

COLLECTIVE AGREEMENT

Between

**TEMBEC PAPER GROUP
PINE FALLS OPERATIONS**



and

**UNITED STEEL, PAPER AND FORESTRY,
RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE
WORKERS INTERNATIONAL UNION
LOCAL 3-1375**

A.F.L. - C.I.O. - C.L.C.

UNITED STEELWORKERS



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and

**UNITED STEEL, PAPER AND FORESTRY,
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ALLIED INDUSTRIAL AND SERVICE
WORKERS INTERNATIONAL UNION
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A.F.L. - C.I.O. - C.L.C.

SEPTEMBER 1, 2005 - AUGUST 31, 2009

1. PARTIES

1.01 This working agreement is between Tembec Industries – Pine Falls Operations (referred to herein as the Company), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union Local 3-1375 (referred to herein as the Union) covering those operations of the Company located at Pine Falls, Manitoba over which the Union has jurisdiction.

2. OPERATION

2.01 The mutual interest of the company and each employee is recognized by this Agreement for the operations under methods that will promote to the fullest extent achieving the results management objectives such as, economy of operation, quality and quantity of output, cleanliness of workplace, and protection of property; and it is recognised by this Agreement to be the duty of the parties hereto and of all employees to co-operate fully, individually and collectively, for the advancement of these conditions.

2.02 The Union and Company agree to co-operate through such vehicles as the Wellness Committee, in reducing absenteeism and assisting in the development of return to work plans, case management and accommodating disabled employees consistent with disability plans in place. The Union will not condone the abuse or fraud of disability benefits.

2.03 (a) Use of the masculine gender in this Agreement shall be considered also to include the feminine.

(b) Definitions:

Cali-in - An employee who leaves his place of work, and is subsequently called to immediately return to work outside his scheduled working hours, prior to the starting time of his next scheduled shift. This will not apply to employees who do not have a scheduled full week of work, except if called in on a day the employee has already worked a full shift.

Regular shift - Means normal, typical or usual hours scheduled to work on a given day.

Spouse - The Company will apply the legal definition of spouse as determined by Manitoba legislation.

2.04 The Company is changing the way it involves employees in business activities in an effort to increase competitiveness and to provide opportunities to increase the quality of working life of employees. In order to address compensation related concerns arising out of these changes, the Company shall establish written policies to address the compensation of employees volunteering and performing non-bargaining unit work.

2.05 In administering the collective agreement, the Company shall act reasonably, fairly, in good faith, and in a manner consistent with the agreement as a whole. In applying the terms of this collective agreement, the Union shall act reasonably, fairly, in good faith, and in a manner consistent with the agreement as a whole.

2.06 In order to increase our competitive position within the market, it is recognized that it is necessary to change the way work is organized and structured. The Union and Company agree to co-operate in the re-organization and restructuring of work. The Company and the Union will develop a waiver form for employees who do not wish to access the available bumped positions which will provide them with available work.

3. RECOGNITION

3.01 The Company recognizes United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union Local 3-1375 as the exclusive bargaining agent for the employees under its jurisdiction at the Company's operation at Pine Falls, Manitoba.

4. JURISDICTION

4.01 No employee is required to become a member of more than one Union. The Company will not be asked to act upon any matters of jurisdiction between Unions. However, when the respective Unions are unable to agree on the Union an employee is required to join, then the Company will specify the Union in which they will recognize him, and shall consider him a member of that Union until such time as the respective Unions agree.

4.02 It is understood that the Company will continue to recognize lines of demarcation of individual local jurisdictions that have been established over the years until notified in writing by the local concerned that there has been a change. Should any disagreement arise, it will be discussed with the Company and the Unions concerned.

4.03 MANAGEMENT

General Superintendents, Superintendents, Supervisor, Office Force, and Watchmen are part of the Management of the Company.

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4.04 Tembec is committed to maximizing employment opportunities to offset manpower reductions resulting in the TMP project.

Part A Sawmill Assuming Tembec has Sole Ownership

Any displaced employee as a direct result of the TMP manpower reduction shall be provided employment in the sawmill provided they satisfy the full qualification requirements for the position.

Part B Sawmill Assuming Tembec/First Nation Partnership

Tembec and the Union will promote the employment of any displaced employee as a result of the TMP manpower reduction. Based on the level of company involvement in the sawmill it will exercise its full influence to maximize employment in the sawmill and minimize negative impact on its employees. In addition the company will involve the Unions directly in any anticipated discussion directly aiming to satisfy this commitment.”

5. MEMBERSHIP (UNION DUES)

5.01 The Company, when hiring employees, shall give preference to members of the local Union.

5.02 (a) All employees whose rates are fixed from the term of this agreement shall become members of their local Union **after** entering the Company's employ and shall be **so** instructed by Human Resources and shall maintain membership in good standing and shall upon hiring sign a Union deduction card for the monthly

dues at the Employment Office. The payroll deduction authorization for monthly dues will become effective immediately after the employee starts to work.

(b) If an employee receives less than 40 hours pay in a calendar month, Union dues shall not be deducted for that month.

5.03 In consideration of this deduction and forwarding service by the Company, the Union agrees to indemnify and save the Company harmless against any claim or liability arising out of or resulting from the collection and forwarding of these dues.

5.04 (a) All new employees shall serve a probationary period of 360 hours, including any time spent training, during which period the Union shall represent such employees in every capacity except to discharge. The Company and Union can mutually agree to an extension of a probationary period.

(b) The Company, when preparing T-4 slips for the employees, will enter the amount of Union dues deducted from the employees pay by the Company during the previous year.

5.05 Steel Workers Humanity Fund

The Company agrees to deduct on a bi-weekly basis the amount of \$0.01 cent per hour from the wages of the employees in the bargaining unit for all hours worked for the Humanity Fund. The deducted amount will be remitted to the United Steel Workers, National Office, 234 Eglinton Avenue East, Suite 800, Toronto, Ontario, M4P 1K7 prior to the 15th day of the following month, with a list of the names of the

bargaining unit employees on whose behalf such payment has been made. A copy will also be provided to the local Union.

6. DURATION

6.01 The Company and the Union agree that they will abide by the articles of this agreement until the expired date of August 31, 2009, and from year to year thereafter subject to not less than 30 days notice in writing prior to August 31, 2009, and in any succeeding year, by either party desiring a change, and on failure to arrive at a satisfactory settlement, the agreement may automatically terminate. It is understood that the parties shall enter into negotiations no later than 6 months before end of contract term.

6.02 During the term of this agreement, (September 1, 2005 to August 31, 2009) the parties shall meet at the request of either party at least once every month or as required for the purpose of discussing issues relating to the workplace which affect the Company, the Union or employees. The parties have the ability to mutually agree to amend the terms of the collective agreement during the life of the collective agreement.

