupational motor vehicle accident)

- (c) Weekly Indemnity Benefits will be payable beginning with the 1st day of disability caused by non-occupational accident or illness.
- (d) Motor Vehicle Accidents
No Weekly indemnity benefits will be payable with respect to disability caused by non-occupational motor vehicle accidents, which are covered by a 3rd party insurance carrier.
- (e) Weekly Indemnity Benefits will be payable for a maximum of 15 weeks for disability directly resulting from pregnancy except as provided in Section 7 below.
- (f) Benefits payable by the Association will be calculated on an hourly basis.
- (g) Payments shall be made by cheque issued on regular paydays.
- (h) In the event of an epidemic, earthquake, or other disaster, the Employees' Mutual Benefit Committee at its discretion has full power to limit or if necessary suspend all benefits payable to members of the Association.
- (i) In the event of discontinuance of the Association, the disposition of any funds on hand will be determined by the Employees' Mutual Benefit Committee.
- (j) The Medical Disability Advisor (Presley Reed M.D.) will be used as a guide to review claim durations.

No reference text can take into account all of the important variables that may potentially have an impact on any individual medical case. No text can (or should) attempt to mandate the recommendations of the treating caregiver. No text can (or should) substitute for the strategy agreed upon by the patient and their caregiver.

In all cases, the certificate of the physician consulted shall be the basis upon which the claim is paid. There shall be no requirement for an employee to provide further medical evidence or to consult non-treating physicians unless it is evident that the medical evidence on record is unclear or ambiguous, and that further medical evidence is required which could not reasonably be provided by the treating physician.

- (k) EFAP issues are to be referred to Standing Committee.
- (l) The plan will accept psychological disabilities that result from employees who have immediate family members who are diagnosed with serious/terminal illness or suffer a serious injury. The employee's disability must be supported by medical evidence that the employee is disabled from work. The acceptance of these claims is not intended to allow the employee to provide home care for the injured or ill individual for durations longer than three weeks. (Forthcoming legislative EI proposals may provide further Home Care coverage.)
- (m) As stated in Article 1 (of this agreement) the purpose of this agreement is to provide partial protection for the Association's Members against loss of earnings due to non-occupational illness or non-occupational injuries. The withholding of benefits under this agreement must be a committee decision.

7. NO BENEFIT PAID

- (a) No benefits will be paid to an employee while in receipt of unemployment insurance maternity leave benefits. However if the employee is subsequently disabled while on maternity leave the

employee will not be entitled to weekly indemnity benefits until completion of the leave and providing they are still disabled.

- (b) No benefits shall be paid to members in respect to any other paid time off for which they qualify through their employment.
- (c) Should it be evident to the Employees' Mutual Benefit Committee that a claimant is not conducting themselves in the best interest of improving a condition for which indemnities are being paid, the Employees' Mutual Benefit Committee shall have the right to discontinue payment of such indemnities.
- (d) No benefits will be paid to members of the Association for any cause whatsoever while in receipt of compensation from the Workers' Compensation Board. This does not apply to such members as may be in receipt of disability pensions. Employees whose Workers' Compensation claim is questionable may collect benefits with the understanding they will reimburse the Employees' Mutual Benefit Association Fund if and when their compensation claim is accepted by the Workers' Compensation Board.
- (e) No benefits will be paid in respect to a claim whereby the member fails to sign the Subrogation Agreement regarding claims that rightfully are the responsibility of the Insurance Corporation of British Columbia, the Work Safe BC, or other 3rd party insurance carrier.

8. HARDSHIP APPLICATIONS IN CONNECTION WITH DISABILITIES ARISING FROM MOTOR VEHICLE ACCIDENTS

In the event a member suffers a disability caused by a non-occupational motor vehicle accident and that member has applied for no-fault benefits from the Insurance Corporation of British Columbia and/or has presented a claim for compensation or damages from a liable third party, that member may make application to the Hardship Committee for financial assistance pending resolution of the member's claim for no-fault benefits or compensation. Upon receipt of such an application, the Hardship Committee may, at its discretion,

grant a loan to the applicant member, which loan shall be repayable by the member upon:

- (i) receipt of no-fault benefits from the Insurance Corporation of British Columbia for the period during which the loan is given, or
- (ii) Receipt of compensation by way of damages for the motor vehicle accident, which has caused the disability in question.

In no event will the financial assistance provided to a member under this provision exceed the Weekly Indemnity Benefits which would have been payable had the disability in question given rise to a right to Weekly Indemnity benefits under Section 6 of these Rules.

9. MATERNITY LEAVE

- (a) Pregnancy is a just and valid medical condition that can entitle the employee to weekly indemnity benefits; however the employee is not entitled to claim benefits solely because they are pregnant. A physician must certify that the pregnancy has rendered them disabled from performing their job.
- (b) A pregnant employee whose physician has certified them disabled from performing their job who is receiving benefits can remain on benefits as long as they remain disabled.
- (c) If the employee has arranged to commence unemployment insurance maternity leave on a given date, that is when the leave will commence. However, if the employee becomes disabled prior to commencing the maternity leave, the leave may be cancelled in favour of weekly indemnity payments. If the maternity leave has commenced and the employee subsequently becomes disabled, they will not be entitled to benefits until the completion of the maternity leave, and providing they are still disabled.

- (d) The pregnant employee should apply for unemployment insurance Maternity leave at the earliest, 10 weeks prior to their delivery date and at the latest one week after delivery
If they postpone applying beyond this latter date, the period for which they can receive leave and benefits under the unemployment insurance regulations starts to shorten; one week for each week of delay in applying after the delivery date.

10. GRADUATED RETURN TO WORK PROGRAM

If an Employee receives wages as a result of participating in a graduated (less than full-time) Return to Work Program, the amount of the Employee's benefit payments will be reduced by 50% of such wages. The Employee's Weekly Indemnity benefit payment will be further reduced such that the Employee's Weekly Indemnity benefit payment plus wages from the Return to Work Program do not exceed 100% of the Employee's Weekly Earnings.

11. APPLICATION FOR BENEFITS

- (a) A member on becoming ill or injured must make application for benefits to the Employees' Mutual Benefit Committee on a form provided for the purpose available from the Employees' Mutual Benefit Committee members or the Human Resources Office, or the P.P.W.C. Local 8 Union Hall within twenty-one (21) days from the time such illness became apparent or such injury was sustained.
- (b) Should a member of the Association, without reasonable cause, fail to comply with clause (a) of this section, the Employees' Mutual Benefit Committee may order benefits paid from the date of such application for benefits is received.
- (c) Members off work because of illness or injury for more than two weeks must submit a progress report to the Secretary of the Employees' Mutual Benefit Committee if requested to do so by the Committee. If the Doctor indicates an indefinite absence the member

may be required to furnish a Doctor's report every two weeks, otherwise further benefit payments may be withheld pending investigation.

- (d) Application for benefits must bear the signature of the physician consulted.
- (e) Applicants must complete in full the Employees Section of the Application for Benefits Form and sign the reverse in order to establish a claim.
- (f) All original claim Forms must be completed by the member's attending physician and bear his signature (Subsequent medical information may be in note form unless the Committee establishes a follow-up form and/or procedure.)
- (g) Applications for Benefits must be turned in to the Human Resources Office by the Friday preceding payday in order to be processed for payday.
- (h) The EMBA Plan is responsible for all fees associated with completion of application forms and the cost of medical forms and specialist reports, which it will monitor to ensure the cost of these services, are not excessive.
- (i) The Employees' Mutual Benefit Committee reserves the right to approve payment of benefits without a physician's and/or member's signature in the event they are not attainable due to substantiated medical reasons.

