

LABOUR AGREEMENT

2013 - 2017

BETWEEN

NEUCEL SPECIALTY CELLULOSE LTD.

(the Company)

- and -

**COMMUNICATIONS, ENERGY, AND PAPERWORKERS
UNION OF CANADA**

LOCAL 514

(the Union)

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ARTICLE I – GENERAL

SECTION 1: PURPOSE

The general purpose of this Agreement is, in the mutual interest of the employer and employee, to provide for the operation of the mill 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 mill and protection of property. It is recognized by this Agreement to be the duty of the Company and the Union to cooperate fully for the advancement of said conditions.

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

SECTION 2: MUTUAL RESPONSIBILITIES

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

SECTION 3: NO INTERRUPTION OF WORK

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

SECTION 4: HUMAN RIGHTS

The Company and Union subscribe to and support the principles of the Human Rights Code of British Columbia, Section 13, of which reads as follows:

(1) A person must not:

- (a) refuse to employ, or to continue to employ, or
- (b) discriminate against that person regarding employment or any term or condition of employment

because of the race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sex, sexual orientation or age of that person or because that person has been convicted of a criminal or summary conviction offence that is unrelated to the employment or to the intended employment of that person.

(2) An employment agency must not refuse to refer a person for employment for any reason mentioned in subsection (1).

(3) Sub-section (1) does not apply

- (a) as it relates to age, to a bona fide scheme based on seniority, or
- (b) as it relates to marital status, physical or mental disability, sex or age, to the operation of a bona fide retirement, superannuation or pension plan or to a bona fide group or employee insurance plan.

(4) Subsections (1) and (2) do not apply with respect to a refusal, limitation, specification or preference based on a bona fide occupational requirement.

ARTICLE II - DEFINITIONS

Wherever used in this Agreement, including Exhibits:

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

ARTICLE III - BARGAINING AGENCY

SECTION 1: RECOGNITION

The Company recognizes the Communications, Energy, and Paperworkers Union as the only agency representing all employees as defined in this Agreement for the purpose of collective bargaining.

SECTION 2: BULLETIN BOARDS AND WEB SITES

The Company shall supply adequately enclosed official bulletin boards for the use of the Union in posting of officially signed bulletins. The Company will supply each employee with an internet logon to the company website which will provide access to internet terminals at the workplace to access information.

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

SECTION 4: APPLICATION FOR MEMBERSHIP

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

SECTION 5: UNION DUES DEDUCTION

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

ARTICLE V – STANDING COMMITTEE

A Standing Committee shall be maintained in the mill in the following manner:

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

ARTICLE VI - HOURS OF WORK

SECTION 1: BASIC WORK WEEK

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

SECTION 2: OVERTIME

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

1. Day Workers

- (a) On holidays as specified in Article XV 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.

2. Tour workers

- (a) On holidays as specified in Article XIV of this Agreement
- (b) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive hours except: (i) when such work in excess of eight (8) hours is caused by the change of shifts, (ii) overtime work by special arrangement between a Tour Worker and his mate to exchange shifts with the approval of his Foreman, 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 bases provided above, the one basis which results in the payment of the largest amount of overtime shall be used.

3. Banking of Overtime

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

year for purposes of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it is earned, the Company shall pay the deferred one-half premium pay. Tour Workers who choose to bank overtime may later re-elect to receive the deferred one-half premium pay.

- (b) Day Workers who work in excess of ten (10) hours in a day shall have the option of receiving the overtime premium on the basis of this Section or of receiving straight time for hours in excess of ten (10) hours in a day and taking equivalent time off in units of not less than four (4) hours at the hourly rate for the job when the work was performed, at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for purposes of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it is earned, the Company shall pay the deferred one-half premium pay. Day Workers who choose to bank overtime may later re-elect to receive the deferred one-half premium pay.
- (c) When the banked time off is requested in writing seven (7) days in advance, employees shall receive written notice of the disposition of their request a minimum of seventy-two (72) hours prior to the requested time off. The payment of overtime shall not be a factor in cancelling approved time off.

SECTION 3: DAYS OFF AND SCHEDULE OF SHIFTS

- (a) The Company will designate regular periodic days off for each regular employee and will not change such designation without notice except in the case of breakdown. In the event the day or days off are changed to follow the original designated day or days off, then forty-eight (48) hours notice will be given in advance of the original day or days off. In the event the day or days off are changed to precede the original designated day or days off, then forty (40) hours notice must be given in advance of the new day or days off.

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

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

- (b) Where a system of days off is now in effect, same shall remain in effect as long as mutually satisfactory to the Union and the Company, it being understood that this has reference to a mill system of days off and not to the individual employee's days off.
- (c) When the Company changes an employee's shift schedule after the start of the week without notification being given during the first eight (8) hours of his last shift preceding the new shift, the employee shall receive two (2) hours penalty payment at the straight time day rate for the first shift worked resulting from the change. If the change in shifts during the week is temporary, the penalty payment is not payable for the second change in shifts when the employee returns to his previously established shift schedule. When an employee's established shift schedule is changed, the Company will, whenever practicable, notify the employee personally of the change.

- (d) Where an employee is temporarily off work because of a shutdown of his job, department or plant of more than ten (10) days duration, the employee's regular schedule of hours per day and days per week, including his starting time and designated days off, shall, commencing with the eleventh (11th) day of such shutdown, be considered as having been suspended and shall not be in effect for the balance of said shutdown. Call Time shall not be payable for assignments to extra work during such latter period or for assignments in connection with the resumption of operation of the job. The ten (10) day period referred to above shall be exclusive of any recognized paid Statutory Holidays which may fall therein.
- (e) The Company will cooperate with any day worker called in after twelve midnight to ensure that this work does not preclude him working his regular eight (8) hour shift the following day. This may be accomplished by altering the hours of work to the mutual satisfaction of the employee and his foreman. No penalty shall apply to the Company as a result of such an arrangement
- (f) Relief employees, employed to provide relief of employees who follow regular schedules, will be scheduled when required for coverage. The Company will designate regular, periodic days off for all other employees and will not change such designation without notice except in the case of breakdown.

The Company shall use its best efforts:

- (i) to schedule days off for relief employees on a consecutive basis; and
- (ii) to provide established schedules for relief employees.

SECTION 4: STARTING AND STOPPING WORK

(a) Tour Workers

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

If a Tour Worker does not report for his regular shift, his mate shall notify the Foreman. He shall remain at his post until a substitute is secured, and if necessary, he shall work an extra four (4) hours. If work in excess of twelve (12) hours is required by refusal of a mate to report in, or when no other qualified relief is available, then the employee shall complete the extra shift. It is the duty of a Tour Worker to report for his regular shift, unless he has already arranged with his Foreman for a leave of absence. If unavoidably prevented from reporting, he must give notice to his Foreman, or at the office, if reasonably possible, at least four (4) hours before his tour goes on duty.

(b) Day Workers

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

SECTION 5: MEALS

(a) Tour Workers

A Tour Worker required to work more than one (1) hour beyond the end of their regular scheduled shift shall be furnished a hot meal by and at the expense of the Company. If they continue to work, a hot meal shall be provided every four (4) hours thereafter. When an employee has to work one (1) extra shift, arrangements shall be made by the Company to provide one (1) meal at the start of the shift and another meal every four (4) hours thereafter. The meal shall be eaten on Company time.

(b) Day Workers

A Day Worker required to work more than one (1) hour beyond the end of their regular scheduled shift, shall be furnished a hot meal by and at the expense of the Company. If they continue to work, a hot meal, shall be provided every four (4) hours thereafter. The meal may be eaten on Company time, or alternately, the Company may allocate one half (1/2) hour and the employee eats on their own time.

(c) All Workers

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

(d) Call Outs

- (i) An employee who starts their work more than one (1) hour prior to the start of their shift and continues into their regular shift will be provided at the employee's option either a meal or a meal allowance in lieu of a meal.
- (ii) An employee called into work with less than four (4) hours notice thereafter, be provided, at the employee's option, either a meal or meal allowance in lieu of a meal.

ARTICLE VII – WAGES

SECTION 1: WAGE SCALE

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

SECTION 2: SHIFT DIFFERENTIAL

(a) Tour Workers

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

	(%of base rate)
8:00 am to 8:00 pm	0
8:00 pm to 8:00 am	2.5%

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

	(%of base rate)
4:00 pm to 12:00 am	2.5%
12:00 am to 8:00 am	2.5%

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

	(%of base rate)
4:00 pm to 12:00 am	2.5%
12:00 am to 8:00 am	2.5%

(b) Day Workers

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

	(%of base rate)
4:00 pm to 1200 am	2.5%
12:00 am to 8:00 am	2.5%

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

(c) ALL EMPLOYEES

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

ARTICLE VIII – JOB EVALUATION

SECTION 1: GENERAL

It is agreed that there shall be a Job Evaluation Plan, the provisions of which are set forth in Exhibit “F” which is attached hereto and forms part of this agreement.

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

ARTICLE IX - ALLOWANCE FOR FAILURE TO PROVIDE WORK

SECTION 1: NO WORK

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

SECTION 2: WHERE SHIFT COMMENCED

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

ARTICLE X - CALL TIME

SECTION 1: QUALIFYING CONDITIONS

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

(a) **Call to work following a shift for a breakdown or emergency call in**

When required to report for work in the same day after completing his designated shift and leaving the mill

SECTION 2: PAYMENT

(a) The employee shall receive a minimum payment of two (2) straight time hours pay including payment for Call Time and time worked, but not the payment provided in Section 1(b).

(b) The Call Time payment will not be added to or paid in lieu of allowances payable under Article VI and Article IX.

ARTICLE XI - JURY DUTY

SECTION 1: WAGE COMPENSATION

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

SECTION 2: HOLIDAYS AND OVERTIME

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

ARTICLE XII - BEREAVEMENT LEAVE

SECTION 1: COMPENSATION

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

SECTION 2: DEFINITION OF FAMILY

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

SECTION 3: EFFECT ON VACATION ENTITLEMENT

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

ARTICLE XIII - 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.

SECTION 2: STEAM PLANT LEAVE

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

SECTION 3: FIRST AID CERTIFICATES

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

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

- (b) The Company will pay one (1) return air fare to a centre no further than Vancouver (when no local course is available) and will pay for the cost of course material and examination fees for successful renewal of tickets as required by the Workers' Compensation Board.
- (c) The Company will pay the First Aid/Watchman a daily living-out allowance for the duration of the renewal course up to and including the day of the Workers' Compensation Board examination.
- (d) It is agreed that the allowance will not be paid when;
 - (i) there is a local course available
 - (ii) the employee fails to renew the ticket
- (e) A First Aid Attendant granted a Leave of Absence under Article XIII to renew or upgrade a First Aid Ticket will be provided with return airfare to Vancouver and two (2) weeks living-out allowance prior to departure. The Company will pay the course fee directly to the appropriate agency. The First Aid Attendant will be required to sign a reimbursement agreement prior to departure.

SECTION 4: MATERNITY LEAVE

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

SECTION 5: OTHER LEAVE

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

ARTICLE XIV – VACATIONS

SECTION 1: ENTITLEMENT

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

	<u>Length of Vacation</u>	<u>Vacation Pay being the greater of</u>	
An employee who is on the payroll on May 1st, who has been continuously employed during the qualifying period, and who has:		% of the total wages earned by the employee during the preceding Vacation period	Or; hours pay at the hourly rate of the employee's regular job.
(A) been employed for less than one year and does not qualify under (B) below;	¼ day for each full week of actual work performed during the preceding vacation period providing no vacation of less than one day will be granted.	4½%	or NIL hours
(B) been employed for less than one year but has worked not less than 1500 hours during the preceding vacation period or been employed for not less than one year and who has worked not less than 1200 hours during the preceding vacation period. The following hours will count as hours worked for the purpose of qualifying for a vacation: Vacations; ; Statutory Holidays; Special (Personal) Floating Holidays; Jury or Witness Duty; Bereavement Leave; Contractual Steam Plant, Apprenticeship and First Aid Leaves; Banked Days	2 Weeks	4½%	or 80 hours
(C) As of January 1, 2014 qualified for their 3rd vacation under this Agreement	3 weeks	6½%	or 120 hours
(D) As of January 1, 2014 qualified for their 8th vacation under this Agreement.	4 weeks	8½%	or 160 hours
(E) As of January 1, 2014, qualified for their 14 th vacation	5 weeks	10 ½%	200 hours

Note: All employees of the former employer hired by April 30th, 2006 will be grandfathered to Level "B" vacation.