7. PROMOTIONS & LAY-OFFS

7.01 Seniority will commence as at the last date of hire by the Company for all employees hired on or after August 1, 1995.

7.02 When vacancies occur in a department the Company shall post on the bulletin boards throughout the mill a notice concerning the bottom job in the department affected. Such

postings shall be for a period of 2 weeks, all days included, and the Company shall have the right to make a temporary appointment without penalty. In the event of an employee's absence, the employee may leave prior written notice of his intent to apply for the posting with the Human Resources Department. In selecting the man for permanent appointment, the Company shall take into consideration seniority, education and experience. At the discretion of the Company, certain types of Mill experience may be considered to be equivalent to the educational requirements of the posting. The Company shall make every effort to award posting within 2 weeks or notify the Union if not possible.

7.03 In cases of promotions where the man to be promoted is not the senior man in the department concerned, the Company will present the alternative name to the Union, who will have the opportunity to discuss with the Company the qualifications of the senior man. The Company shall take such presentation into consideration in making its decision which decision may be subject to the grievance procedure outlined in article 32 of this Agreement.

7.04 The Union and Company have developed a plan whereby 50% of the trades ticketed positions will be hired from outside. The evaluation period for the plan will be for 10 year periods; the first period is 2006 – 2016.

7.05 (a) When laying off tradesmen, barring any legal requirements to the contrary, now or in the future, maintenance apprentices shall be considered the most junior employees in the department.

(b) When downsizing staff and returning such staff members to union ranks, no displacement to the bargaining unit shall occur as a direct result of this return. Extra members will be carried until attrition reduces the workforce.

7.06 (a) In cases of lay-off, including department curtailment, seniority shall apply. In making transfers under this rule it is understood and agreed that in moving between departments, the senior man must have the necessary qualifications to enter the department and shall have access to the bottom job in the line of progression in the department. Once all the bottom jobs have been bumped into, then the next job in the line of progression is available to be bumped into in the department to which he is being transferred. Training will be given, if necessary, to the senior employees. A bump will only be invoked if the displaced employee cannot return to his previous frozen number and position.

(b) If an employee with one year or more of continuous employment is set back to a lower paid job due to job elimination he shall retain the rate of his permanent payroll position immediately prior to setback for an additional period of 6 months. For an additional period of 6 months an adjusted rate will be established midway between the above rate and the rate for his new job. At the end of the 12 month period the rate for the job to which he is assigned will apply. Seasonal or temporary employees are not covered by this clause.

7.07(a) Employees who have been laid off will be entitled to be recalled in the reverse order of lay-off provided:

- i) they report for work within 5 days of having been notified by telephone or within 7 days following the mailing of a registered letter to the last known address filed with the Company by the employee; Saturdays, Sundays and the Statutory Holidays named in this Agreement excluded;
- ii) they have not been on lay-off for more than 2 years;
- iii) they keep the Company notified of their current address and phone number.

(b) The Human Resources Department of the Company will provide notice to the Union of employees who have been advised of recall.

(c) Persons on lay-off may be required to work on a voluntary basis for up to 60 hours in any month without compromising their recall rights. It is further understood and agreed that these persons will not qualify for benefit coverage when required to report for work as above.

7.08 An employee will lose his employment status if the employee:

- (a) quits voluntarily,
- (b) is terminated for cause,
- (c) is on lay-off in excess of 2 years, or
- (d) is recalled and does not report for work as outlined in Article 7.07.

7.09 Employees on lay-off shall be entitled to participate in the Supplementary Health Plan (ie: Blue Cross) and will be required to prepay the premiums.

7.10 The Company is prepared to provide security of employment for those employees who were employed with Tembec on or before September 1, 1994, provided:

- i) that **the** Company is in full operation (7 days /week)
- ii) that it does not in any way limit appropriate termination's of employment,
- iii) that each secured employee is fully prepared to co-operate in any necessary re-training,
- iv) that hjs Union is fully prepared to co-operate in the reorganization of work,
- v) Company will strive to balance the work weeks.

7.11 All ticketed positions (Steam Plant and the Trades) are considered "protected" for the purpose of Article 7.

8. PAPER MILL SCHEDULE

8.01 The normal scheduled operation of the paper mill will be continuous for 7 days per week except for scheduled shutdown holidays as designated and such other shutdowns as considered necessary by the Company. The work week shall commence at 8:00 a.m. Sunday.

8.02 If the paper machines operate less than 7 days per week, start-ups may be scheduled to occur prior to the commencement of normal shift hours, i.e.: 8:00 a.m., 4:00 p.m. etc. A minimum number of necessary employees may be scheduled to begin work no more than 2 hours before the start of the start-up shift and the entire paper machine crew may be scheduled to begin work no more than 30 min-

utes before the start of the start-up shift. Hours worked prior to the commencement of normal shift hours for start-up purposes will be compensated at the appropriate overtime rate. These employees will then work any hours during their normal shift at straight time rates of pay. In the event the additional start-up hours fall on Sunday, employees will be compensated at double time for all hours worked prior to their normal shift hours. This does not apply to start-ups following shutdowns for Statutory Holidays where the start-up occurs immediately following the holiday.

9. PULP MILLS SCHEDULE

9.01 The normal scheduled operation of the pulp mills will be continuous for 7 days per week except for scheduled shutdown holidays as designated and such other shutdowns as considered necessary by the Company. The work week shall commence at 8:00 a.m. Sunday.

9.02 When paper machines are operated less than 7 days per week when deemed necessary by the Company to provide stock to keep the paper mill running, or to provide experimental pulps for use in our mill, or to provide pulp for other divisions in order to maintain full production of machines in our mills, pulp mills shall operate Sunday.

9.03 Except in unforeseen emergency conditions, when matters will be discussed with the Union concerned, no production worker will be required to come in during a Statutory Holiday shutdown except for the early start-up.

10. START-UP AFTER STATUTORY HOLIDAYS

10.01 After a Statutory Holiday shutdown the regular paper mill crew shall report for work at 7:30 a.m. as scheduled to help prepare the machines for start-up. For all work done between 7:30 a.m. and 8:00 a.m. time and one-half shall be paid. The few essential employees scheduled before 7:30 a.m. for Pulp and Paper Mill start-up will receive call-in pay. The essential employees will, however, not be required to report for work prior to 6:00 a.m.

11. SHIFTS AND SHIFT WORKERS

11.01 Schedule of hours for shift workers and hours when shifts shall change shall be 8:00 a.m. to 4:00 p.m., 4:00 p.m. to 12:00 midnight, and 12:00 midnight to 8:00 a.m. except as mutually agreed. In no case will the Company be penalized when mutually agreed shift changes deviate from the above scheduled hours.