12. CHANGES IN RULES AND REGULATIONS

- (a) All changes, alterations, or amendments to the Rules and Regulations must be approved by the Employees' Mutual Benefit Committee.
- (b) Any changes so decided shall affect all members as from the date of change, irrespective of whether or not any members are drawing benefits at the time such changes are instituted.

These Rules and Regulations are effective October 3, 2008 and supersede all previous Employees' Mutual Benefit Plan Rules and Regulations or Bylaws.

Note:

The table of hourly job rate brackets and corresponding coverage's as set out in Exhibit 'B' of the Collective Agreement apply in respect to Non-occupational Weekly Accident & Sickness Insurance Benefits.

This agreement is in effect for the term of the current Labour Agreement.

October 3, 2008

LOCKOUT COMMITTEE

The Lockout Committee is a subcommittee of the Occupational Health and Safety Committee. Its responsibility is to monitor and review the Lockout Policies that apply in the Harmac mill and report to the OH&S Committee.

The Lockout Committee Structure will be as follows:

- Two elected Union representatives and up to two Management representatives will be responsible for the ongoing administration of the Lockout Policies and will meet as necessary.
- Three times per year the Lockout Committee of up to three Management and three elected Union representatives, including the administrators, will meet to review the Lockout Policies and report their findings to the OH&S Committee.
- The OH&S Committee, at its discretion, can make recommendations to Management to amend the Lockout Policies.

This agreement is in effect for the term of the current Labour Agreement.

June 20, 2003

STATUTORY HOLIDAY SCHEDULES

The hours recognized for Statutory Holidays for Tour Workers will coincide with the 6 to 6 Tour Shift Schedule. On New Years Day the Statutory Holiday will commence at 6:00 PM on December 31st and end at 6:00 PM on January 1st.

The Company commits to the following during Statutory Holidays:

- 10 Hour shift dayworkers recognized statutory holidays from 7AM to 7AM the following day.
- 12 Hour shift workers recognize the statutory holidays from 6AM to 6AM the following day, except as noted above for the New Years stat holiday.

Note: The regular schedule for the employee will be established by the crew line-up for the week that includes the Statutory Holiday.

This agreement is in effect for the term of the current Labour Agreement.

June 20, 2003

VACATION ROTATION GROUND RULES

1. Individuals or group of individuals who have first choice, second choice, etc. in a vacation rotation group will have three working days to record their preference.
2. Vacations may be split over the entire year, with the exceptions as noted below:
Vacation time may not be split in July and August except:
 - (a) When split weeks or days are all that is left available during these months because all other time is filled.
 - (b) After all the individuals in a group have scheduled their vacation and there still remain times available during these months. This time will be slotted in a first come first serve basis.
3. An individual who established department or line seniority in a vacation rotation group made up of names and not job titles will be placed senior to names moved from the top of his group if seniority is established prior to January 1st. If their seniority within the group is established after January 1st, names moved from the top of the vacation rotation group will be placed in advance of their name.

4. In the event of a temporary seniority move, the person making the move retains their holiday slot in their original crew. However, if a conflict arises due to too many people off in any group at one time, the person making the seniority move has two choices:
 - (a) They take over the holidays allocated to the person they replace.
 - (b) Or, they take their choice from time left available.
5. Where an individual changes his group as a result of a seniority move within their department they assume the vacation rotation slot of the individual they have replaced.
6. After officially recording their choice of vacation time an individual may change their selection. However, they cannot bump another person, but must choose from time left available.
7. When a tour worker from the maintenance departments takes less than 1/2 week (3 days) vacation off, that individual will not be counted as one of the allotted number off for that trade.
8. Local 8 representatives and management will meet at least 60 days prior to the new vacation period in order to jointly administer the terms of this agreement.

This agreement is in effect for the term of the current Labour Agreement.

June 20, 2003

UNION DUES DEDUCTIONS

Union Dues will be deducted from hourly employees based on the following deduction schedules:

Casual Employees (employees working under 45 calendar days or 30 working days in a 90 day period)

- Union dues of 2% of Gross Earnings will be deducted each pay period.

Temporary Employees (employees employed under the Temporary Employee Agreement who work more than 45 days)

- Up to 45 days Union dues of 2% of Gross Earnings will be deducted each pay period.
- After 45 days deductions will be made based on monthly dues deductions set by the Union.

Full Time Employees (employees hired as a Full Time employee and serving a 45 day probationary period, also applies to Students hired under the Summer Student Hiring Agreement)

- Deductions will be made based on monthly dues deductions set by the Union.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

Date: February 24, 2015

FIRST AID COVERAGE

The Company will commit to work with Local 8 on continuing the existing level of coverage for First Aid that presently exists at the Harmac Pulp Mill. To accomplish this, the Company and the Union will meet to discuss any proposed changes internally or legislated that may affect this level of coverage.

This agreement is in effect for the term of the current Labour Agreement.

June 20, 2003

MEMORANDUM OF AGREEMENT

BETWEEN:

NANAIMO FOREST PRODUCTS LTD.

HARMAC PACIFIC DIVISION

AND:

PULP, PAPER, AND WOODWORKERS OF CANADA LOCAL # 8

AUGUST 29, 2008

AMENDMENTS TO THE 2003 – 2008 LABOUR AGREEMENT:

TERM OF AGREEMENT

2003-2008 Labour agreement will be extended to April 30, 2019

The Contract will be reopened one year from the date of ratification of the agreement and in each subsequent year over the term of the labour agreement for the purpose of reviewing and adjusting wage and benefit levels.

The parties will consider regional labour market comparisons including the pulp sector in the Coastal region of BC.

The following amendments will be made to the 2003-2008 labour agreement in the first year of the extended labour agreement between Pulp, Paper and Woodworkers of Canada Local 8 and Nanaimo Forest Products Ltd.

HOLIDAYS

All employees will be entitled to 3 weeks holidays (a week is 40 hours)

Collective Agreement will be amended as follows:

Article XI Section 4 (a) to read the Vacation period is January 1 to December 31 and up to January 1, 2009 Returning employees will be entitled to 1 ¼ days for each month worked.

Article XI Section 4 (c) 2 (i) will be deleted

Article XI Section 4 (c) 2 (ii) will be deleted

Full vacation entitlement will commence January 1, 2009

Vacation accrued in 2008 may be carried over to 2009 vacation year

Vacations taken but not earned in a vacation year must be repaid by the employee upon termination of their employment.

TRIGGER BONUS

Article VII Section 6 to be deleted

WEEKLY INDEMNITY

The weekly indemnity plan will be amended as follows:

- Benefits will be paid from 1st day of disability or sickness
- Payment will be at 70% of carded rate when mill absenteeism rate is 3% or less
- Payment will be at 65% of carded rate when mill absenteeism rate is over 3% but less than 5%.
- Payment will be at 60% of carded rate when mill absenteeism is 5% or over
- Benefits will only be paid for days employee would have worked
- Absenteeism rate to be reviewed quarterly and adjusted
- Absenteeism rate will be calculated on all unplanned absenteeism exclusive of L.T.D. includes all employees.