SECTION 2: PAYMENT ON TERMINATION

In the event an employee's employment terminates either before they become entitled to a vacation with pay, or, being entitled to it, before they take it, they shall be paid on termination 4½ %, 6½%, 8½% or 10 ½ % depending on whether they belong in the category of employees described in (A), (B), (C), (D) or (E) above respectively) of their wages earned during the period of employment ending with their termination, in respect of which no vacation or vacation pay to which they remain entitled has been paid or taken.

SECTION 3: GENERAL RULES

- (a) The vacation period is May 1st to April 30th.
- (b) Vacations with pay are not cumulative and must be taken during the vacation period except as provided below:
- (c) Vacations earned under Section 3(d).
 - (i) Employees shall have the option at any time during the vacation year to bank vacation entitlement in excess of the statutory minimum to a maximum of 1 week per year. Employees may accumulate a maximum of 2 weeks' vacation in the bank
 - (ii) Banked vacations must be taken prior to retirement and will be paid at the employee's current rate of vacation pay at the time when taking the banked vacation time off.
- (d) A vacation with pay provided under Section 1 for employees in category (A) may be taken during the vacation period in which the entitlement thereto is established, or during the next following vacation period.
- (e) No employee may continue to work and draw vacation pay in lieu of taking the vacation
- (f) The allocation of vacation times is to be decided by the Company. However, the Company will endeavour, by discussion with the employees or the Union, to arrange vacations to suit the employee's wishes.
- (g) Time lost as a result of an accident recognized as compensable by Workers' Compensation Board, suffered during the course of employment with the Company, shall be considered as time worked for the purposes of calculating entitlement upon return to work.
- (h) Time not exceeding one year, lost as the result of a non-occupational accident, illness or approved maternity leave, shall be considered as time worked for the purpose of qualifying for vacation provided that, at the time of the accident or illness or commencement of maternity leave, the employee has been on the payroll for not less than one (1) year and returns to employment. It is understood that the employer may require that the employee provide a certificate from a qualified medical practitioner. Time exceeding one (1) year shall be recognized as uninterrupted service for the purpose of establishing vacation time off, upon return to work.

- (i) Time lost as the result of layoff shall not be considered as time worked for the purpose of qualifying for a vacation.
- (j) When operating conditions permit, the Company agrees in principle to granting two (2) days leave of absence to allow shift workers on a seven (7) day schedule a full seven (7) day tour off, for one (1) week's vacation - five (5) days with pay and two (2) without pay.
- (k) Employees who qualify for vacation under categories (C), (D) or (E) 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(s) of vacation. Employees must declare their intention for this option prior to the start of the vacation year.

SECTION 4: COMPUTATION OF VACATION PAY

Where an employee's vacation pay for the current year is to be computed as a percentage of 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 XV – STATUTORY HOLIDAYS

SECTION 1: RECOGNIZED DAYS

The following shall be the recognized Statutory Holidays:

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

SECTION 2: ADJUSTMENT IN HOURS

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

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

SECTION 3: HOLIDAY WORK

- (a) The Company will provide the Union with not less than 10 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 any of the three Christmas statutory holidays will be

accommodated where practical provided a request for leave is requested 7 days in advance of the statutory holiday and provided that a trained volunteer can be found to replace him for the shift. If no trained volunteer is found, the employee will be required to work the shift.

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

SECTION 4: PAY FOR HOLIDAY WORK

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

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 the compliance with the conditions set forth below:

- (a) The employee must have worked at least one (1) day during the sixty (60) days just preceding the holiday.
- (b) The employee must have worked his scheduled work day before and his scheduled work day after such holiday, unless failure to work his scheduled work day before or after the holiday was due to any of the following events:
 - (i) When the employee is on his regular authorized vacation;
 - (ii) When the employee is unable to work by reason of an industrial accident, as recognized by WorkSafe BC or because of a 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 scheduled work day after such holiday.
 - (iv) When a trade in shifts agreed upon between employees and approved by the Company, results in a temporary change of the scheduled work day before or after the holiday, provided the employee works the shift agreed upon.
 - (v) When the employee is on a leave of absence approved by the Company.
- (c) Time lost as the result of an accident as recognized by WorkSafe BC, 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 a WorkSafe BC Claim 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.

SECTION 6: EQUIVALENT TIME OFF

An employee shall have the option of taking equivalent time off if a statutory holiday falls on their regular day off.

The procedure to be followed will be:

- The employee will complete a personnel notification which must be forwarded to the supervisor seven (7) days prior to the Statutory Holiday occurring.
- The employee, by electing this option, would defer their pay and the time to a later day to be taken within ninety (90) days and would be treated like banked time. Time and pay not taken within the ninety (90) days will be paid out.

ARTICLE XVI – SPECIAL (PERSONAL) FLOATING HOLIDAYS

SECTION 1: FLOATING HOLIDAYS

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

SECTION 2: QUALIFYING CONDITIONS

For each Special (Personal) Floating Holiday taken an employee will be granted eight (8) hours pay on the straight time rate of the employee's regular job. Those employees covered by a CWW agreement will be granted twelve (12) hours pay on the straight time rate of the employee's regular job.

Employees shall qualify for the Special (Personal) Floating Holidays as follows:

- (a) A new employee must have been on the payroll for not less than ninety (90) days to qualify for his first Special (Personal) Floating Holiday and on the payroll for one hundred and eighty (180) days to qualify for his second, third, fourth and fifth Special (Personal) Floating Holidays.
- (b) Employees will not qualify for Special (Personal) Floating Holidays if on leave of absence of more than nine (9) months in the contract year except in the case of sickness or injury.
- (c) If an employee is required to work on any of these Special (Personal) Floating Holidays, after a definite date has been designated for such holidays, the employee shall be paid overtime for such work at the rate of time and one-half.
- (d) When the holiday is requested in writing seven (7) days in advance, the payment of overtime shall not be a factor in the granting of Personal Floating Holidays. The employee shall receive written notice of the disposition of his request a minimum of seventy-two (72) hours prior to the requested Personal Floating Holiday.

ARTICLE XVII - WELFARE PLAN

There shall be a Welfare Plan pursuant to the terms and conditions of Exhibit "C", which is attached hereto and forms part of this Agreement. Membership in the Plan for all eligible employees shall be a condition of employment on and after December 1, 2005.

ARTICLE XVIII - PENSION PLAN

SECTION 1: THE PLAN

The Company agrees to contribute to a defined contribution pension plan. The employees will participate in the Pulp & Paper Industry Pension Plan which was established pursuant to the general principles set forth in the Pension Plan Summary dated December 6, 1975 and in subsequent documents.

SECTION 2: CONTRIBUTIONS

Contributions made by the Company and the employees to the Industry Pension Plan shall be made in the following manner:

Company 10% per annum

Employees 8% per annum

SECTION 3: BOARD OF TRUSTEES

The parties to this agreement agree to the revised governance of the Pulp & Paper Pension Plan as follows:

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

ARTICLE XIX – SENIORITY

SECTION 1: PRINCIPLES

1. 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.
2. In cases of permanent job transfers or postings, 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.
3. 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.
4. The Company will maintain a Seniority List of all employees in the bargaining unit. Seniority will be determined on the basis of date and time of hire by Neucel Specialty Cellulose Ltd. No seniority or service with any predecessor employer at the Port Alice Pulp Mill will be recognized for the purpose of this Collective Agreement.

SECTION 2: PROBATIONARY PERIOD

Until an employee has been on the payroll of the Company for forty-five (45) calendar days or until he/she has accumulated thirty (30) working days in a ninety (90) calendar day period, he/she shall be considered a probationary employee and shall have no rights under Article XX – Job Security.

SECTION 3: RETENTION OF SENIORITY

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

SECTION 4: TRAINING

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

- (a) Up to two (2) days where the layoff is estimated to be in excess of ten (10) days;
- (b) Up to five (5) days where the layoff is estimated to be in excess of twenty-one days (21);
- (c) Up to eight (8) days where the layoff is estimated to be in excess of thirty-five days (35);
- (d) Up to ten (10) days where the layoff is estimated to be in excess of sixty (60) days
- (e) Where the layoff is estimated to be in excess of ninety (90) days, the Company will discuss with the Union training provisions of up to fifteen (15) days;
- (f) Where a layoff results from a permanent partial plant closure or a temporary closure in excess of ninety (90) days, the Company will participate in a program of training or retraining for another job within the operation to facilitate the exercising of mill seniority, recognizing there will be limitations where special qualifications are required. Phasing in arrangements to implement the program shall be concluded prior to the closure.

SECTION 5: LAYOFF AND VACATION ENTITLEMENT

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

SECTION 6: WELFARE COVERAGE

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

ARTICLE XX – JOB SECURITY

SECTION 1: OBJECTIVE

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

SECTION 2: DEFINITION

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

SECTION 3: JOINT COMMITTEE

The Standing Committee shall meet 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 thirty (30) 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: STATUS

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.

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 their last period of continuous service, it being the choice of the affected employee as to which of such methods of calculation is used:

YEARS OF EMPLOYMENT	SEVERANCE ALLOWANCE	
	WEEKS PER YEAR OF SERVICE	% OF EARNINGS
1 st Twenty (20) Years	2	4%
Subsequent Years	1	2%
Maximum Severance Allowance	52 Weeks *	2080 Hours

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

For employees with a minimum of one (1) year of 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 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. Where the right of recall and seniority retention under Article XIX is elected, the employee's severance allowance will be held in abeyance for the duration of their recall rights at which time the employee will be terminated and their severance allowance paid forthwith.

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

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

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

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

SECTION 7: TRAINING

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

ARTICLE XXI - PERMANENT MILL CLOSURE

SECTION 1: NOTICE

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

SECTION 2: SEVERANCE ALLOWANCE

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

For employees with a minimum of one (1) year 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.

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

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 XIX - 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 XIX - Seniority, or
- (2) Severance allowance as per Section 5 below.

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

SECTION 5: SEVERANCE ALLOWANCE

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

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

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

For employees with a minimum of one (1) year of 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 they remained at work at forty (40) hours per week to their normal retirement date.

At the time of separation, the employee shall have the option of receiving the severance allowance on termination, or the employee 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.

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

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

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

ARTICLE XXIII – CONTRACTING

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

In keeping with the joint commitment of the Company and Union to provide as much maintenance and repair work as possible to the regular maintenance workforce, the committee will meet quarterly to make recommendations regarding the utilization of the mill maintenance workforce to minimize the use of contractors, both in 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 workforce through the use of contract firms.
- (d) The Company will not send equipment out of the mill for repair which directly results in the layoff of tradesmen or apprentices.

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 workforce 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– APPRENTICESHIP TRAINING PROGRAM

SECTION 1: TRAINING PROGRAM

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

SECTION 2: APPRENTICESHIP ACT

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

ARTICLE XXV – COMPRESSED WORK WEEK

The Company and Union recognize the concept of the Compressed Work Week. It is further understood that the Compressed Work Week conditions will apply only to those departments that are on the Compressed Work Week.