11.02 For emergency shutdown of 24 hours or less (including the shift in which the shutdown occurs and the 2 shifts following) and all normal shutdowns occasioned by normal clean-up, clothing changes and scheduled normal maintenance, operating crews will be provided with work and will be paid at the rate of their regular occupation. Employees will be expected to do work assigned. Shift workers may be scheduled to work with day crews during these shutdowns and if so scheduled will work day work hours.

11.03 The provisions of Appendix "E" will cover the special conditions applicable to de-

partments working a compressed work week on 12 hour shifts. The Collective Agreement provisions continue to apply in all respects not specifically provided for in Appendix "E".

12. PREMIUM PAY FOR SHIFT WORKERS

12.01 Time and one-half shall be paid for all hours worked between 8:00 a.m. Sunday and 8:00 a.m. Monday. Work done in excess of 8 hours on Sunday will be paid for at the rate of double time.

12.02 Shift workers shall be paid at the applicable overtime rate for all work performed beyond their regular daily hours of work with the following exceptions:

- (a) When such work is caused by change of shifts to access posting.
- (b) Overtime work by special arrangement between a shift 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) Provided it is understood that the Company is able to discipline employees appropriately who are late for work beyond the accepted shift change times and that any overtime pay does not start until the accepted shift change time.

12.03 Employees who fail to report for work or who in any way penalize their mates or the Company under this overtime arrangement will be subject to the applicable mill rules. Disciplinary

nary action under these rules and regulations shall be subject to the grievance procedure. When an employee is one hour or more late (and who has not had contact with his supervisor directly) he shall be replaced for the remainder of the shift if a relief employee can be found and will be subject to the appropriate disciplinary action. This rule may be relaxed at the discretion of the supervisor where there are extenuating circumstances.

12.04 (a) Except as noted above, shift workers called on duty after regular working hours or prior to the commencement of a regular shift or on their scheduled days off, shall receive time and one-half for all overtime work and in no case shall they receive less than 4 hours pay at regular rates for the work performed on each call. If called in on Sunday and Statutory Holidays, time and one-half will apply, and in no case shall they receive less than 6 hours pay at regular rates.

(b) If called in on Paid Holidays, triple time or time and one half will be paid, whichever is applicable (refer to Article 20.01) and in no case shall they receive less than 6 hours pay at regular rates.

(c) If called in upon completion of a Paid Holiday shift, double time or triple time shall be paid, whichever is applicable (refer to Article 20.01) and in no case shall they receive less than 6 hours pay at regular rates.

12.05 Overtime shall not be pyramided nor shall more than one basis of calculating overtime be used to cover the same hours.

12.06 A shift worker who reports for duty at the beginning of his shift and finds his work schedule has been changed and no alternate shift of work is immediately available, and if he has not been contacted previously by telephone or messenger, shall receive 3 hours pay and will be sent home immediately.

12.07 It is agreed and understood that shift workers may have their shifts changed within any mill calendar day without premium time being applicable by mutual agreement between the employee and the supervisor or by providing notice by 4:00 p.m. of the previous day.

13. DAY WORKERS

13.01 The regular hours of work for day workers shall be from 8:00 a.m. to 4:00 p.m. with one 15 minute paid rest period in the morning and a 30 minute paid lunch break. Yard employees may be required to work from 7:00 a.m. to 3:00 p.m.

13.02 Normal hours of employment for Day Workers shall not exceed 40 hours per week.

14. PREMIUM PAY FOR DAY WORKERS

For Clarification Only (in practice our shifts are running from 7:00 a.m.)

14.01 Time and one-half shall be paid for all hours worked between 8:00 a.m. Sunday and 8:00 a.m. Monday. Work done in excess of 8 hours on Sunday will be paid for at the rate of double time.

14.02 Work done in excess of **8 hours** in any weekday shall be paid for at the rate of time and one-half.

14.03 A day worker who, on the completion of a shift, is called in for repair work during the hours from 4:00 p.m. to 7:00 a.m., shall be guaranteed a minimum of 4 hours pay and shall perform only that emergency work that necessitated the call-in. If, upon completion of the emergency work that necessitated the call-in, the employee is required by the Company to perform any subsequent additional work, it shall be treated as an added call-in. When a Day Worker is called in on a break-down before 7:00 a.m. and continues to work on that break-down after his normal starting time, the time and one-half rate will apply to the completion of the job. If called in between 7:00 a.m. and 8:00 a.m., he shall receive time and one-half until 8:00 a.m. Upon completion of a Sunday shift if called in, a minimum of 6 hours pay or double time will apply, whichever is greater.

14.04(a) If, at any time following completion of his regular or overtime shift, a day worker is then assigned to work overtime adjacent to the commencement of his regular scheduled shift on the immediately following calendar day, that day worker shall be compensated for such subsequent overtime assignment as if it were a "call-in" pursuant to Article 14.03.

(b) If called in on Paid Holidays, triple time or time and one half will be paid, whichever is applicable (refer to Article 20.01) and in no case shall they receive less than 6 hours pay at regular rates.

(c) Subject to (d) below, if overtime adjacent to the commencement of a day worker's regularly scheduled shift is assigned at any time other than as described in (a), it shall be compensated at the appropriate overtime rate.

(d) Notwithstanding any of the above, if a day worker, during his regular or overtime shift, is assigned to report for overtime work adjacent to the commencement of his regular scheduled shift on the immediately following calendar day, he shall be compensated for such subsequent overtime assignment as if it were a "call-in" if his initial overtime assignment is completed less than eight hours prior to the subsequent overtime assignment (that which is in advance of his regular shift).

14.05 (a) A day worker called in on his designated day off shall receive time and one-half for the time worked with a minimum of 4 hours pay for each call. If called in on Sunday or Statutory Holidays a day worker shall receive time and one-half for the hours worked with a minimum of 6 hours pay for each call. For the purpose of this section, a day worker's statutory holiday will be from 8:00 a.m. of the day for which he receives his Statutory Holiday pay to 8:00 a.m. the following day.

(b) If called in upon completion of a Paid Holiday shift, double time or triple time shall be paid, whichever is applicable (refer to Article 20.01) and in no case shall they receive less than 6 hours pay at regular rates.

14.06 A day worker who reports for duty at the beginning of his normal day and finds his work schedule has been changed and if he has

not been contacted previously by telephone or messenger, shall receive 3 hours pay and will be sent home immediately.

14.07 Overtime shall not be pyramided nor shall more than one basis of calculating overtime be used to cover the same hours.

14.08 A trades person who is consulted by a supervisor over the phone to assist in solving an operational problem outside of his regular hours of work shall be paid for 1 hour at his regular rate of pay.