FLOATING HOLIDAYS

Article XIII will be deleted

STATUTORY HOLIDAYS

Article XII will be amended to add the following recognized statutory holidays:

1. Good Friday (24 hours) 8:00 am Friday – 8:00 am Saturday
2. Victoria Day (24 hours) 8:00 am Monday – 8:00 am Tuesday
3. BC Day (24 hours) 8:00 am Monday – 8:00 am Tuesday
4. Thanksgiving Day (24 hours) 8:00 am Monday – 8:00 am Tuesday
5. Remembrance Day (24 hours) 8:00 am Nov 11 – 8:00 am Nov 12

6. New Year's Day (24 hours) 8:00 am Jan 1 – 8:00 am Jan 2

Statutory holidays that fall on a weekend will be observed in the following manner for day workers: If Stat falls on a Saturday it will be observed on a Friday; if Stat falls on a Sunday it will be observed on a Monday.

Article XII Section 5 to be deleted (banked stats)

For the purposes of the amended labour agreement all former Pope & Talbot (active as of May 1, 2008) employees who return to work shall be exempt from Section 6 (qualifying conditions).

SENIORITY

Amend Section 2: Probationary Period

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

LETTER OF UNDERSTANDING SUPER SENIORITY

The accompanying letter of understanding will be included in the amended collective agreement.

Letter of Understanding - Hiring Preference - Draft 2

The parties agree that the provisions of this Letter of Understanding override Articles XVII and XX of the Collective Agreement in the event of any conflict between the provisions.

1. When hiring new employees, the Company will give preference to those members of PPWC, Local 8 in good standing employed by Pope and Talbot Ltd, Harmac Operations as of May 1, 2008 [or other effective date of transfer] who are shareholders of the Employee Ownership Group of Nanaimo Forest Products Ltd., in order of mill seniority at Pope and Talbot Ltd, Harmac Operations as of May 1, 2008, provided the employee has the qualifications and ability to perform the work
2. The Company will notify the Union of all vacancies arising at Nanaimo Forest Products Ltd. for the purposes of complying with section 1.
3. Despite Articles XVII and XX, in the event of crew reduction, permanent or temporary plant closure, employees hired pursuant to section 1 will be the last laid off in reverse order of seniority and the first recalled from lay-off.
4. The parties agree that Article XVII, Section 2, does not apply to employees hired pursuant to section 1.
5. Nothing in this Letter of Understanding restricts the ability of the Company to terminate or discipline for just cause.

6. Seniority for new employees who were not former Pope & Talbot employees will be determined in the following manner:

New employees who buy a share of the Harmac Employee Ownership Group (HEOG) will have seniority over new employees who do not become members of HEOG in the event of crew reduction or permanent or temporary plant closure.

COMPRESSED WORK WEEK AGREEMENT

Article XXVI

- 42 Hour work week for tour workers
- Dayshift relief positions will be eliminated
- Union is committed to updated compressed work week agreement to reflect changes when going from a 40 hour work week to a 42 hour work week for tour workers (see attached letter)

HEALTH & WELFARE BENEFITS

Local 8 will remain in the Pulp Trust with the same benefits in the collective agreement benefits payable as of April 30, 2008 under extended collective agreement.

JOINT LABOUR / MANAGEMENT SAFETY CONFERENCE

Amend Article XXVI – Safety

8. A joint labour / management safety conference of two (2) days will be held annually.
9. 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.
10. 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.
11. 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.
12. 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.

13. The planning committee shall initially meet no later than on 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.

14. The planning committee shall be comprised of the following members:

- a) One CEP Local Union member
- b) One PPWC Local Union member
- c) One CEP representative from the Regional Office
- d) One PPWC representative from the National Office
- e) One Employer representative from the employer group.
- f) One industry representative
- g) One 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 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.

LETTER OF UNDERSTANDING

PENSION BRIDGING

Pension bridging will be suspended and be reviewed on contract re-opening. In the event that the Bridging provisions are integrated into the Industry Pension plan, current employees could become eligible for the terms under the plan.

LETTER OF UNDERSTANDING

OVERTIME ACCRUALS AND TIME OFF

All overtime hours eligible for banking will be paid at double time until a payroll system can be developed by Nanaimo Forest Products to track the accrual of time off.

Local 8 will work the Nanaimo Forest Products to develop a liberalized leave of absence policy by September 30, 2008.

LETTER OF UNDERSTANDING

ADOPT THE FOLLOWING MOTION THAT WAS PASSED
ON JULY 16 AT THE SPECIAL MEMBERSHIP MEETING OF
THE MEMBERSHIP OF PPWC LOCAL #8

Motion: that PPWC, Local 8 and members of the bargaining unit, not pursue against Nanaimo Forest Products Ltd., any unpaid claims for wages, including vacation pay, union dues, benefit and pension premiums and severance under the Collective Agreement and the *Employment Standards Act* that accrued by virtue of employment by Pope & Talbot Ltd.

LETTER OF UNDERSTANDING

FORMER POPE & TALBOT EMPLOYEES
ON LONG TERM DISABILITY OR WCB BENEFITS

The parties agree that former employees of Pope & Talbot covered under the Super Seniority provisions of the Collective Agreement who are on Long-Term Disability or WCB Benefits will be eligible to return to work under the provisions of the Collective Agreement if and when they are able to return to work.

LETTER OF UNDERSTANDING

COMPRESSED WORK WEEK AGREEMENT

Local 8 commits to rewrite the compressed work week agreement to reflect the changes the will result from going from a 40 hour work week to a 42 hour work week.

LETTER OF UNDERSTANDING

UNINSURED POPE & TALBOT LTD. HARMAC EMPLOYEE D&O CLAIMS

With reference to the Asset Purchase Agreement entered into by Nanaimo Forest Products Ltd. to purchase the Harmac mill, the company agrees to carry out its obligation to pay the portion of uninsured D&O Claims for vacations and other accrued paid time off entitlements to former employees of Pope & Talbot Ltd. – Harmac Pulp Operations. Former Pope & Talbot Ltd. – Harmac Pulp Operations employees who had accrued these entitlements will be eligible to claim up to a

maximum of \$6 million dollars from Nanaimo Forest Products Ltd. after the D&O Claims have been finalized. Claims will be pro-rated if total acceptable claims exceed \$6 million. The priority of payments will be as follows:

- 1) Eligible individuals who no longer work at the Harmac mill on the date of settlement will receive payment within 6 weeks of the date the D&O Claims have been resolved and amounts owing per individual have been directed by the courts.
- 2) Eligible individuals who work at the Harmac mill and are members of the Harmac Employee Ownership Group Ltd. will be paid for any portion owing by applying the amount to the unpaid portion of their \$25,000 share ownership, or at the option of the company, a cash payment. Disbursement of cash payment will be made within 6 weeks of the date the D&O Claims have been resolved and amounts owing per individual have been directed by the courts.

LETTER OF UNDERSTANDING

SENIORITY RIGHTS HARMAC PACIFIC EMPLOYEES

New employees of Harmac Pacific – a division of Nanaimo Forest Products Ltd., who are hired under the Labour Agreement – August 29, 2008 – April 30, 2019, will commence seniority from their date of hire. These employees will have relative seniority for the purposes of recall and layoff going forward based on their seniority under the previous Labour Agreement with Pope & Talbot Ltd. – Harmac Pulp Operations 2003-2008.

Training obligations based on seniority under the Labour Agreement will not apply during the initial re-start of the Harmac mill. The parties will review a training plan for the startup of the second operating line of the mill.

Dated the _____ day of _____, 2008.

Signed on behalf of the employer, Nanaimo Forest Products Ltd. and the union P.P.W.C. Local # 8 by:

Nanaimo Forest Products Ltd.

PPWC Local # 8

STANDING COMMITTEE AGREEMENTS



MAINTENANCE VACATION SCHEDULING

Maintenance Vacations will be allocated on a rotation basis for prime time vacations. A minimum of 1 in 7 will be allowed off at one time. The Company may allow more off depending on the manning requirements for the mill.

