

Memorandum of Agreement

Between:

Communications, Energy and Paperworkers Union

Local 456



– and –



Kruger Products L.P. – Western Manufacturing

31 October, 2012

Both parties agree to recommend ratification of this agreement without reservation.

Renew all Letters of Understanding and agreements within the local Statements of Policy unless amended by the Parties to the Labour Agreement.

Article I – General

1 – Add new Section 5 as follows:

The Company shall remit to the Union not less than once each calendar month, amounts deducted from the employees' wages in respect of initiation fees and regular union dues.

Article IV - Duration and Amending Procedure

2 – Amend Section 1

Amend the Labour Agreement for a renewal period of five (5) years.

Article VII – Wages

3 – Section 1 Wage Scale:

Upon the date of ratification a lump sum payment of \$3,750.00 for all active employees.

Effective May 1, 2013 a lump sum payment of \$3,750.00 for all active employees.

Payment shall be made as soon as practicable, no later than May 31st.

Provide a general wage increase as follows:

Effective May 1, 2014 2%

Effective May 1, 2015 2.5%

Effective May 1, 2016 3%

Note: Employees will have the option of directing the lump Sum payment into a Tax Free Savings Account or RRSP of their choice, or receive payment on a separate cheque.

Article X – Call Time

4 – Amend Section 1 as Follows:

Delete (c).

Article XV – Vacations

5 – Amend Section 4 as Follows:

New (k) Employees who qualify for vacations under (c), (d), (e), (f) or (g) may at their option elect to forfeit one (1) week of vacation, subject to the Employment Standards Minimum, and be paid the vacation pay they would have received in lieu of the week of vacation.

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

Article XVIII – Special (Personal) Floating Holidays

6 – Section 1: Floating Holidays Recognized amend:

Increase from five (5) Special Personal Floating Holidays (SPFH) per contract year to six (6) SPFH per contract year.

It is agreed that this sixth SPFH day is in lieu of Family Day. Should there be a legislated change removing Family Day as a statutory holiday, this sixth SPFH will be revoked.

Article XX – Job Elimination

7 – Section 5 Severance amend as follows:

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

Years of Employment	Severance Allowance	
	Weeks per Year of Service	Severance Allowance
1st Twenty (20) Years	2	4%
Subsequent Years	1	2%
Maximum Severance Allowance	52 Weeks*	2080 Hours

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

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

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

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

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

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

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

Exhibit "C" Welfare Plan

8 – Add new Section 12 as Follows:

Joint Union – Management Welfare Committee

The Union Welfare Committee shall be appointed and shall meet with the Management Welfare Committee with respect to questions that may arise concerning the operation of the Welfare Plan. If there is only one Union in the Mill, the Union Welfare Committee shall consist of not less than two (2) and not more than three (3) members: if there are two unions in the mill it shall consist of not less than three (3) nor more than five (5) members, it being agreed that such committee members shall be selected by the Union or Unions concerned from the participating employees who are working in the mill at the time of appointment to and while serving on the committee. The Company shall appoint a Management Welfare Committee consisting of not less than two (2) and not more than the aggregate number of members of the Union Welfare Committee.

The function of the committee will be to review the operations of the Plan and to permit the committee to ensure compliance with the terms and conditions of Exhibit "C". The Company agrees to furnish to the Committee such reports as the Committee may require.

SCHEDULE 1 WELFARE PLAN

9 – Amend Schedule 1 Welfare Plan as Follows:

(a) Group Term Life Insurance & Accidental Death or Dismemberment Insurance amend as follows:

Increase the Group Life and AD&D benefit levels in accordance with the percentage of wage increases in 2014, 2015 and 2016 of the renewed Labour Agreement.

(b) Non – Occupational Accident and Sickness Insurance amend as follows:

The Welfare Plan will include Non – Occupational Accident and Sickness Insurance that will provide a benefit of sixty two percent (62%) of the employee's regular job rate.

(c) Non – Occupational Accident and Sickness Insurance amend as follows:

Increase the cap to \$925.00 for the first three years (3) and increase the cap in years four (4) and five (5) of the renewed labour agreement in accordance with the general wage increases.

(d) Extended Health Benefits amend as follows:

Increase Vision Care to \$400.00 and provide for the use of this for Eye Exam and Laser Surgery Procedure.

Hearing Aids remove the limitations to only children

DENTAL CARE PLAN

10 – Section 1 Benefits (i) Orthodontics amend as follows

The maximum lifetime benefit is \$4,000.00 per person for all services provided by an Orthodontist.

Note: All these increases to Health and Welfare benefits shall take place on the date of ratification.

Ratification Incentive

11. The Employer will provide a lump sum payment of \$15,000 upon successful ratification of the renewed Labour Agreement to CEP Local 456.