15. HEIGHT PAY

15.01 For specific structures and jobs decided upon at local level (over forty feet in both cases), height pay will be paid at the rate of time and one-half. For work on Sundays, Statutory Holidays, designated days off, and after 8 hours in any one day, the employee shall receive a further premium of 50% of his regular rate.

16. WIRE TIME

Definition:

16.01 A fabric is either the top or bottom forming fabric on a paper machine fourdrinier.

16.02 Any fabric change will be considered to have started when the fabric bundle is first lifted by the overhead crane under the direction of the Boss Machine Tender in charge of the fabric change.

16.03 Any fabric change will be considered to be completed when the Boss Machine Tender declares it to be ready for operation.

16.04 Removal of a whole bottom fabric, totally or partially from the fourdrinier, will be considered to be a fabric change provided the removal proceeds to the point where the fourdrinier is in the aisle. In addition, the replacement of a partially removed fabric will be considered to be a fabric change provided the partial installation starts with the fourdrinier in the aisle.

16.05 When, for maintenance reasons or re-conditioning for re-use, a wire is removed and re-installed on the wire string equipment or repacked in its transporting container, the crew involved in this work will receive the same Wire Time as now paid for installing a wire.

Payment:

16.06 Employees called in to change a fabric will receive 4 hours pay, 6 hours on Statutory Holidays or Sundays, or time and one-half, whichever is greater. Employees staying over after their shift to complete an installation will be paid at the applicable overtime rate.

16.07 Employees called in for putting on a fabric must report for duty within the 30 minutes after receiving their call. Time and one-half will be paid to those called in based on the actual time of reporting to the supervisor until the start of the fabric change at which time the normal payment for the fabric change will commence. Every effort will be made to call people in at the proper time.

16.08 All workers engaged in putting on wires at a time other than their regular shifts are to receive 6 hours pay or time and one-half whichever is greater. Crews putting on wires during their regular shift (no overtime involved) will receive 6 hours pay, and 2 hours will be deducted from the regular hours of work.

16.09 Should a fabric be spoiled before the change is complete, as declared by the Boss Machine Tender, and another fabric is installed, the employees involved will be entitled to 6 hours only (not 6 hours for each fabric) or time and one-half whichever is greater.

Manning:

16.10 Fabric changes will be carried out by the tour paper machine crew involved, the Support Crew and the necessary maintenance people. The wire change will start when a sufficient number of the crew is available.

16.11 If an employee is not available at the time of call, a substitute may be called at the discretion of the Boss Machine Tender. The alternate will be from:
Crew that is off but on call.
Spare list – Trained

16.12 If a fabric change goes beyond any shift change, the Boss Machine Tender who originally started the fabric change will continue on this change for a maximum of 1 hour beyond the shift change to allow for an orderly transfer of duties with the oncoming Boss Machine Tender. Payment will be at the applicable overtime rate of the day.

17. DAYS OFF

17.01(a) Schedules shall be posted in each department not later than 3:00 p.m. Friday each week showing the crews for the following week. Where feasible, the Company will post the schedules on Thursday. Such schedules shall show the day or days off for each scheduled employee.

(b) Any posted spare who receives reasonable notice shall not receive premium time for having his schedule changed, provided that such change of schedule is to allow him access to his posting, or is an advancement in his line of progression above his originally scheduled job. The Company will make every effort to ensure there is a posted spare on a crew.

Reasonable time shall be measured against the start of the shift he is required to change to. Notice given by 4:00 p.m. on the previous day shall be reasonable. Shorter notice will be accepted as reasonable if mutually agreed to by the employee. For the purposes of this article, a posted spare is an employee who does not hold a permanent position in his posted department on a 7 day operation, with no employees off.

17.02 When an employee wishes to change his scheduled or designated days off, he will complete the Request to Switch Shifts form and submit to his Supervisor at least 24 hours in advance, and if such a change is mutually agreed upon by the employees involved and the supervisor, then the employees will work at straight time rates on the day or days originally scheduled as his scheduled or recognized days

off. ~~On~~ the other hand, if he is required to work on the alternate days mutually agreed upon as his days off, he shall be paid at the overtime rates.

17.03 In the event of a major breakdown, an employee may be required to work on his scheduled or designated day or days off for which he will be paid at straight time rate, provided he has been given at least 24 hour advance notice and assigned another day or days off as mutually agreed upon for which he will be paid at the overtime rate if required to work on these days.

17.04 Providing an employee is scheduled with a full week of work by the previous Friday, an employee called in on his day(s) off shall be paid at the applicable premium rate and who works 8 hours or more, shall not have to take a designated day(s) off during the week, if he so desires. He shall work his last scheduled shift(s) at the appropriate overtime rate. (i.e. an employee who works Sunday and Monday, then last 2 shifts will be paid at the appropriate overtime rate).

17.05 When a paid Statutory Holiday shutdown falls during the week and a man has worked the previous Sunday, he will take his regular day off during the week in addition to the statutory holiday. If the Statutory Holiday falls on the man's regular day off, another day shall be agreed upon between the man and his superintendent and shall be taken in addition to the Statutory Holiday.

17.06 (a) The Company and the Union agree that when affected employees and their Supervisor mutually agree to change shifts on short notice no premium will be paid for time worked.

(b) If there are no posted or trained spares available, the Company will attempt to call in employees on a voluntary basis for over-time before changing an employee's crew (i.e. nights to days).

18. REST PERIOD

18.01 An employee working in excess of 16 hours, lunch time included, in any 24-hour period, provided he is scheduled to work the following day, shall receive time off with pay to the extent that such work exceeds 16 hours. This will not apply to excessive hours worked as a result of an arrangement between employees.

18.02 (a) Any day worker called in, who works 1 hour or more after midnight, shall receive time off (at straight time) equal to the time worked between midnight and 8:00 a.m. providing he is scheduled to work at 8:00 a.m. the following day. In order to qualify for rest pay, employees entitled to a rest period of 4 hours or less must report to work between their deferred starting time and 12:00 p.m. Employees entitled to a rest period of more than 4 hours are not required to report the day following the call-in in order to qualify for rest pay provided, they so advise their foreman.

(b) If a day worker works a 24 hour shift and he is scheduled to work on the following day, he shall receive rest pay equivalent to the

hours of the scheduled shift had he been at work.

18.03 Any day worker called in between 4:00 a.m. and 8:00 a.m. may, upon mutual agreement with his foreman or supervisor, take his rest period during the latter part of his shift rather than at the beginning of his shift.

18.04 On a Sunday, such rest pay shall be paid at one and one-half times an employee's regular rate, provided the employee is scheduled to work that day.

19. INJURY ON THE JOB

19.01 An employee losing time during his normal day or shift because of an injury occurring on the job will receive his regular pay for that day or shift.