For Shift Maintenance Positions the rotation will be made up of the 4 incumbent Tour Mechanics and a designated relief person. No more than one person from this group will be allowed off at one time. This group is excluded from the rotation group for each Trade.

On a one time basis an overlap on one week vacation will be approved for Kevin Haylett and Jack Dalziel in August of 2009. This is conditional on the shift relief mechanics are available to cover these absences.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Date: February 9, 2009

Administration Manager
Harmac Pacific

10 HOUR SHIFT AGREEMENT – DAY WORKERS

1. This agreement is in effect commencing June 1, 2009 , on a trial basis for twelve (12) months.
2. The agreement may be cancelled by either party with thirty (30) days written notice or within seven (7) days if mutually agreed to by the Union and the Company.
3. It is understood by both parties that if problems arise from the implementation of ten (10) hour shift schedule, the Union and Company will meet to discuss the problems and attempt to resolve them. Standing Committee will meet monthly to monitor the implementation of the agreement and discuss the continuation of the trial period.
4. The ten (10) hour schedule will apply to all Maintenance Day Workers. Any exceptions will be dealt with at Standing Committee.
5. The work week will be Monday thru Thursday – 7:00AM to 5:00PM daily. A Tuesday thru Friday schedule for a mini-maintenance/services crew will also be established. The 10 hour daily schedule will include three paid breaks: 9:30AM – 10 minutes; 12:00Noon - 20 minutes; 2:30PM – 10 minutes. Weekend coverage shifts, if required, will be ten (10) hour days.
6. Overtime at the rate of time and one-half will be paid for all work in excess of ten (10) hours in any one day and for all work in excess of forty (40) hours in any one week. After 10 hours work employees will be paid at time and one-half and after 12 hours worked paid at double time.
7. Language in the 2008-19 Labour Agreement that applies to change of shift and meal allowances will have eight (8) hour designations replaced with ten (10) hours.
8. Shift Differential for 10 hour Day Workers, who work outside their normal shift schedule, will be based on the schedule: 7AM to 3PM (Day Shift); 3PM to 11PM (Afternoon Shift); 11PM to 7AM (Night Shift).
9. Vacations definition: 1 week of vacations is 4 workdays = 40 hours; 1 vacation day = 10 hours.
10. Statutory holidays falling on an employee's regularly scheduled workday will be compensated at 10 hours of straight time pay. Statutory holidays falling on an employee's regularly scheduled day off will be compensated at 8 hours of straight time pay.
11. Overtime shifts on Sundays will be compensated at double time. This along with Stat Holiday compensation identified in Item #10 replaces Sunday Letter calculations, which no longer apply.
12. Leaves of Absence: Bereavement leave will be granted for an appropriate leave of absence and compensated at the employees regular straight time rate of pay for hours lost to a maximum of twenty-four (24) hours. Jury Duty compensation will not exceed ten (10) hours per day or forty (40) hours per week.

13. When an employee is injured on the job, and on the advice of a doctor, does not return to work, he will receive pay for the full shift on which he was injured to a maximum of ten (10) hours at his regular rate of pay.
14. No trades person or apprentice will be displaced from their respective trades through the introduction or implementation of the ten (10) hour shifts.
15. No employees will be laid off as a result of the introduction or implementation of ten (10) hour shifts.
16. No existing trade classification will be eliminated through the introduction or implementation of the ten (10) hour shifts. Existing apprenticeship program agreements shall not be negatively impacted through the introduction or implementation of the ten (10) hour shifts.

1st Vice President
PPWC Local #8

Administration Manager
Harmac Pacific

Date: April 21, 2009



COMPENSATION – SUNDAY LETTER

As a deferred item in the negotiation of the 2008-2019 Collective Agreement the following compensation provision will replace Sunday Letter calculation:

Tour Workers

Employees who work on the 12 Hour Compressed Work Week Schedule will receive the following adjustment:

- 1) Shift Differentials - 6AM to 6PM Shift – from 2.50% to 3.80%
- 6PM to 6AM Shift – from 4.25% to 5.55%
- 2) Overtime shifts worked on Sundays – paid @ 2X hourly rate.

Day Workers

Employees who work on the 10 hour Day Shift Schedule will be compensated under the provisions of the 10 Hour Shift Agreement – Day Workers.

Employees who work on the 8 Hour Day Shift Schedule will receive the following adjustment:

- 1) Overtime shifts worked on Sundays – paid @ 2X hourly rate.
- 2) Stat Holidays which fall on a normal day off will be reassigned to a regularly scheduled work day adjacent to the holiday.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

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1st V.P. PPWC Local #8

Date: July 8, 2009

Administration Manager
Harmac Pacific



VACATIONS & LEAVES OF ABSENCE

The purpose of this policy is to provide employees with a means of taking short term Leaves of Absence (LOA) while maintaining access to scheduled vacation time over the course of the Vacation Year (January thru December). The priority is for this to be done while allowing the Mill to operate with scheduled straight time crewing and avoid a buildup of unused vacations at the end of the Vacation Year. It is intended that all employees take their annual vacations within the prescribed vacation period. The policy will apply as follows:

Tour Workers (12 hour Compressed Work Week)

- 1) First priority is vacations taken in tours under the Vacation Rotation Ground Rules. The granting of vacations outside of the Vacation Rotation Ground Rules is on a first come / first serve basis.
- 2) Employees can choose to take 2 hours of LOA and 10 hours of vacations time applied against a Vacation Day (12 hours). The employee may also choose to take 8 hours of LOA and 40 hours of vacation time in a 48 hour vacation week.
- 3) Vacation time can be taken in single days (12 hour shifts).
- 4) Employees can carry over up to one week of vacation (40 hours) into the following Vacation Year. It must be taken by the end of following year and will be included in the scheduling which starts after Labour Day. This week is not included in the Vacation Rotation allotment for the year.
- 5) Outstanding Vacations in excess of 40 hours not taken or scheduled by August 15th will be scheduled for the employee beginning the week after Labour Day through the end of December. Scheduling will be done in a manner that provides for the required crewing and minimizes overtime costs. Hours remaining at the end of the calendar year will be carried over into the following year.
- 6) Each employee will have two shifts of Leave of Absence per vacation year were they can request time off that generates overtime as long as the request is made a minimum of seven days in advance and it can be covered by a qualified employee.
- 7) LOA can be granted by the employee's Supervisor if a replacement can be arranged without incurring overtime costs. Leaves that will result in overtime, or are greater than one tour, must be approved by the Department Superintendent.

Day Workers (8 hour and 10 hours Shift Schedules)

- 1) First priority is vacations taken in weeks (40 hours) under the Vacation Rotation Ground Rules. The granting of vacations outside of the Vacation Rotation Ground Rules is on a first come / first serve basis and can be taken in units of 1 hour. These vacations are approved at the discretion of the Supervisor. The granting of vacations that will result in overtime must be approved by the Department Superintendent.
- 2) Employees can carry over up to one week of vacation (40 hours) into the following Vacation Year. It must be taken by the end of following year and will be

included in the scheduling which starts after Labour Day. This week is not included in the Vacation Rotation allotment for the year.

- 3) Outstanding Vacations in excess of 40 hours not taken or scheduled by August 15th will be scheduled for the employee beginning the week after Labour Day through the end of December. Scheduling will be done in a manner that provides for the required crewing and minimizes overtime costs. Hours remaining at the end of the calendar year will be carried over into the following year.
- 4) LOA can be granted by the employee's Supervisor if a replacement can be arranged without incurring overtime costs. Leaves that will result in overtime or are greater than 8 or 10 hours (depending on schedule) must be approved by the Department Superintendent.