ARTICLE XXVI – SAFETY AND OCCUPATIONAL HEALTH

SECTION 1: PRINCIPLE

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

SECTION 2: JOINT SAFETY COMMITTEE

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

SECTION 3: SAFETY EDUCATION

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

SECTION 4: JOINT LABOUR/MANAGEMENT SAFETY CONFERENCE

1. A Joint Labour / Management Safety Conference of two (2) days duration will be held annually.
2. It shall be the basic principle of this Conference to assist the delegates in the development of an effective safety program through the promotion and implementation of best practices for an effective safety program in each mill.
3. To accomplish the implementation of an effective safety program in the mill, each Local Union shall have two (2) delegates in attendance at the Safety Conference. The two (2) delegates shall be compensated by their respective employer for any loss of wages. Travel and hotel expenses of the delegates shall not be paid by their respective Employers.
4. A senior Management representative shall attend the conference. Senior company officials and representatives of WorkSafe BC will be encouraged to attend. Additional delegates of either labour or management will be permitted to attend on an observer basis.

5. The agenda shall address issues that will promote Occupational Health and Safety in their respective workplaces. Agenda items shall be submitted to the respective representatives no later than November 30th of the year 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 as required by the Planning Committee.
7. The Planning Committee shall be composed of the following members:
 - (a) One (1) CEP Local Union member
 - (b) One (1) PPWC Local Union member
 - (c) One (1) CEP Representative from the Regional Office
 - (d) One (1) PPWC Representative from the National Office
 - (e) One (1) Employer Industry from the Employer Group
 - (f) One (1) Industry Representative
 - (g) One (1) Conference Facilitator
8. The Occupational Health and Safety Conference will be funded on the basis of an Industry contribution of three cents (\$.03) per employee per hour worked into a jointly Trusteed Occupational Health and Safety Conference Fund.

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

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

ARTICLE XXVII – DISCIPLINARY ACTION

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

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

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

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

ARTICLE XXVIII – ADJUSTMENT OF COMPLAINTS

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

If an employee is not satisfied with the resolution offered by his immediate foreman, he may then initiate a grievance. No grievance will be recognized more than 90 days from the date of occurrence or either party having knowledge of the alleged grievance occurring.

SECTION 1: GRIEVANCE PROCEDURE

- Step One:** In the event that a written grievance is submitted arising out of the operation of this Agreement, except in the cases of discharge or suspension, the employee shall continue to work as per the conditions existing prior to the time that the grievance arose. Any formal meeting to discuss the grievance shall be held in the presence of the shop steward.
- Step Two:** If there is no satisfactory resolution at Step One, then the Union may, within seven (7) days, advise the department foreman that the employee intends to proceed with the grievance. The department foreman and chief shop steward will then have fourteen (14) days from the date of notification to deal with, and answer the grievance. Grievances other than those of individual employees may be initiated at Step Two by either party.
- Step Three:** If there is no satisfactory resolution at Step Two, then either party may, within seven (7) days, refer the question to the Standing Committees by advising the Chairmen of the Standing Committees of the intention to proceed with the grievance. The Standing Committees will then have thirty (30) days to deal with, and answer the grievance.
- Step Four:** If there is no satisfactory resolution at Step Three then the question may, within seven (7) days upon written request of either Standing Committee, be referred to the President of the Local Union and the Mill Manager who will then have thirty (30) days to deal with, and answer the grievance. Either party may elect to involve outside help at this step, such as a Regional Union Representative and/or a Management Representative from outside of the plant.
- Step Five:** If there is no satisfactory resolution at Step Four then the matter may, within thirty (30) days, be referred to an Arbitrator.

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

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

SECTION 2: NATIONAL OFFICER

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

SECTION 3: TIME LIMIT

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

SECTION 4: ARBITRATION PROCEDURE

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

SECTION 5: EXPEDITED ARBITRATION

- (a) A list of six (6) arbitrators, as attached to this Collective Agreement shall be appointed for the term of the Collective Agreement shall be selected by mutual agreement between a representative by the Company and a representative of the Communications, Energy and Paperworkers Union of Canada. Grievances processed under this section shall be assigned to the list of 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 themselves 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 arbitration under this section.
- (d) The parties will endeavour to agree on a statement of material facts which may be submitted to the Arbitrator in advance of the hearing.
- (e) The Arbitrator will give his decision and their written reasons within one week after the hearing. The reasons need not accompany the decision. Neither the decision nor the reasons will form precedent.

- (f) The provisions of Sections 4(b), (c), (d) and (e) as it applies to discharge, shall apply to this section.

ARTICLE XXIX – ENVIRONMENTAL PROTECTION

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

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

ARTICLE XXX - FLEXIBLE WORK PRACTICES

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

ARTICLE XXXI – DURATION AND AMENDING PROCEDURE

SECTION 1: TERM OF AGREEMENT

This Agreement shall be in effect from midnight December 31, 2012 to midnight December 31, 2017 and thereafter from year to year, subject to the conditions as set out in Sections 2 to 5 which follow hereunder.

SECTION 2: LABOUR RELATIONS CODE

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

SECTION 3: NOTICE OF RE-OPENING

This Agreement may be opened for collective bargaining as to changes as follows: either party desiring any change shall mail to the other party, notice in writing, by registered mail, on or after August 1, 2013, but in any event not later than midnight, December 31, 2017, that a change is desired; and If no such notice is given by either party on or after the said August 1 and before the said December 31, the earliest time at which such notice may be given by either party is the corresponding period in the following year.

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

SECTION 4: COLLECTIVE BARGAINING

If notice of desire for changes has been given in accordance with Section 3 above, the parties shall, as soon as agreeable to the parties following such date of notice, meet for collective bargaining, the Company being represented in such negotiations by a Bargaining Committee appointed by the Company, and the Union being represented by a Bargaining Committee selected by 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 January 1 following the date on which such notice was given, any changes in compensation to employees shall nevertheless be retroactive to the said December 1.

SECTION 5: TERMINATION

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

IN WITNESS WHEREOF, the undersigned have hereunto set our signatures this 9th day of July 2013.

For Neucel Specialty Cellulose Ltd

For Communications, Energy and Paperworkers
Union Of Canada

Lawrence Keiver
Mill Manager

David Schaub
National Representative

Warren Beatty
Human Resources Manager

Don Vye
President, CEP Local 514

Tai Cheng
Vice President
Community and Government Affairs

Bill Kerr
CEP Local 514 Bargaining Committee Member

Rick Schofield
CEP Local 514 Bargaining Committee Member

Bruce Lloyd
CEP Local 514 Bargaining Committee Member

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.

MECHANICS AND APPRENTICES

Mechanical classification and rates apply to all recognized trades, including those specifically listed as follows:

Carpenters, Electricians, Instrument Mechanics, Garage Mechanics, Lagger/Pipefitter, Machinists, Masons, Millwrights, Painters, Pipefitters, Tinsmiths, Welders. Multi-trade mechanics.
Saw Filer/Fitter

	Jan. 1, 2013	Jan. 1, 2015	Jan. 1, 2016	Jan. 1, 2017
MECHANICS AND APPRENTICES				
"A" Mechanic Journeyman - (5th Year Apprentice)	35.140	36.020	36.920	38.210
"B" Mechanic (4th Year Apprentice)	32.545	33.360	34.195	35.390
"C+" Mechanic (3rd Year Apprentice)	29.920	30.670	31.435	32.535
"C" Mechanic (2nd Year Apprentice)	28.555	29.270	30.000	31.050
"D" Mechanic (1st Year Apprentice)	27.705	28.400	29.110	30.130
Multi-skilled mechanics (two-tickets) .50 cents per hour above the "A" mechanic Journeyman rate				
LABOUR RATE	25.060	25.685	26.325	27.245
BOOM				
Boom Boat Operator	27.265	27.945	28.645	29.650
Dozer Operator	26.795	27.465	28.150	29.135
Boomman	26.345	27.005	27.680	28.650
LARGE LOG PLANT				
Saw Filer	34.230	35.085	35.960	37.220
Saw Fitter (over 36 months)	31.090	31.865	32.660	33.805
Saw Fitter Trainee:				
-25-36 months	27.450	28.135	28.840	29.850
-13-24 months	27.250	27.930	28.630	29.630
-3-12 months	26.785	27.455	28.140	29.125
-0-2 months	26.345	27.005	27.680	28.650
Knife Grinder	27.515	28.205	28.910	29.920

Sawyer/Chipper Oper.	29.135	29.865	30.610	31.680
Barker Operator	27.745	28.440	29.150	30.170
Transfer Operator	27.265	27.945	28.645	29.650
Chipper Operator	26.580	27.245	27.925	28.900
Chip Tender	25.470	26.105	26.760	27.695
Deckman	25.470	26.105	26.760	27.695

SMALL LOG PLANT

Barker/Chipper Oper.	27.265	27.945	28.645	29.650
Transfer Operator	27.035	27.710	28.405	29.400
Colby Crane Operator	26.795	27.465	28.150	29.135

ACID PLANT

Acid Maker-Sulphur Loader	29.355	30.090	30.840	31.920
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DIGESTERS

Digester Cook	32.625	33.440	34.275	35.475
1st Helper	28.675	29.390	30.125	31.180
2nd Helper	26.110	26.765	27.435	28.395

UNBLEACHED SCREEN ROOM

Unbleached Screen Tender	28.675	29.390	30.125	31.180
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BLEACH PLANT

Bleach Plant Operator	33.080	33.905	34.755	35.970
1st Helper	28.440	29.150	29.880	30.925

MATERIAL HANDLING

Chemical Maker	27.515	28.205	28.910	29.920
Chemical Maker's Helper	25.470	26.105	26.760	27.695

BLEACHED SCREEN ROOM

Bleached Screen Operator	27.745	28.440	29.150	30.170
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MACHINE ROOM

Machine Tender	31.840	32.635	33.450	34.620
Back Tender	30.280	31.035	31.810	32.925
Third Hand	27.515	28.205	28.910	29.920
4th Hand	26.345	27.005	27.680	28.650
Machine Room Utility	25.250	27.880	26.525	27.455

FINISHING ROOM

Layboy / Rewinder Operator	28.440	29.150	29.880	30.925
Head Stacker	26.110	26.765	27.435	28.395
Cutter/Utility	26.580	27.245	27.925	28.900
Trucker	26.110	26.765	27.435	28.395
Weigher	25.675	26.315	26.975	27.920
Trucker/Pulper	25.675	26.315	26.975	27.920
Roll/Bale Finisher	25.470	26.105	26.760	27.695

STEAM PLANT

Assistant Shift Eng., 3 rd	36.260	37.165	38.095	39.430
Power Boiler Engineer, 3 rd	33.400	34.235	35.090	36.320
Recovery Boiler Eng., 4 th	29.240	29.970	30.720	31.795
Power Boiler Engineer, 4 th	28.615	29.330	30.065	31.115
Hog Fuel Tender	26.400	27.060	27.735	28.705

Steam Plant Certification Bonus

2 nd class Engineer with 1 st class ticket	.65
3 rd class Engineer with 2 nd class ticket	.55
4 th class Engineer with 3 rd class ticket	.50
Unticketed position with 4 th class ticket	.35

EFFLUENT TREATMENT

Effluent Treatment Operator	29.355	30.090	30.840	31.920
Environmental Technician	28.210	28.915	29.640	30.675

SERVICE CREW

Group Leader	28.895	29.615	30.355	31.415
Rigging	25.675	26.315	26.975	27.920
Truck Swamper	25.140	25.770	26.415	27.340
Equipment Operator	27.035	27.710	28.405	29.400
Truck Driver – Hiab	26.345	27.005	27.680	28.650
Truck Driver – Tandem	26.110	26.765	27.435	28.395
Truck Driver – Single Axle	25.885	26.530	27.195	28.145
Jackhammer	25.675	26.315	26.975	27.920
Ship tie-up	25.525	26.165	26.820	27.760
Crane Operator	28.675	29.390	30.125	31.180
Labourer	25.060	25.685	26.325	27.245