20. PAID HOLIDAYS

20.01 (a) The mill will operate on a continuous basis unless the Company notifies the Local Union of its intention to shutdown. When production is maintained during Christmas and Labour Day, workers will be scheduled as per their regular schedule. A regularly schedule employee, who chooses not to work, will notify his supervisor no later than 20 days in advance of the Holiday. Should additional employees be required, the company will post for the required volunteers. Preference for voluntary work will be given to qualified employees by departmental seniority, schedule permitting.

If the Company is unable to obtain sufficient number of volunteers to operate at Christmas and Labour Day, production will not be sched-

uled. The Company will therefore have the option to operate the mill on the other holidays. Work crews will be kept to a minimum (Sunday Operation). Employees who work on the following holidays will be paid as listed and will be granted a day off with 8, 10 or 12 hours pay at a later date, or may elect to receive 8, 10 or 12 hours pay in lieu of day off.

Canada Day - 24 hours from 8:00 a.m. of the day of the holiday to 8:00 a.m. of the day following the holiday: Triple time for all hours worked.

Labour Day - 24 hours from 8:00 a.m. Monday to 8:00 a.m. Tuesday: Triple time for all hours worked.

Christmas - 48 hours from 8:00 a.m. on December 24th to 8:00 a. m. on December 26th. Triple time for all hours worked.

December 26th and December 27th - 48 hours from 8:00 a.m. December 26th to 8:00 a.m. December 28th. Triple time for all hours worked.

An employee who works a full shift during the hours indicated above may defer his Statutory Holiday pay and take an alternate day off within a 12 month period; at a time mutually convenient to employee and management.

(b) All Paid Holidays will be granted on a first come, first serve basis within posted department throughout the year.

20.02 All hourly-rated employees who qualify under Section 20.06 and who do not work on the Holiday shall be entitled to pay for each

of the following Paid Holidays on the following basis:

| | | |
|----------------------------------|---|-------------|
| Canada Day | - | 8 hourspay |
| Labour Day | - | 8 hourspay |
| Christmas/ New Years Shutdown | - | 32 hourspay |

20.03 Holiday pay shall be calculated at 8 times the regular hourly rate paid on the last day worked prior to the holiday or the rate of his permanent payroll position, whichever is greater.

20.04 Employees who work on a Paid Holiday shall be:

- (a) paid at the rate of time and one-half,
- (b) granted a day off with pay at a later date, (or may elect to receive 8 hours pay in lieu of such day off)
- (c) paid double time for any time worked in excess of 8 hours on the Paid Holiday. (in excess of 10 hours for workers on a 10-hour shift schedule.)

Employees who would have been scheduled to work on a Statutory Holiday when the mill does not operate will receive statutory holiday pay based on his normal schedule (8, 10, or 12-hour shift). These employees not scheduled to work will receive pay as per 20.02 above.

During total mill shutdowns for a Paid Holiday, mill shutdown and start-up procedures take place during total shutdown hours.

20.05 If the mill is shutdown between 4:00 p.m. December 24th to 8:00 a.m. December 26th of the Christmas holiday period, the Company may not schedule repair, maintenance or project work during Paid Holiday periods. Maintenance crews can be scheduled to work from 8:00 a.m. to 4:00 p.m. on December 24th.

20.06 To be eligible for such Paid Holidays an employee must:

(a) have been in the employ of the Company for a minimum of 240 worked hours. Such 240 worked hours may be accumulated within the immediately preceding 12 months provided there is no break in service. A break in service for this purpose shall be defined as:

- i) voluntary separation
- ii) discharge for cause
- iii) a lay-off of more than 4 months duration. (Time before and after a lesser lay-off may be counted).

(b) have been at work on his scheduled work day immediately preceding the holiday and must return to work, as scheduled, immediately following the holiday unless excused as indicated below.

20.07 Employees may be relieved of the provisions of paragraph 20.06 (b) under the following conditions:

(a) If away on vacation.

(b) If laid up by accident or illness. Any employee, if absent due to illness or accident,

must have been at work at **some** time within the 90 day period previous to the holiday.

(c) If work not available due to curtailed operation of the plant.

(d) If he has applied for and received special official leave.

(e) If rehired within 30 days of date of termination, employees will be paid for Paid Holidays falling within that 30 day period.

20.08 Employees, whose annual vacation period or **day(s)** off includes one of these holidays, shall be entitled to an extra day with pay as may be arranged.

20.09 **End Product Production**

(1) The Christmas and New Year's shutdowns will be combined to form one continuous 96-hour shut-down from 8:00 a.m. December 24th to 8:00 a.m. December 28th.

(2) The Company will have the right to take advantage of market opportunities, as and when they occur, by operating the mill during the period from 8:00 a.m. December 27th to 8:00 a.m. December 28th and during the 24 hour Canada Day Paid Holiday period.

(3) During total mill shutdowns for a paid holiday, mill shutdown and start-up procedures take place during total shut-down hours.

(4) This Agreement does not apply to employees who must perform regular work during paid holidays when the mill is not in operation.

20.10 Statutory holidays earned during the Christmas Holiday period will be allowed to be carried over to the next vacation year.

**21. FLOATING HOLIDAYS (876)
COVERING MILL AND WOODS EMPLOYEES**

21.01 6 days holidays with pay shall be allowed at time suitable to the employees and the Company so that there will be no loss of production. Floating Holidays will be granted on a first come, first serve basis in posted department throughout the year.

21.02 Holiday pay shall be calculated at 8 times the regular hourly rate paid on the last day worked prior to the holiday, or the rate of his permanent payroll position, whichever is greater.

21.03 (a) A regular employee will be eligible for 8 hours of Floating Holiday pay for each consecutive 240 hours of work up to a total of 48 hours Floating Holiday pay (accumulated after 1280 hours of work).

(b) To be eligible, a new employee must have been in the employ of the Company for 640 hours or more to qualify for 2 holidays, 960 hours to qualify for third and fourth holidays, and 1,440 hours to qualify for the fifth and sixth holidays. Temporary workers may accumulate this eligibility by adding broken time within the immediate preceding 12 months.

21.04 To be eligible for such paid holidays, an employee must have been at work on the employee's scheduled work day preceding the

holiday and **must** return to work **as** scheduled immediately following the holiday unless excused as indicated below.

21.05 Employees may be relieved of the provisions of paragraph 21.04 under the following conditions:

- (a) If away on vacation or a paid holiday.
- (b) If laid up by accident or illness. Any employee, if absent due to illness or accident, must have been at work at some time within the 90 day period previous to the holiday.
- (c) If work not available due to curtailed operations at the plant.
- (d) If he has applied for and received special official leave.

21.06 If a man is required to work on any one of his holidays after definite dates have been designated, he shall be paid time and one-half and granted a day off with pay at a later date (or he may elect to receive 8 or 12 hours pay in lieu of such day off).