In order for this approach to scheduling to be successful, employees must plan as far in advance as possible for time off and give consideration to the impact on the organization and fellow workmates of their time off requests. Standing Committee will monitor the application of the agreement on an ongoing basis.

This agreement can be modified through mutual agreement or cancelled with 30 days notice by either party.

1st V.P. PPWC Local #8

Date: May 18, 2010

Administration Manager
Harmac Pacific



STOCK LINE - STRUCTURE

The Stock Line will be structured to create a step in the Line above the Recast / Kiln Operator position. This will allow for individuals who held Stock Line Seniority when Harmac was restarted in October of 2008, to choose not to advance into the Senior Operating jobs. The conditions that will apply to advancement in the Line are:

- 1) Stock Line personnel who held seniority in the Line on the restart of the Mill in October 2008 will have a one time opportunity to occupy the 8 positions currently at the bottom of the Line, including the Recast / Kiln Operator and Crew Utility positions. The eight shift positions will be filled on the basis of Stock Line Seniority. In the event of bumpback employees will maintain their position in the Line based on their Stock Line Seniority.
- 2) Once this re-alignment of personnel is completed advancement in the Line above the Recast / Kiln Operator positions will require the individual to meet the qualification requirements set by the company for the Operating jobs running the Digesters and Washers. Entry level positions for the Line will require applicants to meet the entrance requirements for the Stock Line.
- 3) The Crew Utility position will be required to provide relief for the Recast/Kiln Operator.
- 4) The Crew Utility position will have duties assigned outside of the Recast / Kiln Area as required, in order to support the operation of the mill.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: June 4, 2010



MILL SERVICES CREW

The Mill Services Crew is to provide support services for Operations and Maintenance in the following areas: mobile lifting equipment, transport of mill waste, management of mill Dump Site, Vacuum Truck operation, transport of materials, Snow removal, and cleanup and maintenance of the general millsite. Crew members must be proficient on all the equipment and develop the skills necessary for achieving the scope of work required of the Crew.

In order to transition the Crew with the existing incumbents, D. Senini and D. Potvin will not be required to achieve qualifications on the operation of mobile lifting equipment. They will remain responsible for all other duties associated with the Crew. All other crew members and any individuals entering the Crew in the future must meet all the requirements for the Department.

To accommodate the crew transition the mill will attempt to source a qualified crane operator to enter the Crew below the Mill Services Coordinator Position. This individual will provide relief for the Coordinator as required. Line seniority rules will apply to this individual for crew reductions purposes.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: December 3, 2010



MAINTENANCE/SERVICE CREW COORDINATOR

Crew Coordinator positions are designed to support the effective delivery of Maintenance & Services to the mill. These positions will vary depending on the role defined for the position and the scope of responsibilities and duties developed for each position. The Coordinator positions fall into three categories;

- 1) Supervisory Relief when Supervisor absent or when determined by the General Maintenance Superintendent that the Coordinator is undertaking the full scope of Supervisor responsibilities.
- 2) Daily direction of a crew under minimal supervisory direction.
- 3) Daily coordination under the direction of a Supervisor on site.
- 4) Overseeing defined projects requiring coordination & supervision.

1) Maintenance/Service Crew Coordinator – Supervisor Relief

In the absence of the direct Maintenance/Service Crew Supervisor the Coordinator will report to the Department Superintendent and will be responsible for the following duties:

- Oversee the maintenance activities in the Area through coordination with the Area Production Supervisor.
- Attend the daily Maintenance Planning meetings to coordinate maintenance activities in the mill.
- Plan and organize the work activities of the Maintenance/Service Crew under their direction to ensure the Safe and efficient performance of the work being carried out.
- Become familiar with Maintenance/Service Systems and develop this knowledge and skills with members of the crew.
- Become knowledgeable in all procedures, practices, and regulations associated with work activities in their Area of work.
- Source parts, supplies, and services to enable the efficient performance of maintenance/service work.
- Carry out administration responsibilities required to support the functioning of the Crew.
- Provide leadership in trouble shooting and problem solving involving operating equipment in their Area.
- Record and authorize crew members work time on a daily basis.
- Manage the manning for the crew on a daily basis and approve time off requests through the Maintenance Administrator.
- Be available for call ins in the event of mill breakdowns in their Area and coordinate crewing.

Compensation for this position would be employee's job rate + 10% = Hourly Rate

2) Maintenance/Service Crew Coordinator – Limited Supervision

This position will support the day to day operation of a Maintenance/Service Area in the mill under the general direction of the Area Maintenance/Service Supervisor.

- Organize maintenance/service activities in the Area under the general direction of the Area Maintenance/Service Supervisor.
- Become familiar with Maintenance Systems and develop this knowledge and skills with members of the crew.
- Become knowledgeable in all procedures, practices, and regulations associated with work activities in their Area of work.
- Oversee the coordination of all maintenance/service jobs in their area including coordination with Operations, Support Services, supply of materials, and oversight of the crew working on the job.
- Participate in carrying out hands on maintenance/service functions associated with work in their designated Area of responsibility.
- Provide leadership for the crew in the safe and productive performance of maintenance/service activities.
- Undertake tasks assigned by the Area Maintenance/Service Supervisor to support the efficient and effective operation of their Department.
- Develop the knowledge and skills necessary to provide Supervisor Relief.
- Report to the Area Maintenance/Services Supervisor extraordinary issues.

Compensation for this position will be the employee's job rate +5% = Hourly Rate.

3) Maintenance/Service Crew Coordinator – Under Direct Supervision

This position will support the day to day operation of a Maintenance/Service Area in the mill under the direction of the Area Maintenance/Service Supervisor.

- Organize maintenance/service activities in the Area under the direction of the Area Maintenance/Service Supervisor.
- Become familiar with Maintenance Systems and develop this knowledge and skills with members of the crew.
- Become knowledgeable in all procedures, practices, and regulations associated with work activities in their Area of work.
- Oversee the coordination of specific maintenance/service jobs including coordination with Operations, Support Services, supply of materials, and oversight of the crew working on the job.
- Participate in carrying out hands on maintenance/service functions associated with the job(s) assigned to them.
- Provide leadership for the crew in the safe and productive performance of maintenance/service activities.
- Undertake tasks assigned by the Area Maintenance/Service Supervisor to support the efficient and effective operation of their Department.
- Develop the knowledge and skills necessary to provide Supervisor Relief.

Compensation for this position will be the Working Foreman's rate in the Collective Agreement.

4) Maintenance/Service Crew Coordinator – Projects

These positions will be assigned for specific projects that are undertaken at the mill. The scope of the assignment will depend on the nature of the project undertaken and degree of responsibility given to the Coordinator. The degree of responsibility will be determined under one of the 3 Coordinator levels and compensation will apply according to this designation.

Conditions that apply to Coordinator Positions

- 1) Current Coordinators will maintain their existing positions on the Crews that they are assigned to.
- 2) Vacant Full Time Coordinator positions will be offered by seniority to qualified individuals by Maintenance/Service Department Seniority.
- 3) Coordinators on accepting a position must remain in the position to a two year period. Any exceptions to this must be modified through Standing Committee.
- 4) Temporary Coordinator positions will be filled by Maintenance/Service Department seniority from the Maintenance/Service Area to qualified individuals. In the event that the position cannot be filled it will be referred to Standing Committee.

Either party may suspend the application of this Understanding with 60 days notice.