WAREHOUSE AND SHIPPING

Head Warehouseman	27.265	27.945	28.645	29.650
Warehouse Trucker	26.580	27.245	27.925	28.900

SUPPLY STORE

Receiver/Shipper	27.745	28.440	29.150	30.170
Counter Clerk	26.580	27.245	27.925	28.900
Kardex Clerk	26.580	27.245	27.925	28.900
-2 – 6 months	25.885	26.530	27.915	28.145
-0 – 1 month	25.465	25.100	26.755	27.690

FIRST AID/WATCHMAN

Level III Unrestricted	27.745	28.440	29.150	30.170
Level III Restricted	27.520	28.210	28.915	29.925
First Aid / Safety Technician	28.215	28.920	29.645	30.685

LABORATORY

Special Tester	29.135	29.865	30.610	31.680
S-10 Tester	27.745	28.440	29.150	30.170
Pulp Tester (Main Lab.)	26.345	27.005	27.680	28.650
Bleach Plant Pulp Tester	26.345	27.005	27.680	28.650

MISCELLANEOUS

Janitor	25.060	25.685	26.325	27.245
Fire Protection Serviceman	27.035	27.710	28.405	29.400
Garage Serviceman	25.885	26.530	27.195	28.145
Confined Space Safety Man	25.470	26.105	26.760	27.695
Boiler Cleaner	25.060	25.685	26.325	27.245
ERT - .30 cents per hour additional				

DEEP-SEA SHIP LOADING & BULK CARRIERS

DEEP-SEA SHIP LOADING

Loading Lead Hand	31.695	32.485	33.295	34.460
Hatch Tender	29.445	30.180	30.935	32.020
Winch Operator (double)	29.990	30.740	31.510	32.615
Winch Operator (single)	29.445	30.180	30.935	32.020
Power Lift Operator in Hold	29.445	30.180	30.935	32.020
Lead Hold Man	29.445	30.180	30.935	32.020
Hold Man	29.005	29.730	30.475	31.540
Sling Man	28.515	29.230	29.960	31.010
Truckers – delivery from last place of rest to Sling	27.480	28.165	28.870	29.880
Checker	27.115	27.795	28.490	29.485

BULK VESSEL LOADING

Loading Lead Hand	31.695	32.485	33.295	34.460
Crane Operator	30.590	31.355	32.140	33.265
Ship Utilities	29.005	29.730	30.475	31.540
Truckers (delivery from last place of rest to Sling)	27.480	28.165	28.870	29.880

DEEP-SEA BARGE LOADING

Power Lift Truck Operator in Barge	29.445	30.180	30.935	32.020
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TRANS-SHIPING

Head Trans-Shipper	28.675	29.390	30.125	31.180
Trans-shiping Trucker	28.460	29.170	29.900	30.945

EXHIBIT "B"
DEFINITION OF MECHANICAL TRADES

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

Machinists	Tinsmiths and Sheet Metal Workers
Millwrights	Automotive Mechanics
Carpenters	Masons
Electricians	Roll Grinders
Pipefitters	Instrument Mechanics
Welders	Painters
Lagger	Saw Filer/Fitter

EXHIBIT "C"
WELFARE PLAN

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

1. COMPLIANCE

- (a) The Company will comply with the terms and conditions set forth in this Exhibit "C", and provide the coverage required therein.
- (b) The coverage shall be subject to the limitations negotiated between the parties to the collective agreement.

2. COVERAGES AND BENEFITS

(A) GROUP TERM LIFE INSURANCE

The Welfare Plan will include Group Term Life Insurance in accordance with the following Table of Hourly Job Rate Brackets and corresponding coverage's. Benefits will be payable as a result of death from any cause on a twenty-four (24) hour coverage basis.

(B) ACCIDENTAL DEATH OR DISMEMBERMENT INSURANCE

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

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

(C) NON-OCCUPATIONAL ACCIDENT AND SICKNESS INSURANCE

- (i) The Welfare Plan will include Non-occupational Accident and Sickness Insurance benefit of sixty-two per cent (62%) of the employee's regular job rate.

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

Where an 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 have recovered 100% of their gross wages lost.

(ii) **SUBROGATION AGREEMENT (WEEKLY INDEMNITY/LTD)**

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.

(iii) **ATTEMPTED SUICIDE**

The Weekly Indemnity Plan will provide benefits for time lost as a result of attempted suicide under the provisions of the Plan covering other mental illnesses. Coverage shall also include injury disability arising from attempted suicide.

(iv) **WAITING PERIOD**

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

(D) MEDICAL-SURGICAL COVERAGE

The Welfare Plan will include Medical-Surgical coverage as required by the B.C. Medical Commission. An Extended Health Benefit Plan with coverage as per the M.S.A. Pulp and Paper Industry brochure dated July 1, 1981, including Vision Care coverage for employees and eligible dependents, will also form part of this Agreement.

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.

The Extended Health Benefit Plan will provide for a Pay Direct Drug Card.

Effective January 1, 2016 - Hearing Aids - remove the limitation to only children.

Effective January 1, 2015 - Vision Care – Amend to provide coverage for eye examinations every two years

(E) DENTAL CARE PLAN

The Welfare Plan will include a Dental Care Plan which will reimburse members for expenses incurred in respect of the coverage's summarized in Appendix "1".

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

(F) LONG TERM DISABILITY PLAN

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

(G) **BENEFIT COVERAGE'S**

INSURANCE COVERAGES:

	<u>GROUP TERM LIFE</u>	<u>AD&D</u>
JANUARY 1, 2011	\$86,000	\$86,000
JANUARY 1, 2015	\$95,000	\$95,000
JANUARY 1, 2016	\$105,000	\$105,000

3. WAITING PERIOD

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

4. UNION – NEUCEL WELFARE GOVERNANCE

The Standing Committee will act on behalf of the employees to address questions which may arise concerning the operations of the Welfare 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 and Weekly Indemnity coverage's as outlined in the schedule contained in Exhibit "C". Where an employee's regular duties consist of more than one job, his regular rate shall be deemed to be the average of the rates applicable to such jobs.

6. COSTS

The Welfare Plan will be shared between the Company and employees in accordance with the following:

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

Company	100%
Employee	0%

NON-OCCUPATIONAL ACCIDENT AND SICKNESS INSURANCE, LONG TERM DISABILITY PLAN

Company	70%
Employee	30%

The Weekly Indemnity/Long Term Disability Plan will assume all costs for completion of forms required by the carrier.

7. REPORTING PERIOD

The report shall cover the twelve (12) month period ending November 30. Such reports will be submitted to the Joint Welfare Board not later than March 1 of each year.

The Board shall distribute copies of the reports to the Local Union concerned.

8. CHANGES IN PREMIUMS AND EMPLOYEE CONTRIBUTION

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

9. DISTRIBUTION OF SURPLUS

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

Surplus accumulations must be disposed of within reasonable time limits. Questions in this respect will be referred to the Joint Welfare Board for decision.

10. OPTIONAL PAYMENTS UNDER LIFE INSURANCE

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

11. DISPUTES

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

- (a) Where the insurance carrier has denied an employee Weekly Indemnity or Long Term Disability Benefits, the issue shall be referred to a Standing Committee.

To assist in the appeal of benefits, in addition to a standard Weekly Indemnity or Long Term Disability claim form from the employee's physician, the Employer shall, within seven (7) days, confirm the following documentation has been forwarded to the carrier and copies provided to the Local Union:

- i. A completed job description
- ii. A physical demands analysis which indicates in detail the demands of the particular occupation

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

- (b) In the event the employee's claim is further denied and the employee wishes to further appeal the decision of the carrier, the claimant may, within fourteen (14) days, refer the denial of the benefit to the Standing Committee.

If the Committee is unable to resolve the dispute claim, the issue will, within fourteen (14) days, be referred to a third party for resolution.

- (c) The mutually agreed upon third party shall have the right to review the claim file, require further examinations or testing of the claimant by a specialist. Costs incurred for medical examinations or specialist testing shall be borne by the carrier. The costs of the third party shall be borne equally by the Union and the Employer.
- (d) The third party will endeavor to complete the assessment and reach a decision on the issue under appeal within fourteen (14) days of referral.

12. DISPUTED WORKERS' COMPENSATION BOARD WEEKLY INDEMNITY CLAIMS

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

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

13. CHANGE IN BENEFITS

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

14. COVERAGE DURING LEAVE OF ABSENCE

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

- (a) The Welfare Plan for employees on authorized leave of absence on Local Union business.
- (b) Group Term Life Insurance, Accidental Death and Dismemberment Insurance, and Medical-Surgical Coverage for employees on authorized leave of absence for extended vacation purposes.

15. SURVIVING SPOUSE AND DEPENDENTS 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 six (6) months, commencing on the first of the month following the month in which the death occurs.

APPENDIX "1"
DENTAL CARE PLAN

A. BENEFITS

I. DIAGNOSTIC SERVICES

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

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

II. PREVENTIVE SERVICES

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

Cleaning and scaling
Topical application of fluoride
Space maintainers

III. SURGICAL SERVICES

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

IV. RESTORATIVE SERVICES

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

V. PROSTHETIC REPAIRS

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

VI. ENDODONTICS

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

VII. PERIODONTICS

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

VIII. PROSTHETIC APPLIANCES AND CROWN AND BRIDGE PROCEDURES

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

IX. ORTHODONTICS

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

The maximum lifetime benefit is \$3,500 per person for all services provided by an Orthodontist.

Effective January 1, 2017, the maximum lifetime benefit is \$4,000 per person for all services provided by an orthodontist.

X. DENTAL CARD

The Dental Plan shall provide for a Dental Care Card.

B. CO-INSURANCE

In respect of Benefits (i) to (vii), the Plan will provide reimbursement of 85% of eligible expenses.

Benefits (viii) and (ix) will provide reimbursement of 50% of eligible expenses.

APPENDIX "2"
LONG TERM DISABILITY PLAN SUMMARY

1. ELIGIBILITY

- (a) All hourly employees who are working full-time for full pay will be eligible for coverage. Minimum hours worked must be no less than thirty (30) per week.
- (b) Coverage will commence after forty-five (45) days of service.
- (c) Employees must be actively at work, full-time and for full pay on the date coverage commences.

2. LEVEL OF BENEFITS

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

3. ELIMINATION PERIOD

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

4. L.T.D. BENEFIT PAYMENTS

- (a) There will be a minimum of sixty (60) months of benefit payment for persons with sixty (60) or less months of service.
- (b) Additional benefits will be paid on the basis of one (1) month for each two (2) months of continuous service beyond the sixty (60) months service with the Company, up to the date of onset of disability.
- (c) For those who were either on W.I. or L.T.D. effective July 1, 1988, and continue to be disabled, benefits will be paid to age sixty (60) as a minimum if the employee does not have sufficient service to carry him further under (b) above. At the point that he runs out of L.T.D. benefit, he can elect to either retire early or go on disability pension benefit until age sixty-five (65), at which time he will retire.
- (d) For new claims that commence after July 1, 1988, benefits will be paid to age sixty (60) as a minimum if the employee does not have sufficient service to carry him further under (b) above. At the point when he runs out of L.T.D. benefit, he will retire.

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

5. DEFINITION OF TOTAL DISABILITY

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

6. INTEGRATION WITH OTHER DISABILITY INCOME

- (a) The benefit from this plan combined with all other disability income to which the disabled employee is entitled will not exceed 85% of the employee's basic wage at date of disability.

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

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

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

7. REHABILITATIVE EMPLOYMENT

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

8. EXCLUSIONS

Disabilities resulting from the following are not covered:

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

9. PRE-EXISTING CONDITIONS

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

10. SUCCESSIVE DISABILITIES

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

11. TERMINATIONS

Coverage will cease:

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

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

12. CONTRIBUTION WAIVER

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

13. LONG TERM DISABILITY - ADJUSTMENT

Employees who are under 60 years of age, will have their future disability benefit recalculated by applying the contractual wage increases that were applied in each year, during the period of their disability, to their Long Term Disability benefits.