22. RULES GOVERNING VACATIONS WITH PAY

22.01 Vacations with pay are intended to enable each employee to enjoy a respite from routine duty with no financial worry to distract from their benefits. Vacations are in no way considered a bonus.

22.02 The vacation year will be from April 1 to March 31. The Company has the right to schedule all remaining unscheduled holidays and floaters as of February 15 of each year and to notify employees of their remaining entitlement on February 1. Where possible during this time period individual requests of the employee will be taken into account when scheduling. Necessities of operation must be given full Consideration.

22.03(a) In drawing up the vacation schedule, management will endeavour to meet the wishes of the individual employee. It must be understood, however, that the necessities of operation must be given full consideration. The Company will approve vacation requests by June 1 provided the employee submits a list of requests up to and including May 1, 11:59 p.m. Employees can book no more than annual entitlement however, can provide alternate dates for consideration.

It is agreed that plant seniority will be given preference in scheduling vacations up to and including May 1, 11:59 p.m. of each calendar year (for the vacation year of April 1 – March 31).

An employee will be unable to cancel his scheduled floaters or vacation after Thursday at 9:00 am of the previous week unless there are extenuating circumstances and it is mutually agreed upon with the Departmental Superintendent.

An employee will be unable to cancel his scheduled floaters or vacation after the schedule for Christmas and Labour Day week are posted, unless there are extenuating circumstances and it is mutually agreed upon with the Department Superintendent.

If an employee is requested to work by the Company after his vacation has been approved he shall be paid at the applicable premium rate of pay and the vacation day(s) with pay will be deferred. The Company will attempt to find volunteers to work before cancelling holidays.

(b) Following May 1 vacations will be granted on a first come, first serve basis. These requests may be approved within one week of booking at the sole discretion of the Company. If vacation is cancelled before the weekly schedule is posted premium time will not apply.

(c) If an employee's approved vacation is changed as a result of a 30 day move no premium time will be paid. It is agreed that individual departments will have the opportunity to waive the 30 day move by mutual agreement between the Company, Union and affected employees in the department.

22.04 (a) Vacations with pay will be granted to all employees on the following schedule:

After completion of 1 year of continuous service – 2 weeks

After 4 years or more of continuous service – 3 weeks

After 9 years or more of continuous service – 4 weeks

After 18 years or more of continuous service – 5 weeks.

(Effective September 1, 2006: After 17 years or more of continuous service – 5 weeks)

After 23 years or more of continuous service – 6 weeks.

(b) The qualifying year in determining eligibility for vacations in the first year shall be the 12 month period beginning with the date of employment; in subsequent years the qualifying year may be the vacation year.

(c) Each week of vacation pay will be calculated at 2.4% of the gross earnings in the previous calendar year or 40 hours pay at the employee's regular rate, whichever is greater.

(d) An employee shall receive an additional 4 hours pay at his regular rate for each week of vacation entitlement taken during the months of January, February, April and May.

22.05 Supplementary Plan

Employees with 25 years or more of continuous service shall receive the following additional vacation in the calendar year in which they attain:

| | |
|---------|--------------------|
| Age 60: | additional 1 week |
| Age 61: | additional 2 weeks |
| Age 62: | additional 3 weeks |
| Age 63: | additional 4 weeks |
| Age 64: | additional 5 weeks |

22.06 (a) If 3, 4, 5 and/or 6 weeks are taken at one time they must be taken within the period from September 15 to June 30. Additional consecutive holidays during prime time may be granted in accordance with 22.06(c).

(b) Vacations taken during the prime time summer months, July 1 to September 14, will be limited to 2 weeks. If July 1 or September 14 falls on the employee's regular scheduled work day it will be considered prime time. For employees not following a crew, when July 1 or September 14 falls during the vacation week which is Sunday to Saturday, this week will be prime time vacation.

(c) Additional weeks during prime time may be granted only after Friday 3:00 p.m. provided there are no outstanding requests for first or second week vacation, floaters or paid holidays. Additional weeks will not jeopardize first or second booked weeks of vacation.

22.07 Working of long shifts while men are away on vacation is to be avoided whenever possible.

22.08 Taking vacations is to be compulsory. Vacations cannot be accumulated but must be taken in the year when they are due. In cases where it is administratively impossible for employees to schedule their vacation given operational requirements during the vacation year, an employee shall be permitted to carry over any unused vacation for no more than 60 days.

22.09 The Union agrees to co-operate with the Company in scheduling vacations in such a manner that maximum production may be maintained.

22.10 (a) To be eligible for vacations, employees must have worked at least two-thirds of the available time during the qualifying year. If an employee works less than two-thirds of the available time, his vacation pay will be calculated on the appropriate percentage of his earnings for the qualifying year.

(b) For the purpose of Section (a) above, time lost due to sickness (up to a maximum of 4 months in any year) and all time lost due to occupational accidents that occurred in the qualifying year, shall be treated as time worked.

(c) Unpaid vacation time based on years of service shall be granted at the employee's request according to rules governing vacations with pay, provided approval is received from the departmental superintendent after considering the full needs of the operation.

22.11 Shift differential will not be paid to any employee while absent on vacation.

22.12 Employees with more than ■ year's service who are laid off due to lack of work, or who leave the Company's employ in good standing shall be entitled to vacation pay based on the following formula:

(a) Full vacation credit based on service in the preceding vacation year, plus

(b) 4.8%, 7.2%, 9.6%, 12% or 14.4% of **gross** earnings (depending on whether the employee is entitled to 2, 3, 4, 5, or 6 weeks vacation) calculated from April 1 in the current year to date of leaving. If vacation has been taken in the current year based on the preceding vacation year's employment, (b) only shall apply.

22.13 Employees with less than 1 year of continuous service who are laid off for lack of work, or who leave the company's employ in good standing shall be entitled to vacation pay at the rate of 4.8% of gross earnings from date of employment to date of separation.

22.14 In the event of a lay-off that exceeds 4 months duration, continuity of service is broken. The recalled employee must then work one year to be entitled to vacation with pay. His vacation with pay would be granted based on restored length of service from original date of hire.

22.15 Employees who leave the Company without giving the required notice of 2 weeks unless mutually agreed otherwise shall be entitled to vacation pay based only on 2% per week of entitlement. The 2 weeks notice shall not include vacation, floating, or paid holidays.

23. HEALTH AND INSURANCE PLANS

23.01(a) In order to fully resolve all items related to the potential future funding increases, Government of Manitoba Pharmacare Program changes, spousal premium contributions, and administration, the Company is prepared to maintain the level of benefit coverage currently in place provided that full responsibility and

control for administering the Plan rests with the Company. The effective date of this transfer of administrative responsibility would be the first of the month following the date of ratification. It is the Company's intent, if possible, to amalgamate the Supplementary Health Union and Non-Union plans in order to achieve improved efficiencies, equitable coverage and streamlined administration. The supplementary health plan (currently Blue Cross) shall form part of this Collective Agreement. The Company will provide the Union with the complete Blue Cross status reports on the condition of the plan (i.e. premiums and experience), Blue Cross benefit detail booklets, and a copy of the Blue Cross policy.