Grant Brebber
Administration Manager

Les Hillier
1st V.P. President PPWC Local 8

GGB
July 8, 2013 (Revised)



LINE CHOICE PROCEDURES – PULP OPERATIONS

The purpose of this agreement is to define the procedures that will apply to the assignment of Line Choices in the Pulp Operations Department. The intent of Line Choices is to identify employees in order to provide training and development for succession in the Lines of Progression. The following guidelines will apply:

- 1) Line Choices in the following Lines of Progression will be determined by Standing Committee:

Fiber Line Stock Line Bleach Line Machine Line Driving Line

- 2) When a Line Choice becomes available it will be offered, in order of Mill Seniority, to employees who hold a position in the mill Labour Pool and do not currently hold a Line Choice.
An employee who wishes to be eligible for a Line Choice offer must reside in the Labour Pool at the time that the Line Choice offer is made. If they hold seniority in a different Department they must transfer into the Labour Pool by completing a Job Transfer Request. The date of the Job Transfer Request will determine their relative seniority in the Labour Pool for eligibility for Line Choices. A transfer to the Labour Pool will be made at the earliest convenience considering replacement of the employee in their current department.
- 3) If an employee wishes to give up their current Line Choice and be eligible for Line Choices in other Lines they must rescind their Line Choice and move to the Labour Pool, if they currently occupy a Carded Position in a Line of Progression. If they reside in the Labour Pool they must rescind their Line Choice.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: April 1, 2011



UNION DUES & BENEFIT DEDUCTIONS – EMBA PLAN

Employees collecting EMBA Benefits who are required to pay Union Dues and Benefit Plan deductions will have these deductions applied on the normal payroll deduction schedule. The deductions will be applied to earnings from the Regular Hourly Payroll first and then EMBA benefit payments, if there are inadequate funds available from the regular payroll.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: August 9, 2011



TEMPORARY EMPLOYEE AGREEMENT

Harmac Pacific will designate certain Temporary Employment positions based on manning requirements under the terms of this Agreement:

Conditions of Employment for Temporary Employees:

- The temporary positions will be designated by the Company and agreed to by the union for a designated period of time. The duration of the designated period can be extended through mutual agreement. Employees under the Temporary Employee category will have limited rights under the Collective Agreement as defined in this Agreement.
- Employees in this category will have relative seniority to each other for the purposes of termination of employment to others in the same category i.e./ Specific Trade or Certification (Trade Qualification, Power Engineer Certification, First Aid Attendant Ticket, etc.) and Operator qualification.
- Temporary Employees will pay union dues as identified under the Collective Agreement and make contributions to the P&P Industry Pension Plan.
- Temporary Employees will be entitled to limited Benefit Plans on completion of the Probationary Period under the Collective Agreement. Upon qualification the Temporary Employee will be entitled to MSP and Short Term Disability (EMBA). After 6 months of continuous employment the temporary employee will be entitled to enroll in the Health & Welfare Plan for the remainder of benefits including; Group Life, AD&D, LTD, Dental, & EHB.
- Benefit plans will terminate on the last day of the Temporary work assignment. If there is a break of over two weeks of employment the temporary assignment will be terminated.
- Temporary Employment status gives no rights to future employment under the terms of the Collective Agreement.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: December 22, 2011

Temporary Employee Acknowledgement of status of employment under this Agreement.

Temporary Employee Name

Signature

Date



DAY SHIFT UTILITY – STEAM PLANT

The Day Shift Utility position in the Steam Plant will work on a 7 day shift rotation, 4 on 4 off, 6AM to 6PM. The position is the entry level position for the Steam Plant Line of Progression.

With the introduction of the position, there will be one time opportunity for existing Operators in the Steam Plant Line, who hold a ticketed 3rd or 4th Class carded job, to post into these 2 positions. Subsequent openings in the Line will be filled at the entry level through the Job Posting Agreement.

Overtime allocation to the Day Shift Utility positions will be done in the following manner:

- 1) If overtime is required in the Line the call will be made for the original vacancy.
- 2) D/S Utility Incumbents will be the primary call for the D/S Utility position.
- 3) Middle two days off will be designated on the Primary Crew and will be called last on an OT callout.
- 4) First and last days off will be designated on the Secondary Crew and will be called last on an OT callout.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: July 3, 2012



RELIEF COVERAGE – SR. UTILITIES ENGINEER

During the transition to providing relief for the Sr. Utilities Engineer position with qualified 3rd Class Power Engineers, the following procedure will be applied:

- 1) Qualified 3rd Class Power Engineers in the Steam Plant Line of progression will provide relief into the Sr. Utilities Engineer position when required through normal progression in the Line.
- 2) In the event that a qualified named incumbent in #1 Recovery Assistant position is on the same crew, they will be compensated the Sr. Utilities Engineer rate for all hours worked by the 3rd Class Engineer providing the relief into the Sr. Utilities Engineer position.
- 3) If a qualified 3rd Class Engineer is not available to provide relief into the Sr. Utilities Engineer position the relief will be provided by qualified 4th Class Power Engineers through a normal progression in the Line.
- 4) The named incumbents will be first call for overtime to fill the Sr. Utilities Engineer job ahead of junior qualified 3rd Class Engineers in the Line.

Name incumbents eligible under this agreement: M. Heppell, C. Vanpel, B. Clark, & C. MacPherson.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Date: September 10, 2012

Administration Manager
Harmac Pacific



MAINTENANCE TRADES OVERTIME ALLOCATION

The purpose of this agreement is to create a process to fairly allocate maintenance overtime work opportunities to qualified employees. The priority is to carry out supplementary work demands as efficiently and economical as possible to support the operation and productivity of the mill.

For the purposes of overtime allocation employees with Super Seniority will be given priority to access overtime if they have the qualifications required under this agreement.

Tradesmen without Super Seniority will have their seniority recognized as the junior person in the Trades Department for all allocations of overtime.

The following guidelines will apply to supplemental overtime work assignments:

A. Overtime Assignments – Carryover Jobs

- 1) Regular Maintenance employees with Super Seniority, who are working on jobs that carry over beyond their regular work day, will be given the first opportunity to carry on with the work to maintain the continuity and efficiency of completing the job as quickly and economically as possible.
- 2) If additional labour is required on carry over jobs the regular employees in the Maintenance Area with Super Seniority will have the first opportunity to volunteer for the work if they are the core trade required. This will be offered by Department Seniority.
- 3) In the event that the work goes beyond the resources of the Area Maintenance Crew the work will be offered to the senior qualified Maintenance employee as follows:
 - a. Employees in order of Trade Department seniority.
 - b. If required to go beyond employees in the Trade Department the work will be offered to qualified employees on the Maintenance Overtime Assignment List.
 - c. Employees working under the Temporary Employment Agreement will be positioned at the bottom of the list. In the event that overtime is offered to Temporary Employees it will be reviewed with the Union Executive in advance.
 - d. It is expected that crew members cooperate with supervision to provide necessary coverage and facilitate effective crewing by providing notice if they will not be available for overtime calls for periods of time including Vacation periods. If an employee wishes to

not receive calls they must fill in an Overtime Call Exclusion Form and submit it to their Supervisor. Employees will be excluded from the call lists for the periods they identified.

B. Overtime Assignments – Project and Pre-scheduled Jobs

- 1) Overtime assignments for Project or pre-scheduled work will be offered by Seniority and qualifications for the work that is required by Trade qualification that is core to the job assignment. The work will be offered in the following order:
 - a. To employees in the Maintenance Area where the work is being done who hold Super Seniority.
 - b. To employees by Trades Department Seniority.
 - c. To employees in order of Maintenance Department seniority listed on the Maintenance Overtime Assignment List.