LOCAL AGENDA ITEMS

12. Renew all Local Letters of Understanding and all Agreements within Local Statements of Policy except for the following:
- (a) * Cancel Section XI SOP – Letter of Understanding Summer Student Policy
 - (b) * Cancel Section XI SOP – Letter of Understanding Weekend Student Policy
 - (c) Cancel Section XI SOP – Letter of Understanding Long Term Disability – Adjustment – March 21, 1995
 - (d) * Cancel Section III – Greenwood/Woodroom

Section XI SOP – Letter of Understanding Relief Supervision by Hourly Employees – Add a paragraph to read “relief supervisors will not be required to perform the role of Mill Supervisor.”

* letters attached as agreed.

SCHEDULE 1 WELFARE PLAN

13 – Insert under Section (H): Long Term Disability Plan

Integration with other disability income

The following language will apply to all new LTD claimants following the date of ratification:

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

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

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

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

Day Trades Lead Hand Rate

14. Day Trades Lead Hand rate shall be \$2.00 above the regular journeyman rate.

Coveralls for Millwrights

15. Increase coverall allowance for Millwrights from five (5) to six (6) sets of coveralls.

Wage Scales of Eliminated Jobs

16. Removal of all job categories from Collective Agreement under wage scale that were eliminated on March 7, 2012. It is agreed by the Parties that should any of these retired assets be restarted that the step value in effect when the machine was previously running would be reinstated.

Safety Shoes

17. The Company to provide reimbursement of 75% of costs for Safety Shoes to a maximum of \$225.00.

Overtime Meals

18. The Company will make arrangements to provide overtime meal delivery to K5.

EFAP

19. EFAP – Increase amount from \$350.00 to \$500.00 that employees can apply to counseling or any other programs that may benefit them.

Contracting Out of PMDs

20. Contracting Out – The Company will commit to CEP Local 456 that they will sit down with the CEP Local 456 Contracting Out Committee no later than three months after ratification to discuss the issue of contracting out the making of PMDs.

Rates When Moved from Regular Job

21. Exhibit D: General Rules for Guidance: Rates when moved from regular job (c)

It is agreed that this language does not apply to work related to an employee's job or their machine.

Materials Handling Call-in Confirmation

22. Amend Statement of Policy – Section VII to change the cut-off time for a call-in from “11pm the previous night” to “5pm the previous night”.

Mill and Department Postings

23. Following ratification, the parties commit to meet to discuss issues pertaining to posting restrictions.

Annual Vacation Payout

24. Article XV Vacations, Section 4 (c) (ii) (i)
Collective Agreement language remains unchanged.
Delete SOP: Section X – Miscellaneous – Pay G. Annual Vacation Pay.
Clarification: The start of the vacation year is the only time employees may receive all or part of their pay in advance.

For the Company:

Chris Hayes

AR

Patrick

For the Union:

Mark Boyd

Scott Dehert

Chris Hayes

Robert

Don B

Letter of Understanding


2012 Memorandum of Agreement

31 October 2012

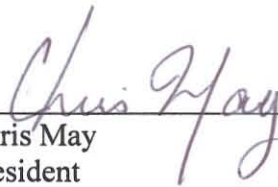
Re: Local Agreements Concerning Groundwood / Woodroom

Due to the Job Eliminations announced March 7, 2012 and occurring on August 31, 2012 and the resulting closure of the Groundwood and Woodroom operation at the New Westminster mill, the parties agree to cancel the local Statements of Policy Section III: Groundwood / Woodroom.

Notwithstanding the foregoing, should the Employer recommence either of its Groundwood or Woodroom operations, the local Statements of Policy Section III Groundwood / Woodroom will be reinstated.



Jack Fulton
Operations Support Manager
Kruger Products L.P. (New Westminster)



Chris May
President
C.E.P. Local 456

Letter of Understanding

2012 Memorandum of Agreement

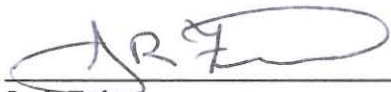
31 October 2012

Re: Summer and Weekend Students Policies

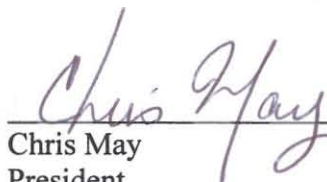
Due to the Job Eliminations announced March 7, 2012 and occurring on August 31, 2012; students will not be employed while bargaining unit members with recall rights are available and willing to work. The parties agree to cancel the following Statements of Policy:

- Section XI: Letter of Understanding – Summer Student Policy
- Section XI: Letter of Understanding – Weekend Student Policy

Notwithstanding the cancellation of the Letters of Understanding dealing with Summer Student Policy and Weekend Student Policy, if in future there are no bargaining unit members on layoff with recall rights and who are willing to work then summer and/or weekend students will again be employed and the two Letters of Understanding in effect as of August 31, 2012 will be reinstated.



Jack Fulton
Operations Support Manager
Kruger Products L.P. (New Westminster)



Chris May
President
C.E.P. Local 456