Effective January 1, 2007 brand name prescription drugs will be reimbursed at 80%. For generic prescription drugs and drugs with no generic, the reimbursement will be 100%. Brand name drugs will only be reimbursed at 100% provided there is a medical justification from the treating physician for its generic equivalent not being recommended, not tolerated or cannot be administered given the medical condition of the insured participant."

The parties recognize that the use of generic drugs is an important element for containing costs in a health care plan. Consequently, the parties agree to meet and develop a mutually agreed upon plan to increase the use of generic drugs. This initiative will take place within 12 months of the ratification of the collective agreement. The plan could include promotional campaigns to improve doctors and pharmacists' awareness regarding generic drug use."

Effective date of ratification, reimbursement for paramedical expenses will be \$400 per year per type of practitioner (including Chiropractor), the number of visits will be adjusted accordingly and the minimum reimbursement per visit will be \$15. For physiotherapy, the existing maximum reimbursement will be increased to \$600 per year. It is understood that current coverage will not be reduced.

(b) i) Newly hired employees are eligible for benefits on the first day of the month following 90 days from date of hire.

ii) The Company's contribution will not cease when an employee has exhausted his Weekly Indemnity Benefit period.

(c) The Company's contribution to employee's insurance shall be applied first on account of those plans to which the Company's contribution is not taxable in the hands of the employee.

(d) i) If, due to legislative action, any type of corporate assessment is levied to fund any of the above plans, the agreed to amounts will be used first to offset direct costs to the Company and in no case shall the Company's contributions exceed the agreed-to amounts.

ii) Subject to Section (a), if the Company's contribution exceeds the amount required to provide the above coverage, the balance will revert to the employees.

(e) Pregnancy/parental leave of absence without pay will be granted in accordance with the requirements of the Employment Standards

Code. During the period of time that an employee is absent from work on pregnancy and/or parental leave, participation in group medical and life insurance plans will be maintained provided the employee was covered by these plans prior to the application for pregnancy/parental leave and further provided that the employee continues his/her premium contribution where applicable.

23.02 **Group Life Insurance**

The Group Life Insurance coverage is 2 times annual base salary. The plan is subject to insurance policy regulations and the premium cost will be borne by the Company.

Definition :

Annual Base Salary = 2080 x established Hourly rate (Rate of Posted Position) for day workers.

23.03 (a) The Company will maintain \$5,000 (effective September 1, 2006 increase to \$6,000) Group life Insurance for retired employees at no cost to the pensioner, provided he was covered by Group Life Insurance during his employment.

(b) The Company will provide at no cost to the employee a basic life insurance of \$10,000 for the spouse (effective September 1, 2006 increase to \$15,000) and \$5,000 for each dependent child (effective September 1, 2006 increase to \$7,500). The definitions of spouse and dependent children applicable are those provided as stated in the life insurance policy. Life insurance coverage for dependents expires at time of retirement or death of the employee.

23.04 Changes in the level of an employee's life insurance benefits due to the application of a wage increase will become effective on the first of the month following ratification of the Memorandum of Agreement for all employee's actively at work on that date . For employees who are not actively at work on that date the changes will become effective on the date he returns to active employment.

23.05 The Company agrees to arrange for the following:

- i) collective insurance benefits prior to death due to terminal illness, if requested;
- ii) adding contingent beneficiary to life insurance policy, if requested.

24. BEREAVEMENT LEAVE

24.01(a) When death occurs to an employee's spouse, child or step-child, mother or father, the employee will be granted a leave of absence and will be paid for 8 hours at his regular straight time rate for up to 5 consecutive scheduled working days lost within the 8 day period beginning with the date of death.

(b) When death occurs to an employee's brother, sister, mother-in-law, father-in-law, step-mother, step-father, step-brother, step-sister, grandchild, grandmother, or grandfather, the employee will be granted a leave of absence and will be paid for 8 hours at his regular straight time rate for up to 3 consecutive scheduled working days lost within the 8 day period beginning with the date of death.

24.02 An employee on vacation at the time of bereavement will be allowed to add his leave to the end of his vacation period.

24.03 Pay will be at straight time even though one or more of the days of the bereavement leave occur on Sunday or a Paid Holiday.

24.04 The regular straight time rate means the straight time rate of the job at which the employee would have worked had he not been on bereavement leave.

24.05 Notwithstanding any of the above, employees on Weekly Indemnity, Long Term Disability, Workers' Compensation Benefits or lay-off shall not be entitled to paid bereavement or compassionate leave, however employees who have not completed their probationary period will be entitled to an unpaid leave equal to the amount of leave in Article 24.01 (a) or (b).

25. JURY DUTY

25.01 An employee who is prevented from working his scheduled shift due to being on jury duty, reporting for jury roll-call or as a subpoenaed witness (arbitrations and other Union related matters excluded) shall be paid the difference between the pay received for such jury duty and 8 times the straight time hourly rate he would otherwise have received. Such employee must have at least 90 days continuous service.

25.02 An employee scheduled to work the midnight to 8:00 a.m. shift or shift immediately

prior to jury duty, roll-call, or as a subpoenaed witness (arbitrations and other Union-related matters excluded) on that date will be excused upon request, and top up allowance will be paid.

26. HOT MEALS

26.01 An employee who is required to work 2 hours or more beyond the end of his regular shift will be provided with a hot meal. Thereafter an additional hot meal will be supplied at 4-hour intervals.

26.02 (a) An employee who is "called-in" to work one (1) hour or more of overtime adjacent to the commencement of his regular shift without having been provided with twenty-four (24) hours notice from the time he is expected to report to work, will be entitled to a hot meal.

(b) Employees who are working out of their posting and are subsequently moved into it resulting in excess hours shall be supplied with a meal. (i.e. Employee working in Yard 2 hours into shift is required to go to his posting in another department (12 hour shift) and cannot go home after 8 hours shall receive a meal).

26.03 An employee "called-in" to work for a period of time which is not adjacent to his regular hours of work without having been provided with 24 hours notice from the time he is expected to report to work, will be entitled to 1 hot meal for every 4 hours worked.

26.04 Hot Meals -The value of a meal ticket shall be \$10.00 (effective date of ratification Sept 5/06 increase to \$12.00) for a hot meal and maintain \$8.00 for redemption of a meal ticket.