C. Overtime Assignments – Callins for Breakdowns

- 1) Overtime call-ins for breakdowns will be offered in the following order:
 - a. To the primary trade involved in the work from the Maintenance Area who holds Super Seniority.
 - b. To the primary trade by Trade Department seniority.
 - c. Apply steps A. # 2 & A. # 3.
 - d. Dayworkers who are scheduled to cover tour work on a relief basis will be removed from their Area Maintenance callin if the coverage period is known to be 4 consecutive 12 hour shifts or more. The period will include 8 hours in advance of their scheduled shift coverage until the completion of the shift coverage period. For instances where the shift relief duration is unknown the exclusion for Area Maintenance overtime will commence when the coverage duration reaches 4 – 12 hour shifts and remain in place until the end of the shift coverage period. Tradesmen that are deemed to be shift workers under this provision will become primary shift coverage relief under the 12 Hour Compressed Workweek Agreement.

D. Shift Mechanics Access to Overtime Assignments

Mechanics assigned to regular shift coverage will be included in overtime assignments based on their regular shift schedules on the following basis:

- During their scheduled days off they must have an 8 hour break between scheduled shifts.

- Shift Mechanics are eligible for overtime callins or carryover for breakdowns under this agreement - 4 hours in advance of their scheduled shift and extended overtime for 4 hours at the end of their scheduled shift.
- In the event of coverage requirements for Shift the shift Tradesmen (Primary / Secondary Crews) will be the first call if it requires overtime to cover the shift. (Reference Compressed Workweek Agreement)

E. Overtime Assignments on Stat Holidays

On Stat Holidays overtime assignments will be made as follows:

- a. Mill Seniority by Trade will replace Department Seniority in the application of overtime assignments under this agreement.
- b. Shift coverage on Stat Holidays requiring overtime assignments will follow the Compressed Work Week Agreement for the assignment of work.
- c. Pre – scheduled relief assignments to cover shifts on Stat Holidays will follow the normal procedure of assigning coverage.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: July 11, 2016 (revised)



Steam Plant Line of Progression - Qualification Progression

This agreement outlines the qualification progression requirements for employees entering the Steam Plant Line of Progression as a 4th Class Power Engineer or Trainee.

Program Requirements:

- Trainees entering the program must acquire their 4th Class Ticket within twelve months after being assigned a carded position in the Steam Plant Line of Progression. They must complete Part A or B of the program including; the BCIT correspondence program and writing and passing the BC Safety Authority examination in the first 6 months. The remaining Part must be completed in the second 6 months. Failure to complete either Part in the timeframe identified will result in the trainees' removal from the Steam Plant Line of Progression and assignment to the Mill Labour Pool.

If the Trainee acquires their 4th Class Ticket while in the D/S Cleanup/Trainee position they will start their 3rd Class progression when they are assigned to a shift position.

- Employees in the program, who have their 4th Class ticket and are in a shift position, must acquire their 3rd Class Ticket within 18 months after receiving their 4th Class ticket. For trainees that complete their 4th class program in less than 12 months, the extra time may be added to the 18 months for them to complete their 3rd Class program. If the individual wants to use this time they must apply to the Committee prior to the expiry of the section they wish to extend.
- Individuals working on their 3rd Class Ticket must complete one of the four sections of Parts A & B, including writing and passing the Safety Authority test within; 4 months – first section; 4 months – second section; 6 – months 3rd section; 4 months – 4th section. Failure to complete any of the sections in the timeframe identified will result in the individuals' removal from the Steam Plant Line of Progression and assignment to the Mill Labour Pool.
- Progress of individuals in training progression will be monitored during every section of their training program by a Joint Committee appointed by Standing Committee. In the event that the required progress is not being made the individuals status in the program will be review to determine if they will be allowed to remain in the program.

- The Joint Committee will consider requests for educational support to upgrade towards higher level Power Engineering certification.
- Extensions to the program's progression requirements will only be made if there are extraordinary circumstances (schooling limitations / health restrictions / family emergencies). Extension requests must be recommended by the Joint Committee and submitted to Standing Committee for approval.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 day's notice.

Les Hillier
1st V.P. PPWC Local #8

Grant Brebber
Administration Manager
Harmac Pacific

Date: November 11, 2013 (Revised)



TEMPORARY JOB POSTING AGREEMENT

The Temporary Job Posting Agreement is intended to provide temporary replacement for vacancies that occur in posted jobs. The following rules will apply to the filling of temporary vacancies:

- This agreement applies to the following posted jobs:
 - Mill Services Crew
 - Mill Stores
 - Cleanup
 - Mill Water Supply Attendant
 - Oiler
 - Janitors
 - First Aid / Security
- The temporary vacancy must exceed 60 calendar days. Periods of absence that create the vacancy include; sickness, WCB, and leave of absence.
- Employees are only allowed to hold one temporary job posting at one time.
- The senior qualified applicant for the posting will assume the position for duration of the job (i.e./ no 30 day trial period) and remain in the temporary posting for the minimum duration identified:

Mill Services Crew	- 18 months	Oiler	- 24 months
Mill Stores	- 18 months	Janitors	- 12 months
Cleanup	- 12 months	First Aid / Security	- 18 months
Mill Water Attendant	- No minimum		

Any time after the minimum period has expired the employee may give up the posting. The vacancy will then be re-posted under this agreement.

- The posted person will retain seniority in their current department and return to their former job when the temporary assignment ends.
- The posted person will be assigned to future temporary openings in the job that exceed 30 calendar days. The company may recall the person to the position for shorter duration at their discretion.
- The person posted to a temporary position will be offered the next permanent position in the posted department. If they turn down the position they lose their seniority status in the posted department.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: April 10, 2013



Composite Training Rate Agreement

The purpose of this agreement is to provide a method to account for the loss of regularly scheduled earnings for employees who are moved from the 12 hour shift compressed work week schedule to day shift training program schedules. The method of calculation of the composite training rate is based on the following principles:

Calculation is based on 8 week Compressed Workweek Schedule rotation.

Week	1	2	3	4	5	6	7	8	Avg
Hours	36	48	48	48	48	36	36	36	42
Sun	1	1					1	1	4

- Day shift training schedules will be 42 hour workweeks
- Consider all Sundays in averaging period are work days.

Over 8 weeks at a 42 hour average	-	336 S/T hours worked
16 OT hours (42 hr workweek)	-	8 Equivalent S/T hours
4 Sundays worked during the 8 weeks	-	<u>24</u> Equivalent S/T hours
Straight time equivalent hours		368

% Gross up calculation

- use \$28 / hour for sample calculation
- use 8 weeks averaging

368 Straight Time Hours Equivalent X \$28/hour	=	\$ 10,304
336 Work Hours X \$28/hour	=	9,408

$$\% \text{ Calc.} \quad \frac{\$ 10,304 - \$ 9,408}{\$ 9,408} = \frac{\$ 896}{\$ 9,408} = + 9.5\%$$

Shift Differential Calculation

Based on one half day shifts / one half night shifts

Day Shift	3.8%	X	\$28.07 (Base Rate)	=	\$1.067/ hour
Night Shift	5.55%	X	\$28.07 (Base Rate)	=	<u>\$1.558 / hour</u>

$$\$2.625/ \text{ hour} \times .5 = \$1.31$$

Summary Calculation of Composite Rate

Composite Training Rate = (Job/Card Rate X 1.095) + \$1.31

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days' notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: April 10, 2013



Pulp Production Training Program Agreement

To facilitate the implementation of the Pulp Production Training Program the following guidelines will apply to the assignment of Operators to structured training:

- 1) Structured training will occur either on a dayshift schedule from 7AM to 5:00PM Monday thru Friday or Tuesday thru Friday. The remaining 2 hours of the 42 hour work week can be scheduled weekly between the Supervisor & Trainee.
- 2) The trainee will come under the direction of the Area Supervisor for the purpose of supervision, programming of the training to be undertaken, and evaluation.
- 3) The trainee will be compensated at the rate of the job two down the Line of Progression from the job they are being trained for, or their card rate, whichever is greater. The training rate for the employee is determined by the Composite Training Rate Agreement.