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

CONDITIONS FOR IMPLEMENTING THE PLAN

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

EXHIBIT "D"
APPRENTICESHIP TRAINING PROGRAM

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

Electrician	Mason
Machinist	Automotive Mechanic
Pipefitter	Instrument Mechanic
Carpenter	Sheet Metal Worker
Welder	Millwright
Painter	Heavy Duty Mechanic
Lagger	

GENERAL PRINCIPLES

3. The period of Apprenticeship Training will be as defined by the Apprenticeship Branch for each trade. The Apprentice will receive the Journeyman rate on successful completion of his Apprenticeship or after successful completion of four (4) years, whichever happens sooner, only on the understanding that he completes his full term of training. If the Apprentice refuses to continue his training, he will be removed from the Program with no standing as a Journeyman in his trade.
4. Training syllabus for each trade to be designed to meet the requirements of the particular trade involved.
5. All provisions of the Labour Agreement shall be applicable to Apprentices in the Program.
6. Apprentices hired with previous training may be placed into the Training Program at a level determined by the Joint Apprenticeship Committee, with advice from the Apprenticeship Branch.
7. Under the Program, Apprentices will receive rates as per Exhibit "A" of the Labour Agreement. Progression through the schedule of rates is subject to successful completion of prescribed theoretical training, practical training and tests. The schedule of rates applies on date of qualification or as otherwise provided for in Item 12.

JOINT UNION-MANAGEMENT APPRENTICESHIP COMMITTEE

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

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

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

CENTRAL ADVISORY COMMITTEE

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

ENTRY TO PROGRAM - NEW APPRENTICES

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

SCHEDULE OF TRAINING FOR APPRENTICES

- 11. Upon completion of each period of training at 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.

- (a) Successful applicants will be assigned to a specific trade as a probationer for a two month period. During the probationary period, he shall receive the first year apprentice rate.
- (b) During each year of Apprenticeship, he shall work at the trade and attend Vocational School as required by the regulations pursuant to the Apprenticeship Act.
- (c) Upon the successful completion of his term of Apprenticeship and receipt of his certificate of Apprenticeship, issued by the Provincial Apprenticeship Committee, the Apprentice shall be designated as a certified Journeyman at the regular hourly rate for "A" Mechanics.
- (d) If any of the aforementioned work periods are exceeded due to the unavailability of Vocational School facilities, such extra time will be credited to the Apprentice in succeeding training requirements. Also, the Apprentice's rate shall be adjusted retroactively to the commencement of the scheduled year providing he successfully passes the examinations. Retroactivity will not apply where re-testing is necessary.
- (e) For trades exceeding four (4) years, the following shall be in addition to the above. On successful completion of the fourth period of training at the Vocational School, and having spent twelve (12) months as a fourth year apprentice, he shall be reclassified and paid the fifth year Apprentice rate which is equivalent to the "A" Mechanic rate for the following twelve (12) months. On completion of the final period at the Vocational School, the fifth year apprentice shall write his final examination set by the Apprenticeship Branch and upon becoming certified, shall be designated as a certified Journeyman at the regular hourly rate for "A" Mechanics.

12. Wherever reference is made to a year (or twelve 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

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

ALLOWANCES AND WAGE MAKE-UP

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

GENERAL

- (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 the Mill 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".

EXHIBIT "E"
STEAM PLANT VOCATIONAL LEAVE

1. FOURTH CLASS CERTIFICATE

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

2. THIRD CLASS CERTIFICATE

Upon successful completion of the Department of Education Correspondence Course for a *THIRD CLASS 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 an approved 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 his knowledge of the subject, and if the evaluation is favourable, he will continue his studies at the school during the following four weeks and write the prescribed examination. In the event that the evaluation is not favourable, the school authorities will indicate to the employee those areas where further study is needed and he will return to the mill and carry out the recommended home studies. Upon completion of this additional studying, the employee will be granted 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 prescribed Third Class Certificate examination.

3. SECOND CLASS CERTIFICATE

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

4. BASIS OF PAY

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

5. ADDITIONAL LEAVE

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

6. BOOKS

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

7. EXAMINATION AND TUITION FEES

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

8. TRANSPORTATION ALLOWANCE

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

9. TIMING OF LEAVE

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

10. NUMBER ON LEAVE

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

11. GOVERNMENT ALLOWANCES

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

12. LIVING OUT ALLOWANCE

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

EXHIBIT "F"
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

1. The Job Evaluation Plan shall not be applied to the following job fields covered by Exhibit "A" of the Neucel Specialty Cellulose Labour Agreement:

- (i) Mechanical Trades (See Exhibit "1" attached for definition).
- (ii) Longshoring.
- (iii) Saw Filers and Saw Fitters.

2. Except as provided in Section 2(a) above, all jobs covered by the Neucel Specialty Cellulose 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 Communications, Energy & Paperworkers Union of Canada and one (1) representative of Pulp and Paper Employee Relations Forum.

(ii) It shall be the duty of the Job Evaluation Directors:

- a) To direct and supervise the functioning of the Job Evaluation Plan in accordance with the policies and procedures adopted by the parties to the Neucel Specialty Cellulose Labour Agreement through an administrative committee comprised of the Job Evaluation Directors, three (3) designated representatives from the Local Unions and three (3) designated representatives of the Companies using the Plan.
- b) To receive reports from Plant Evaluation Committees and to recommend improvements where necessary in the procedure of the Committees.
- c) To review cases of evaluation upon request of either Union or Company members of the Plant Evaluation Committees.
- d) To review the general operation of the Joint Job Evaluation Board as to methods, factors, procedures, delays, and to order such reviews or surveys of job fields as

necessary. It shall also be the duty of the Job Evaluation Directors to adjudicate any disagreement, which might arise in the functioning of the Plan.

- e) To direct the Joint Job Evaluation Board as to changes in methods which do not constitute basic changes. The Directors shall neither negotiate rates nor exercise any of the bargaining functions of the National Union or the Company.
- f) To recommend improvements in the Job Evaluation Plan to an administrative committee for consideration. Only in the administrative committee is vested the power to amend, add to, or subtract from, the Plan. Ratification of improvements will be by such method as determined by each party to the plan.
- g) When the Directors are unable to resolve, within sixty (60) days, matters referred to them under (c) or (d) above, the matter may be referred by either Director or the Union or Company members of the Plant Evaluation Committees to the Independent Review Officer as provided for under paragraph 3(d) below.

(b) Joint Job Evaluation Board

- (i) The Joint Job Evaluation Board shall consist of one (1) representative of the National Union and one (1) representative of Pulp and Paper Employee Relations Forum.
- (ii) It shall be the duty of the Joint Job Evaluation Board to evaluate and set the rate for any job presented for evaluation in accordance with this Plan. It shall also be the duty of the Board to develop, revise and maintain in an up to date manner the tables necessary to the functioning of the Job Evaluation 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 Communications, Energy & Paperworkers Union of Canada and the Pulp and Paper Employee Relations Forum shall appoint an Independent Review Officer for the term of the Agreement.

(ii) The Independent Review Officer shall neither be an employee of the Union, Company, nor their agencies.

(iii) The Independent Review Officer shall have the authority to render decisions on matters that have been referred to him which are appropriate under the Plan.

(iv) The Pulp and Paper Employee Relations Forum and the Communications, Energy & Paperworkers Union 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 Neucel Specialty Cellulose 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 startup 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 Plan 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.

**LETTER OF UNDERSTANDING
FLEXIBLE WORK PRACTICES**

1. The introduction of flexible work practices is designed to improve productivity, improve product quality, reduce down time and lower costs while ensuring that the work is completed in a safe manner. The efficiencies that result from flexible work practices are also intended to assist in fulfilling the intention of Article 25 of the Labour Agreement.
2. The parties agree that this letter on flexible work practices recognizes that the primary responsibility for the operation of the mill will remain with operators and the primary responsibility for maintaining the mill will remain with trades persons and steam plant maintenance employees.
3. It is understood that the intent of this letter will supersede local practices, and verbal and written agreements which would impair the implementation of flexible work practices.
4. All work will be performed in a manner consistent with safety articles of the labour agreement as well as the Company's safety rules and the regulations issued by the Workers' Compensation Board of B.C. It is recognized that some tasks can only be performed by employees who possess certain government certifications and in that instance, the work will only be performed by employees who possess the required government certificate.
5. The intent of this agreement is to provide that all employees will safely utilize all of their existing skills and maximize their productivity and learn and use new skills to enhance their effectiveness.
6. The 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.
7. 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.
8. 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.
9. It is not intended that flexible work practices shall result in a trades person being assigned to a non trades classification when someone outside of his trade is performing his trade core duties.
10. 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.
11. The Company commits to maintain Apprenticeship agreements.
12. For the term of the renewed Labour Agreement, the Company and the Union agree to establish and participate in a Joint Committee, which will meet quarterly to discuss issues related to productivity, morale, profitability, work opportunities, market conditions, any alleged discrimination, the ongoing effectiveness of flexible work practices and any other problem

13. The parties agree that disputes relating to the implementation of this letter shall be reviewed by the Joint Committee which will make every effort to resolve these disputes in accordance with the spirit and terms of this letter.

Dated this 9th day of July 2013.

For Neucel Specialty Cellulose Ltd

For CEP Local 514

LETTER OF UNDERSTANDING: APPRENTICESHIP

On successful completion of the required period of Vocational School training, the Company will reimburse out-of-town expenses to a maximum of fifty dollars (\$50.00) per school day attended. This reimbursement will also apply to Steam Plant personnel.

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

Dated this 9th day of July 2013.

For Neucel Specialty Cellulose Ltd.

For CEP Local 514

LETTER OF UNDERSTANDING: REHIRING

"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 or Article XIX - Seniority have expired;
- (b) they have a current application on file;
- (c) they have the qualifications and ability to perform the work properly.

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

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

Dated this 9th day of July 2013.

For Neucel Specialty Cellulose Ltd.

For CEP Local 514

LETTER OF UNDERSTANDING: JOB SECURITY AND JOB ELIMINATION

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

Dated this 9th day of July 2013

For Neucel Specialty Cellulose Ltd.

For CEP Local 514

**LETTER OF UNDERSTANDING
STUDENT AGREEMENT**

It is hereby agreed that all student hired during the period of April 15th to September 15th will be subject to the following terms and conditions:

1. Students will be employees covered by the labour agreement between the parties subject only to the conditions contained herein.
2. Students will be hired on a temporary basis. Employment will be terminated no later than September 15th of the year in which they were hired.
3. In the event a mill lay-off occurs during the period of April 15th to September 15th, students may apply for available work on the basis of their mill seniority only.
4. Each Student will be provided with a copy of this Student Agreement and will be required to acknowledge receipt by dating and signing the Declaration to that effect in the form set out below.
5. The Union and Company will meet prior to April 15th to review the Student Agreement.
6. This agreement may be cancelled by either party, on thirty (30) days written notice to the other party.

Dated this 9th day of July 2013.

For Neucel Specialty Cellulose Ltd.

For CEP Local 514

Student Declaration

I, _____ am a Student and acknowledge that I have had this agreement explained to me and by signing the Declaration agree to abide by the terms and conditions set forth herein.

Signature of Student.

Dated this 9th day of July 2013.

For Neucel Specialty Cellulose Ltd.

For CEP Local 514

**LETTER OF UNDERSTANDING
ALTERNATIVE SHIFT SCHEDULE FOR DAY WORKERS**

- a) This agreement may be cancelled by either party with thirty (30) days written notice following the process as outlined in (b).
- b) It is understood by both parties that if problems arise from the implementation of the Alternative Shift Schedule, the Union and Company will meet to discuss the problem and attempt to resolve it. If the parties are unable to reach agreement on an issue arising from the operation of the Alternative shift schedule, the issue shall be referred to one (1) person selected by the Company and one (1) person selected by the Union to assist the parties in reaching resolution on the issue.
- c) The two parties will meet monthly to monitor the success and discuss any issues that may arise during the six (6) month period following implementation of the Alternative Shift Schedule.
- d) The Alternative Shift Schedule will be comprised of two crews; one of which shall work a four (4) day ten (10) hour shift and one which shall work a three (3) day twelve (12) hour shift.
- e) The work week for the Alternative Shift Schedule will be:
 - i) Monday thru Thursday- 7:00 am to 5:30 pm daily. The ten (10) hour shift shall include two (2) twenty-five minute (25) rest breaks – one (1) in the first half of the shift and one (1) in the second half of the shift. It being understood that employees may be required to work through their breaks. In the event an employee is required to work through their break they shall take them as soon as possible after completion of the work assignment. Thirty (30) minutes of the total fifty (50) minute rest breaks is unpaid.
 - ii) Friday thru Sunday - 7:00 am to 7:30 pm (Weekend Shift). The twelve (12) hour shift shall include a thirty (30) minute unpaid lunch and two (2) fifteen (15) minute rest breaks. It being understood that employees may be required to work through their breaks. In the event an employee is required to work through their breaks they shall take them as soon as possible after completion of the work assignment.
 - iii) Employees working the Weekend Shift shall work thirty-six (36) hours and receive wages and benefits provided in the labour agreement based on forty (40) hours.
- f) On the implementation date of the Alternative Shift Schedule, all Maintenance employees shall have the opportunity to post for the CWW shift positions and Weekend Shift Schedules. The filling of all postings shall be based on seniority. In the event that a posting is not filled, the Company reserves the right to assign a junior employee with the qualifications to perform the work assignment.

- g) 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 for those working Monday thru Thursday or for all work in excess of forty (40) hours in any one week or twelve (12) hours for those employed Friday thru Sunday and for all work in excess of thirty-six (36) hours in any one week. Overtime will not be paid if incurred as a result of implementing or discontinuing the Alternative Shift Schedule.
- h) Day workers [Monday thru Thursday] who work in excess of ten (10) consecutive hours shall have the following options:
 - i) Receiving the overtime premium on the basis of g) above or:
 - ii) Receiving straight time for hours worked in excess of ten (10) consecutive hours and taking equivalent time off at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for the purpose of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it was earned, the Company shall pay the deferred one-half premium pay. Day workers who choose to bank overtime may later re-elect to receive the deferred one-half premium pay.

Note: Banked time off will be allowed in allotments of five (5) hours or more.

- i) Day workers [Friday thru Sunday - Weekend Shift] who work in excess of twelve (12) consecutive hours shall have the following options:
 - i) Receiving the overtime premium on the basis of g) above or:
 - ii) Receiving straight time for hours worked in excess of twelve (12) consecutive hours and taking equivalent time off at a time suitable to the employee and the Company during the contract year. Any overtime remaining at the end of the contract year in which it is banked may be carried over to the next contract year for the purpose of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it was earned, the Company shall pay the deferred one-half premium pay. Day workers who choose to bank overtime may later re-elect to receive the deferred one-half premium pay.

Note: Banked time off will be allowed in allotments of six (6) hours or more.

- j) When the Company changes an employee's shift schedule after the start of the week without notification being given during the first ten (10) or twelve (12) 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.

k) **Meals:**

A hot meal or meal allowance payment will be provided to an employee when they are required to remain at work for more than one (1) hour after the completion of their shift (11th hour for Ten (10) hour shift workers and 13th hour for Twelve (12) hour shift workers).

l) **Night Shift Differential:**

For the purpose of the Alternative Shift Schedule, those employed on either of the ten (10) hour shift schedule or twelve (12) hour weekend schedule will receive payment for shift differential for all hours worked beyond the end of their regularly scheduled shift.

m) **Vacations**

For the purpose of annual vacation calculation, a work week of either Monday thru Thursday or Friday thru Sunday shall be considered as a week of annual vacation. Employees shall take all earned vacation in complete weeks.

n) **Special Personal Floating Holidays**

Employees on the Alternative Shift Schedule may apply for and receive five (5) shifts off as Special Personal Holidays per contract year. Pay for such Special Personal Floating Holidays will be in any combination of employees forty (40) hour floating holiday pay entitlement in units of not less than eight (8) hours. This time may be coupled with accumulated banked overtime, unpaid leave or any combination of these hours to facilitate taking time off in ten (10) or twelve (12) hour units depending upon the employee's Alternative Shift Schedule.

o) **Pension Credits - Remittances**

The Company and employees shall make remittances to the Pulp and Paper Industry Pension Plan on the basis of a forty (40) hour work week and any additional hours worked in excess of the basic work week in this Alternative Shift Schedule.

o) **Labour Agreement**

The parties agree that the terms and conditions of the Labour Agreement shall apply except where amended by this Letter of Understanding – Alternative Shift Schedule.

Dated this 9th day of July 2013.

For Neucel Specialty Cellulose Ltd.

For CEP Local 514

**LETTER OF UNDERSTANDING
SUPERVISORS PERFORMING BARGAINING UNIT WORK**

The Company and employees recognize that supervisors are excluded from the provisions of the Labour Agreement. Accordingly it is improper for supervisors to do the work which is performed by those employees defined in Exhibit A of the Labour Agreement.

It is recognized that for the practical and efficient operation of the Port Alice mill, there are occasions when a supervisor must assist employees in their job duties. Such occasions must be temporary in nature and must not result in the displacement or exclusion of employees as defined under this Agreement.

Dated this 9th day of July 2013.

For Neucel Specialty Cellulose Ltd.

For CEP Local 514

**LETTER OF UNDERSTANDING
STATEMENTS OF POLICY**

The parties agree that the Statements of Policy attached to the Memorandum of Agreement will provide in assisting them as to the interpretation of the Articles / Sections as contained therein.

Dated this 9th day of July 2013.

For Neucel Specialty Cellulose Ltd.

For CEP Local 514

LIST OF EXPEDITED ARBITRATORS FOR THE TERM OF THE COLLECTIVE AGREEMENT

Rod Germaine

Robert Pekeles

Colin Taylor

Irene Holden

Judi Korbin

David McPhillips

LOCAL AGREEMENT

2013 - 2017

BETWEEN

NEUCEL SPECIALTY CELLULOSE LTD.

- AND -

**COMMUNICATIONS, ENERGY, AND
PAPERWORKERS OF CANADA
LOCAL 514**

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The following are the Local Agreements of a continuing nature that form part of the collective agreement and are in effect for the term of the 2013 – 2017 collective agreement.

1. **AVERAGING PERIOD**

Averaging period for the purpose of calculating overtime in one week is Sunday 8:00 a.m. to and including the following Saturday.

2. **BOOM TOWING ASSIGNMENTS**

A deckhand will be provided for towing assignments from outside of Mill pond.

3. **WAGE RATES DURING SHUTDOWNS**

- a) Operating personnel volunteering for work during a shutdown who are then scheduled to work at their regular jobs will be paid their regular job rate.
- b) Operating personnel volunteering for work during a shutdown who are then scheduled to work with mechanics will be paid twenty-five cents (\$.25) above base rate.

4. **CALL OUTS**

- a) If a shift mechanic is unexpectedly absent on 4-12, 12-8 shifts or on weekends, the corresponding man on days off will be called.
- b) If a regular operator is absent, then the corresponding operator on regular days off will be called.

5. **PROVISION OF TRANSPORTATION**

It is the responsibility of the individual to arrange his/her own transportation to and from work. The Company shall, however, arrange transportation to meet certain emergency conditions when:

- a) A supervisor considers the urgency of a situation warrants immediate action.
- b) Timing is other than regular shift change period (i.e. call in)
- c) The employee is required to work past his normal quitting time.
- d) The employee has no available transportation. Transportation will be arranged for employees residing in Rumble Beach.

6. **SENIORITY**

In the case of demotions, employees will return to their lower jobs in the same order they were promoted. Demotions in a department will be based on Job Seniority, Department Seniority and Mill Seniority in that order.

Department layoff will be based on Department Seniority and Mill Seniority in that order.

Mill layoff will be determined by Mill Seniority.

7. **SENIORITY LISTS**

The Company will maintain a seniority list of all bargaining unit employees. Plant Seniority will be determined on the basis of the date and time of hire. Department seniority will be determined on the date on which the employee enters the Department.

The Company shall provide the Local Union with an updated seniority list on January 1st and July 1st of each year.

8. **CLARIFICATION OF JOB SENIORITY/FREEZING**

When an employee in any line of progression does not exercise his right to be temporarily or permanently promoted to a higher position in his line of progression when a vacancy occurs, either by declining or by not being qualified, the next senior employee accepting the promotion will accumulate job seniority and will remain ahead of the by-passed employee for all future promotions. This principle will apply to all employees except steam plant employees actively pursuing their ticket and who cannot qualify for their ticket due to lack of firing time.

The action of not moving up, including supplying relief will be documented on a personnel notification, properly dated, with a copy sent to the local Union. The employee will be considered frozen at that position and will be by-passed.

Job freezing will be discouraged by both parties and only well substantiated requests will be considered. In the consideration of any freezing or unfreezing request, the applicant will be required to supply all pertinent information, including where appropriate, medical evidence in the support of his/her case. No employee will voluntarily freeze until he/she receives Company approval to do so.

Only one incumbent will be frozen in a job unless written approval is given by the Department Head.

An employee who by-passes a more senior employee will be senior to the by-passed employee in all respects except in demotion, in which case he/she goes back down around the employee by-passed. An employee backs down via the same route he/she went up.

The freezing will remain for a minimum period of one year.

Frozen employees will supply relief if the Company requires their services while another employee is being trained.

9. **JOB POSTINGS**

- a) Permanent vacancies in "entry-jobs" will be posted on the official mill bulletin boards for a minimum of eight days prior to the filling of any vacancy, with the exception of apprenticeship openings which will be posted for a minimum of 20 days.

Job postings shall note any limitations, qualification or requirements applying to applicants for the job.

- b) The senior qualified employee, subject to a) above will be selected for posted job vacancies.

"Qualified" means the ability of the employee to satisfactorily discharge the duties and responsibilities of the job involved based on his qualifications and his past performance, and as to entry on the bottom rung of a progression ladder, means, in addition, his ability to progress through the ladder.

- c) All applicants from within the mill will be given consideration prior to any hiring from outside.
- d) An employee selected to fill a posted job vacancy shall not have the privilege of bidding again until 12 months have elapsed from the closing date of the posting or written permission is given by the Superintendent of his new department.
- e) An employee selected to fill a posted job vacancy will serve a thirty (30) day probationary period in the new department while retaining seniority in the former department within this 30 day period. The employee will also retain the right to return to the former department and job within the thirty (30) day period if electing to do so. The 30 day time limit will be extended to 60 days for apprentices.

The Company will notify the Union of those employees answering a job posting, and will advise the Union on the name of the successful applicant.

10. **INTER-DEPARTMENTAL TRANSFER PROBATIONARY PERIOD**

An employee transferring from one department to another will retain his departmental seniority in the original department for a maximum of 30 days. New departmental seniority will be effective retroactive to the date of transfer, following completion of the transfer. Job seniority of other employees in the original department will change, retroactive to the date of the transfer, following completion of the transfer.

11. **SHIFT SCHEDULES**

- a) Shift schedules will be posted by 4:00 p.m. on the Wednesday prior to the new week.

- b) When four workers are being recalled to work following a shutdown, all four regular operators in each position will be considered to have returned to work once the first operator in a position has returned to work. This procedure applies to all four workers.

For example: If a Digester Cook is required for day shift Monday, then the second Cook will work night shift Monday and the other two regular cooks will be on scheduled days off. If the Digester First and Second Helpers are required on Tuesday, then the same procedure would apply to the four regular First and Second Helpers, beginning on Tuesday.