Composite Training Rate = (Job/Card Rate X 1.095) + \$1.285

This rate reflects the loss of earnings that would be incurred by being removed from the Compressed Workweek Schedule, including Sunday time and Shift Differentials.

- 4) It is expected that once an employee is assigned to the dayshift training schedule they are not to be absent for any extended periods of time that would interrupt the progress of training. Short durations of absence are acceptable through the approval of the Area Supervisor.
- 5) In the event that a Statutory Holiday falls within the dayshift training period the trainee will have the option to return to the Line of Progression for the day and their work week schedule will be adjusted to reflect the change in the schedule.
- 6) During the dayshift training period the employee will be removed from the overtime call in procedure. They will only be available on their scheduled days off (i.e. / Friday, Saturday, Sunday day shift) as the last call for overtime to cover a vacancy.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days' notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: April 10, 2013



CALCULATION OF VACATION PAY

The vacation pay calculation under the Labour Agreement will take place after the completion of the Vacation Year based on the following rules:

- 1) The Vacation Year for vacation pay purposes and time off entitlements will commence with the beginning of the first pay period that is **paid** in the new calendar year. This is intended to comply with Revenue Canada remittances for the taxation year.
 - For 2014, the vacation year will start on December 22, 2013, which is the start of the first pay period of the 2014 vacation year.
- 2) The Vacation Year for vacation pay purposes will end on the last day of the last pay period that is **paid** in the calendar year.
 - For 2013, the vacation year will end on December 21, 2013, which is the end of the last pay period of the 2013 vacation year.
- 3) The vacation pay formula will apply as follows:

$$(\text{Gross Vacation Pay Earnings} \times \text{Vacation Pay \%}) - \text{Vacation Pay Paid} = \text{Vacation Makeup Pay}$$

- 4) The Vacation Pay Makeup amount will be paid within three pay periods after completion of the Vacation Year.
- 5) In order to minimize the impact of Card Rate changes on the Vacation Pay Calculation the annual compensation review under the Labour Agreement will occur on the first day of the Vacation Year.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: July 9, 2013 (revised)



STEAM PLANT CREW COORDINATOR

The Steam Plant Crew Coordinator positions are designed to provide development opportunities for 3rd Class Power Engineers and support relief and succession requirements for Steam Plant Shift Supervision.

Access to Coordinator Position

Coordinator positions will be posted with the initial screening process being carried out by the Administration Manager and the President of PPWC Local #8. The steps in the process will be:

- 1) Applicants must have a 3rd Class Power Engineer Certification and be willing to enroll in the 2nd Class Power Engineer program.
- 2) Applicants will go through a 3rd Party assessment for evaluation of their suitability for the role of a production supervisor. Following the assessment the candidate will have the opportunity for feedback on the results of the assessment. If the assessment does not support progression the applicant will not proceed in the selection process.
- 3) The next step is a review with the candidate by the committee responsible for the assignment and permitting of coordinators. If successful at this level the applicant will enter the training and development process to become qualified as a Steam Plant Crew Coordinator. At this point they must be registered in the 2nd Class Power Engineer program and complete their first paper within 3 months of being selected. As they advance through the course their progress will be monitored by the selection committee to ensure that they will meet the requirements of the permit. Failure of making the required progress will result in their removal from the Coordinator position.
If there are more than one applicant applying for a position the senior qualified applicant by Department Seniority will receive the posting.
- 4) After being deemed qualified the Coordinator will be assigned relief responsibilities for shift coverage on Steam Plant operating crews.
- 5) Rate of pay for the position will be the Sr. Assistant Shift Engineer rate plus 10%. After achieving qualification as a 2nd Class Power Engineer and if they continue to fill the Coordinator position they will receive their card rate plus 5%. This amount will replace the ticket bonus under the Labour Agreement.

Seniority Status of Coordinators

The Coordinator will retain their seniority status in the Steam Plant Line of Progression when they are performing Supervisor relief functions and return to their Line position once the assignment is completed.

Qualification for Line Positions

The certification of Coordinator's as 2nd Class Power Engineers will not give them preference to the Sr. Assistant Shift Engineer position. The position is currently a 3rd Class position and will remain so unless there is a regulatory requirement to fill the position with a higher level certification.

Option to leave Coordinator Position

In the event that a Coordinator wishes to leave the position they will be required to give 30 day's notice. During this period they will continue to provide relief as required into the Steam Plant Shift Supervisor position.

Coordinators Scope of Responsibility

Steam Plant Coordinator will be responsible for carrying out the job responsibilities described in the Steam Plant Shift Supervisor job description.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

Grant Brebber
Administration Manager

GGB (11/12/13)

Les Hillier
1st V.P. President PPWC Local 8



CONTINUITY PAY AGREEMENT

A Maintenance employee called in on an emergency job and who commences this work two hours or more, prior to the start of his regular shift, will continue to receive overtime rate of pay until the job is completed. This provision only covers his first regular shift following the call-in.

This agreement can be modified at any time through mutual agreement or cancelled by either party with 30 days notice.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: March 27, 2014



SUPER SENIORITY

This document identifies the conditions that apply to the definition of Super Seniority in the **Letter of Understanding – Super Seniority**, in the 2008 – 2019 Labour Agreement.

Application of Super Seniority:

- A Full Time Employee establishes Super Seniority when they sign a Subscription Agreement and remit their first installment of \$10,000 towards the purchase of a \$25,000 investment in shares of the Harmac Employee Ownership Group Ltd. (HEOG) Company. (The definition of Subscription Agreement applies to both the Subscription Agreement and the Share Purchase Agreement that replaces it for the transaction of Shares.)
- If the employee fails to complete the conditions of the Subscription Agreement they will no longer have Super Seniority.
- If a Full Time Employee declines the one time offer to subscribe to HEOG shares they will not establish Super Seniority under the Labour Agreement.
- Full Time Employees who do not obtain Super Seniority will be bypassed for all applications of seniority under the Labour Agreement by Full Time Employees who acquire Super Seniority. They will have relative Mill Seniority to other Full Time Employees who do not have Super Seniority based on their employment date under the Labour Agreement.
- The general applications of seniority that will be affected include; layoff and recall, promotion and demotion in Lines of Progression, access to posted jobs, access to Maintenance Shift positions and priority in accessing overtime. Any and all current or future applications of seniority under the Labour Agreement will fall under this definition.

This agreement applies for the duration of the current Labour Agreement 2008 – 2019.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: August 11, 2014



MEAL TICKET ALLOWANCE

This document identifies the conditions that apply to the definition of Meal Ticket Allowance with reference to **Article VI – Hours of Work, Section 5: Meals**, in the 2008 – 2019 Labour Agreement.

Employees who are eligible for a meal under Section 5: Meals have the option of accepting a Meal Ticket Allowance of \$18. The meal allowance will be approved by the employee's supervisor and applied through the pay system to their by-weekly pay.

This agreement applies for the duration of the current Labour Agreement 2008 – 2019.

1st V.P. PPWC Local #8

Administration Manager
Harmac Pacific

Date: December 17, 2014