Any tour worker may be rescheduled without penalty provided sufficient notice is given.

Once a tour worker has returned to work under this procedure, he cannot exercise seniority to bump a junior employee working in another job in this line of progression, thereby working more hours than his regular schedule would provide.

12. **SYSTEM OF RELIEF**

Relief in the Finishing Room, Machine Room and Steam Plant will be by crew relief. Relief in all other departments will be by departmental relief. Existing procedures relating to relief in various departments and lines of progression are described in Standing Committee and will be discussed prior to changes being implemented.

13. **CLOTHING SUPPLIES**

a) **COVERALLS**

- i) The Company will provide four (4) pairs of laundered coveralls to:

Mechanics, Apprentices, Service Crew, Large Wood Plant Deck Men, Small Wood Plant Deck Men, Chip Tenders, Boom Men, Effluent Treatment Operators, Assistant Shift Engineer 3rd, Recovery 4th, Power Boiler 4th, Power Boiler 3rd, Recovery Utilities, Hog Fuel Tenders, Steam Plant Utilities, Digester 1st and 2nd Helpers, Chemical Maker's Helpers, Knife Grinder and Saw Filer.

Chemical Makers and Acid Makers will be provided two pairs laundered chemical resistant coveralls

- ii) Paper coveralls will be issued to Mechanics, Apprentices, Service Crew, and Boom Men, on the approval of the Supervisor, for exceptionally dirty jobs.
- iii) The Company will provide paper coveralls, to the Oil Bunkering Crew, and Maintenance 3rds and 2nds when they are working on maintenance.
- iv) Paper Coveralls will be supplied to all personnel while working inside boilers.
- v) Coveralls will be available for purchase at the Supply Store.

b) PROTECTIVE CLOTHING

- i) The company will maintain an adequate supply of protective clothing for chemical and other adverse situations.
- ii) The Company will supply two (2) pairs of chainsaw pants to all Small Log Plant employees, and to Large Woodplant Deckmen and Utilities. Additional pairs may be purchased at the Supply Store at one third off.
- iii) The Company will supply one floater jacket to each Boomman every second year

c) RAIN GEAR

- i) Rain clothing will not be supplied to employees whose normal duties encompass outside work.
- ii) Adequate rain gear will be available for operating personnel engaged in clean-up and in the Maintenance Shops for unusual or emergency situations.
- iii) Rain gear will be available for purchase at the Supply Store.

d) SAFETY FOOTWEAR

- i) The Company will pay seventy percent (70%) of the price of safety footwear and caulk boots. Employees will be limited to two (2) pairs per year, except where the Employee's safety footwear has been damaged by no fault of the Employee (i.e. Chemical spill) in which case, the footwear will be replaced over and above the two (2) pair maximum.
- ii) A last, hammer, and caulks will be made available in the Boom Shack locker room.

e) GLOVES

- i) Appropriate gloves will be supplied to employees as needed for the performance of their job upon supervisor approval. Additional pairs of gloves may be obtained at cost from the Supply Store.
- ii) Special gloves, helmets and goggles will be provided to Welders on a tool check basis.

14. PRESCRIPTION SAFETY GLASSES

The Company will replace employees' prescription safety glasses damaged at work. Claims limited to one pair per employee per year. Employees will earn \$25 per year, minimum \$50, with a cap of \$100 as a credit towards the cost of replacement of lenses due to a changed prescription.

15. **MECHANICS**

- a) The Company will grant a ten minute break period during the first half shift and allow mechanics a five minute wash-up period
- b) Supervisors will assign mechanics to or from shift work and they will consider; the availability of mechanics, competency, employee wishes, departmental seniority and training.
- c) Days off for shift mechanics will be on a consecutive basis unless otherwise agreed upon by the employee and his supervisor.
- d) Maintenance employees required to report ahead of their regular shift to work on an emergency job will be paid overtime rate until the job is completed; provided that work commences prior to 6:00 a.m. and continues into the employee's regular shift at 8:00 a.m. The Company retains the right to switch employees to other work at straight time after eight hours. Shift mechanics may be returned to their regular duties at 8:00 a.m. Employees shall have the option of going home after eight hours.
- e) The seniority of apprentices will be determined as follows:
 - i) The department seniority of an apprentice shall begin on the date an apprentice commences his apprenticeship.
 - ii) Journeyman job seniority of an apprentice shall begin only after completion of his indenture ship. Journeyman job seniority therefore commences on the date the apprentice is recognized as a journeyman mechanic.
 - iii) Job seniority will take precedence for going on or coming off tour coverage.
- f) The Company will pay "A" Mechanics rate to fourth year apprentices working on scheduled weekend coverage.
- g) The Service Crew Operator promoted to a higher paying job will be paid the higher rate of pay for the balance of that day.
- h) Maintenance Thirds working on a job after 4:30 p.m. will be offered overtime on the job.

16. **TOOLS**

- a) The Company will replace tools that are broken in the performance of regular duties. The Company will consider replacement of tools that are lost in the performance of regular duties on a case by case basis.
- b) Mechanics and apprentices may purchase tools through the Supply Store at catalogue prices, and pay for them by payroll deduction. The Company will determine available

discounts and will pass such discounts on to employees. A basic inventory of tools will be kept in the Supply Store.

17. DEEP SEA SHIP LOADING

- a) Deep Sea ship loading will be the regular job of the Service Crew. Employees assigned to loading will fill the specified jobs in line with department seniority.
- b) For Bulk Vessels, the Service Crew will provide the minimum crew of one loading lead hand and two crane operators per crane. Crane operators on their off hour will be utilized for other ship loading duties, including safety related duties as required.
- c) Additional loading crews will be drawn from the Service Crew, Warehousing, Finishing Room and other mill employees, in that order, as required.
- d) Truckers will be drawn from Warehousing, Finishing Room, Service Crew and others, in that order, as required.
- e) An employee taken off ship loading to do his regular work in the mill will be paid the higher of the two rates while in the mill. After completing his mill work, he will be allowed to return to the crew he left on the ship.
- f) Stowing in the hold will cease five minutes before quitting time.
- g) Loading may be carried out on a two shift basis (8-4, 4-12) with relief provided.
- h) The supper break will be one half (½) hour.
- i) Employees retained beyond 4:30 p.m. to continue ship loading at 5:00 p.m. will receive a hot meal, or a meal ticket in lieu, and one half (½) hour "Standby Allowance" at straight time rate.
- j) The Company will pay classified Service Crew Operators (Truck Drivers, Equipment Operators, Crane Operator and Group Leader) the appropriate ship loading rate when they are required to work in the yard, causing other mill employees to be scheduled for ship loading, during 8:00 a.m. to 4:30 p.m., Monday to Friday.

18. STEAM PLANT VOCATIONAL LEAVE

A Steam Plant employee granted leave of absence under Exhibit "E" will be provided with the appropriate transportation and living-out-allowances prior to his departure to school. The employee will be reimbursed for examination and tuition fees, and necessary books, upon provision of receipts and a listing of the books purchased.

19. **STEAM PLANT TICKET SENIORITY**

Promotions to any ticketed positions shall be based on the qualifications and job performance of the employee. In cases where the qualifications and performance of competing employees are deemed to be equal, Department Seniority shall apply.

20. **STATUTORY HOLIDAYS**

If an employee is scheduled to work the day before and the day after a Floating or Statutory Holiday at a job with a rate of pay higher than his regular rate, then the higher rate will be paid for the said Floating or Statutory Holiday.

21. **OTHER VOCATIONAL LEAVES**

If required by the company, Effluent Treatment department employees shall be granted a leave of absence for the purposes of wastewater treatment training and will be provided with the appropriate transportation and living out allowances as provided to apprentices prior to them departing to school. The employee will be reimbursed for examination and tuition fees, and necessary books, upon provision of receipts and a listing of the books required to purchase.

These allowances for transportation and living out will be equivalent to those provided apprentices.

If there is a Company requirement for vocational training for employees for other certification (eg. Crane Operator), the employee will be provided with the same allowances above.

22. **OVERTIME MEAL ALLOWANCE**

a) **LABOUR AGREEMENT, ARTICLE VI, SECTION 5: MEALS**

i) **TOURWORKERS**

A Tour Worker required to work more than one (1) hour beyond the end of their regular scheduled shift shall be furnished a hot meal by and at the expense of the Company. If they continue to work, a hot meal shall be provided every four (4) hours thereafter. When an employee has to work one (1) extra shift, arrangements shall be made by the Company to provide one (1) meal at the start of the shift and another meal every four (4) hours thereafter. The meal shall be eaten on Company time.

ii) **DAY WORKERS**

Any Day Worker required to work more than one (1) hour beyond the end of his regular scheduled eight hour shift shall be furnished a hot meal at the usual meal time by and at the expense of the Company. If he continues to work, a meal, which shall be hot if practicable, shall be provided every four hours thereafter. The meal may be eaten on Company time, or alternatively, the Company may allocate one-half hour and the employee eats on his own time.

iii) **ALL WORKERS**

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

b) **CALL OUTS**

- i) An employee who starts work more than one hour prior to the start of his shift and continues into his regular shift will be provided at the employee's option, either a meal or a meal allowance in lieu of a meal.
- ii) An employee called in to work with less than four hours notice will, after working more than four consecutive hours and beyond each four hour period thereafter, be provided at the employee's option, either a meal or a meal allowance in lieu of a meal.

c) **MISCELLANEOUS**

- i) An employee who is entitled to a meal under Article VI, Section 5 of the Labour Agreement, may elect to receive a meal allowance in lieu of a meal. The meal allowance will be added to the employee's paycheque.
- ii) The value of the meal allowance will be sixty-six per cent (66%) of the mill base rate.

23. **GRANTING AND SCHEDULING OF ANNUAL VACATIONS**

FOR EACH VACATION YEAR:

- a) Written vacation requests made prior to May 1, will be based on department seniority
- b) Written vacation requests made after May 1 and prior to November 30 of the vacation year will be granted on a first come, first served basis.
- c) Written requests made between December 1 and December 15 of the vacation year will be mutually scheduled on a first come, first served basis.
- d) Vacation requests not made by December 15 will be scheduled by departmental supervisors.
- e) Employees will be advised of their outstanding vacations sometime in November.
- f) For an annual vacation request made after May 1, the Company will advise the employees in writing of the disposition of his request within fourteen days. A request will only be approved if the vacation requested is within the usual allotment for the department, and is subject to any subsequent alterations in the mill's operating schedule.
- g) Employees will be allowed to split vacations.

24. **BANKING OF OVERTIME**

- a) The first time an employee qualifies for banking, they will notify the Time Office and Human Resources in writing of their intention to bank qualified hours.
- b) This notification will remain in effect until such time as it is cancelled by subsequent written notice from the employee.
- c) Overtime will be paid at the time and one half rate unless notification in writing is received advising that the employee wishes to bank their overtime.

25. **VOLUNTEER FIRE DEPARTMENT**

- a) Fire crew members will be paid two hours at overtime rate of pay for attending the regularly scheduled two hour practice. If the fire crew is required beyond the two hours, fire crew members will then be paid in accordance with the Labour Agreement.
- b) The Company will provide \$200,000 Accidental Death and Dismemberment Insurance for regular members of the fire crew.
- c) The Company will supply coveralls for fire practice and will replace other clothing damaged while fighting a fire.
- d) Fire Crew members will be paid an additional thirty cents (\$.30) per hour when working directly for the Mill Fire Department.

26. **LIGHT DUTY**

An employee requiring light duty will be given such work in accordance with the following:

- a) Light duty will be offered to employees injured as a result of occupational or non-occupational accidents.
- b) The employee's physician must be apprised of the nature of the work and conclude that the employee's recovery will not be affected by the work provided.
- c) The light duty work provided must be meaningful.
- d) The employee will maintain his seniority protection at his regular job as long as he does not replace a regular employee in his own or another department.
- e) An employee injured on the job will be paid for the balance of his regularly scheduled shift.
- f) An employee on light duty will be paid his card rate.
- g) The local Union will be provided with a monthly report of the employees on light duty.

h) A current list of all employees on light duty will be maintained.

27. EHB TRAVEL AND ACCOMMODATION PLAN

The Company will provide a Medical Travel and Accommodation Plan as an addendum to the Extended Health Benefit plan. Premium costs will be shared on a 50/50 basis by the Company and the employees. Benefits will be as agreed, and will be described by letter. The Company will provide the Union with a copy of the current insurance contract. Descriptive brochures will be available for employees.

28. MISCELLANEOUS PROVISIONS

The Company will maintain:

- a) Car wash, in working order, weather permitting.
- b) Microwave ovens, stoves, and fridges in mill lunch rooms and recognized eating areas, as currently provided.
- c) Reference library for mechanics, apprentices, first aid watchmen, and stationary engineers.

29. CONTRACT POSTING ON WEBSITE

The 2013-2017 Contract will be available on the Employees section of the [www.neucel](http://www.neucel.com) website. The company will provide printed copies of the 2013-2017 Collective Agreement to all Employees, Local and National Unions.

30. VARIABLE COMPENSATION PLAN

- a) This Section shall be in force only for the 2013 – 2017 Labour Agreement.
- b) The following terms and conditions shall apply to this Section:
 - i) “CCF Market V91 Price” means the V91 Dissolving Wood Pulp price (in U.S. Dollars) as reported and published by the CCF Group (<http://ccfgroup.com>).
 - ii) “Eligible Employee” means all regular full-time employees, who have served their probationary period, employed by the Company. For further clarification:
 - 1. In the case of employees who complete their probationary period within a calendar quarter, that employee’s payment under the plan will be paid upon the successful completion of the probationary period;
 - 2. Employees hired under the Letter of Understanding - Student Agreement will not be eligible for the Market Reward remittances;
 - 3. Employees who are on an approved leave will be eligible for full participation under the terms of this plan;

- 4. Employees on Long Term Disability will not be eligible for participation under the terms of the Plan while they are in receipt of Long Term Disability benefits.
- iii) "Quarterly Average" means the average CCF Market price for V91 over the calendar quarter (one fourth of a year) of each calendar year;
- iv) "Plan" means the Variable Compensation Plan
- c) Payments under the Plan to each Eligible Employee will be provided on a quarterly lump sum basis based on the following table:

CCF MARKET V91 PRICE (US\$) – QUARTER AVERAGE	QUARTERLY PAYOUT PER EMPLOYEE	ANNUAL PAYOUT PER EMPLOYEE
1400	\$200	\$800
1500	\$400	\$1600
1600	\$600	\$2400
1700	\$800	\$3200
1800	\$1000	\$4400
1900	\$1200	\$4800
2000	\$1400	\$5600
2100	\$1600	\$6400
2200	\$1800	\$7200
2300	\$2000	\$8000

31. COMPRESSED WORK WEEK AGREEMENT AND ELIGIBILITY FOR TWELVE HOUR FLOATERS

Memorandum of Agreement attached to this Local Agreement shall form the basis for the Compressed Work Week schedules at the Port Alice Operation.

32. ELECTED UNION OFFICERS

Time lost by Union Officers when on Union Leave of Absence shall be considered as time worked for the purpose of calculating vacation entitlement. To achieve this calculation, the Company will continue to pay the wages when an Union Officer is on a Union Leave of Absence as if they were at work on those days. The Company will invoice the Local Union on a monthly basis for those hours. The Invoice will indicate the date of the Union Leave of Absence, the hourly rate of pay, applicable premiums and the hours lost while on the Union Leave of Absence.

**MEMORANDUM OF AGREEMENT
COMPRESSED WORK WEEK**

SECTION 1: GENERAL

- a) For the purpose of a Twelve (12) Hour Shift Schedule, the parties hereby agree to the following terms and conditions:
- b) The implementation and continuation of the Tour Worker twelve (12) hour shift schedule and the Day Worker twelve (12) hour shift schedule will be on a departmental basis on the conditions that there will be no extra costs to the Company and that efficiency of any department, or departments will not decrease.
- c) The Twelve (12) Hour Shift Schedule may be cancelled by either party with thirty (30) days written notice.
- d) With the exception of the Articles amended by this Twelve (12) Hour Compressed Work Week Agreement, all other conditions of the Labour Agreement will apply.
- e) The terms of this Agreement will be reviewed after each negotiated contract to include applicable contract revisions.

SECTION 2: DEFINITIONS

- a) The word Day means a period of twenty-four (24) hours beginning at 7:00 am.
- b) The word Week means a period of seven (7) calendar days beginning at 7:00 am, Sunday.
- c) Tour Worker twelve (12) hour shift times will be 7:00 am to 7:00 pm and 7:00 pm to 7:00 am or the nearest hours agreed to these times.
- d) Day Worker twelve (12) hour shift times will be 7:00 am to 7:00 pm with four (4) days on and four (4) days off.
- e) The twelve (12) hours shift schedule is a cycle of four (4) days [two (2) days (7:00am to 7:00 pm) and two (2) nights (7:00 pm to 7:00 am) followed by four (4) days off.

SECTION 3: RELIEF

- a) It is clearly understood by both parties that replacements must be available for relief purposes.
- b) Tour Worker replacements will normally come from employees on their scheduled days off. To ensure that replacements are available, employee shall advise their supervisor as to their availability. The employees who are available should be able to cover two (2) positions up their Line of Progression.

- c) Guidelines for relief coverage and call out procedures will be developed on a departmental basis. Department supervision will consult with Departmental Representatives from the Local Union to provide an opportunity for their input before implementing or revising departmental guidelines.

SECTION 4: OVERTIME

- a) Overtime will not be paid if incurred as a result of implementing or discontinuing the twelve (12) hour shift schedule.
- b) Overtime at the rate of time and one-half will be paid for all work in excess of twelve (12) hours in any one day or for work in excess of forty-four (44) hours in a week except when an arrangement between a 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) An employee entering the twelve (12) hour shift schedule will be paid the overtime premium for hours worked in excess of eight (8) hours on the first twelve (12) hours shift, unless notification of a change in shift was given during the first (8) hours of their last shift preceding the new twelve (12) hour shift.
- d) Employees entering or leaving the schedule, such as for relief purposes, will be paid overtime for the ninth (9th) to twelfth (12th) hour.
- e) Overtime will be paid to tour workers for working their designated day off, which means in excess of either their scheduled thirty-six (36) hours or forty-eight (48) hours work weeks.
- f) Overtime will be paid to designated relief employees for hours in excess of forty-four (44) hours per week.

SECTION 5: BANKING OF OVERTIME

- a) Workers under this agreement who work in excess of twelve (12) consecutive hours on a regularly scheduled shift, or in excess of eight (8) consecutive hours on a scheduled day off, shall have the option of receiving the overtime premium on the basis of Article VI or of receiving straight time for hours in excess of twelve (12) or eight (8) consecutive hours respectively. They may take 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.
- b) Any overtime remaining at the end of the contract year in which it was banked may be carried over to the next contract year for the purposes of taking equivalent time off. If equivalent time off is not taken by the end of the contract year following the contract year in which it is earned, the Company shall pay the deferred one-half premium pay. Tour Workers who choose to bank overtime may later re-elect to receive the deferred one-half time premium pay.

- c) Banking of overtime hours earned will be taken out of the "Overtime Bank" in the same order as then went in (FIFO).

SECTION 6: CHANGE OF SHIFT SCHEDULES

- a) When the Company changes an employee's shift schedule after the start of the week without notification being given during the first twelve (12) hours of 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.
- b) If the change in shifts during the week is temporary, the penalty payment is not payable for the second change in shift when the employer returns to their previously established shift schedule.

SECTION 7: BEREAVEMENT LEAVE

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

SECTION 8: SHIFT DIFFERENTIAL

Shift Differential shall be paid in accordance with Article VII of the Labour Agreement.

SECTION 9: VACATIONS

- a) An employee who has been employed for less than one year and does not qualify under (B) of Article XIV - Vacations of the Labour Agreement, will receive a vacation of two hours for each full week of actual work performed during the preceding vacation period provided no vacation of less than one day will be granted.
- b) Employees will be allowed to take vacations on a tour basis. For purposes of the twelve (12) hour shift schedule, a tour will be the number of consecutive working days without a scheduled day off.
- c) The vacation period will normally be considered to be four (4) working days plus two (2) days immediately preceding and following the tour. Vacation will be calculated based on hours, i.e. one tour equals forty (40) hours. Employees may use banked time or unpaid leave to cover the remaining eight (8) hours of the tour.

SECTION 10: SPECIAL (PERSONAL) FLOATING HOLIDAYS

- a) Employees who are on the Twelve (12) Hour Shift Schedule shall be granted five (5) Twelve Hour Special Personal Floating Holidays per contract year.

- b) Employees who are temporarily assigned to a 12 hour Twelve (12) Hour Shift Schedule shall be entitled to one twelve (12) hour special (personal) floating holiday for each three hundred and fifty (350) hours worked on such schedule in each contract year to a maximum of five (5).
- c) Employees who permanently transfer to or from a Twelve (12) Hour Shift Schedule shall be granted special (personal) floating holidays of eight (8) or twelve (12) hours in accordance with the schedule being worked at the time the holiday is taken.

SECTION 11: GROUPED HOURS

The following rules apply:

- a) Employees may take four (4) hours from banked hours if so desired to supplement statutory holiday pay, if they would normally have worked a twelve (12) hour shift on that day.
- c) With the above exception and those elsewhere in this Compressed Work Week Memorandum, all other conditions of the Labour Agreement will apply to the matters covered in Section 11.

SECTION 12: WEEKLY INDEMNITY BENEFITS

Weekly Indemnity benefits will continue to be calculated on the basis of seven (7) calendar days.

SECTION 13: WORKERS' COMPENSATION

When an employee is injured on the job and on the advice of their treating physician, does not return to work, they will receive pay for the full shift on which they were injured to a maximum of twelve (12) hours at their regular rate of pay.

SECTION 14: MEALS

A hot meal, if not declined, shall be furnished at the usual meal times by and at the expense of the Company to any worker covered under this agreement required to work more than thirteen (13) consecutive hours. If he continues to work, a hot meal, if practicable, shall be provided every four (4) hours thereafter. The meal shall be eaten on Company time.

Employees will have the option of electing a meal allowance as outlined in Section 21. Overtime Meal Allowance (c) Miscellaneous (i) when they qualify for a meal as indicated above.

SECTION 15: STATUTORY HOLIDAYS

For the purpose of calculating overtime, the scheduled work week shall be reduced by eight (8) hours in any week in which a recognized paid statutory holiday occurs. Should more than one recognized paid statutory holiday occur in any week the scheduled work week shall, that week, be reduced by eight (8) hours for each such paid statutory holiday.

Examples:

- (a) In a forty-eight (48) hour work week in which one (1) paid statutory holiday occurs, overtime will be paid for hours worked in excess of forty (40). Should it happen that two (2) recognized paid statutory holidays occur in one week then overtime will be paid for hours worked in excess of thirty-two (32) of that particular week.

- (b) In a thirty-six (36) hour work week in which one (1) paid statutory holiday occurs, overtime will be paid for hours worked in excess of twenty-eight (28). Should it happen that two (2) recognized paid statutory holidays occur in one (1) week, then overtime will be paid for hours worked in excess of twenty (20) of that particular week.

The foregoing applies only to recognized paid statutory holiday hours and no other hours on which time and one-half has been paid nor hours paid for Call Time may be used for the purpose of calculating the work week.

Signed and agreed at Port Alice, British Columbia, this 9th day of July 2013.

**For the Communications,
And Paperworkers
Union of Canada, Local 514**

For Neucel Specialty Cellulose