27. CONTRACTING OUT

27.01 The Company will not contract out repair and maintenance work which is regularly performed by the repair crew for which the mill is equipped, for which crews are available and which employees are capable of doing. The Company shall advise in writing to the Union Executive and the maintenance representative (to be decided by the Union) of its intention to contract out, with at least 5 days notice under normal circumstances, prior to the final agreement being reached with a contractor. If time does not permit 5 days notice, the Company must make direct contact with the Union.

28. TECHNOLOGICAL CHANGE

28.01 The Company and the Union recognize that technological changes, while necessary to ensure the ongoing viability of the operations, will have an impact on employees. It is the purpose of the following provisions to assist employees in adjusting to the effects of such changes. The parties have a willingness and desire to co-operate in the possible introduction of a third paper machine, and therefore, it is agreed that communication and dialogue between the parties will take place for the purposes of understanding the human resource impact and in order to minimize the effect on employees.

28.02 Technological changes, which term shall include automation, mechanization, and process changes, 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.

28.03 A joint committee will be established at the mill which shall consist of 3 Company and 3 Union representatives. It shall be the function of the committee to study the effect the proposed changes will have on employment in the mill and to make such recommendations, as are agreed upon, to the Mill Manager, to ensure that the interests of the Company and employees are fairly and effectively protected.

28.04 (a) The Company will advise the above committee as soon as possible, and in any case not less than 180 days before the introduction of technological changes which the Company has decided to introduce which will result in termination or other significant changes in the employment status of more than 8 employees.

If 8 or fewer employees will be so affected, the minimum notice to the above committee will be 60 days.

(b) The Company will advise the committee as soon as possible, and in any case not less than 30 days before the anticipated time of production start-up, of the anticipated effect on the job status of individual employees.

28.05 (a) In the event it is necessary, crews will be reduced in accordance with the provisions of Article 7.

(b) If an employee with 1 year of continuous employment is set back to a lower paid job due to a job elimination under conditions set forth above, he shall retain the rate of his permanent payroll position immediately prior to set-back, for an initial period of 6 months. For an additional period of 6 months an adjusted rate will be established midway between the above rate and the rate for his new job for each work week. At the end of the 12-month period the rate for the job to which he is assigned will apply. Seasonal or temporary employees are not covered by this clause.

28.06 Positions protected from bumping are Steam Plant and the Trades. An Employee who is temporarily bumping into the Steam Plant will not be required to attain a 4th Class ticket. Employees will only be required to attain a 4th Class ticket if posting into the Steam Plant Department.

29. SEVERANCE PAY

29.01 An employee with at least 1 year of continuous service who is laid off due to job elimination by management decision for such causes as more efficient operation, change or elimination of a process or lack of orders shall be paid severance pay. Severance pay shall not be paid due to job elimination for such causes as fire, flood, explosion, or "Act of God". Severance pay shall be paid in accordance with the following:

(a) Severance pay shall be **1 week** of pay for each year of an employee's last full period of service without interruption due to lack of work. One week of pay will be equal to 40 straight time hours at the employee's regular rate of pay. Severance pay will not be paid to employees who resign or are discharged. One-half of this severance pay is payable after the employee has been laid off due to job elimination for a period of 6 weeks. The second half of the severance pay is payable after the employee has been laid off a total of 3 months.

(b) If recalled to work before the Severance Pay payment is payable, no such payment will be made. Any employee refusing a recall shall forfeit his right to Severance Pay.

(c) If an employee is recalled after having received all the Severance Pay due him, he will, as of the date of return, commence a new period of accumulation which will be credited toward any future lay-off.

(d) If an employee is recalled after having received half of the Severance Pay due him he will, upon return to work, retain the right to the unpaid portion which will be added to any new accumulation of Severance Pay.

(e) Lay-off – 12 Consecutive Months

If the duration of a lay-off exceeds 12 consecutive months, one-half (0.5) week of pay will be paid per year of continuous service in addition to the current provisions.

(f) Permanent Lay-Off

In the event of a permanent paper machine, department or mill closure, the maximum

amount of severance pay will be 1.5 weeks of pay per year of continuous service.

The total amount of severance pay that an employee may receive will not exceed 1.5 weeks of pay per year of continuous service, for any reason, for any time.

The number of continuous years of service shall be calculated from the last lay-off period for which the employee received severance pay.

This is effective the first day of the month following ratification of the collective agreement.

30. INTERRUPTION OF WORK

30.01 No strikes or lockouts shall occur during the life of this Agreement.

30.02 In the event of cessation of work or a strike through failure to renew this Agreement, it is agreed that in the interest of the preservation of the properties of the Company during the shut-down and subsequent operation of the mill, the local Union shall supply competent men to do the following work when called upon by the Company at the scheduled rates of this contract: unloading of incoming freight purchased prior to cessation of work which is related to the maintenance of essential services, the maintenance and operation of heating and lighting systems, and any other work of a similar nature, until such time as it is mutually agreed between the Company and the Union to commence operation.

31. MILL RULES

31.01 Starting and Stopping Work of Other than Shift Workers

Workers other than shift workers shall be at their respective places to begin work at the hour required for each individual department and shall remain in their places until the corresponding hour for stopping in that particular department.

31.02 Starting and Stopping Work of Shift Workers

When a shift begins, each shift worker is required to be in his place. At the end of a shift, no shift worker shall leave his place to wash up and dress until his mate has changed his clothes and reported to take responsibility of the position. If a shift worker does *not* report for his regular shift, his mate shall notify the foreman. He shall then remain at his post until a substitute is secured and, if necessary, he shall work an extra 4 hours over his regular shift on a 12 hour schedule or 8 hours over his regular shift on an 8 hour schedule.

It is the duty of a shift 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 at least 4 hours before the start of his scheduled shift, and the person receiving this notice must complete the standard report provided for recording such notice.

If an employee has been absent from work without arrangement or without notice under the preceding paragraph, he shall report to his

Superintendent for instructions before returning to work.

Should investigation of a case of absenteeism fail to disclose a bona fide reason, management shall discipline the absentee as follows:

1. First Case - Instructions and documented verbal warning.
2. Second Case - Instruction and written warning.
3. Third Case - Instruction and up to 3 days lay-off.
4. Fourth Case - Instruction and lay-off subject to discharge.

It is understood that should an employee have a clear record for a full 12 month period between steps 1 and 2, or steps 2 and 3, or after stage 3, his record shall be considered clear.

Should the unarranged absence of an employee be of sufficient length or the reasons for the absence be of such a nature to indicate irresponsibility in the individual concerned, management may discipline the offending employee with lay-off subject to discharge.

All cases of unarranged absenteeism will be recorded on the employee's record by the Human Resources Department who will be given a written report of each case by the superintendent concerned. A copy of this report will be sent to the individual and secretary of the Union concerned.

If an employee has been absent from work a day or more he shall give adequate notice to his foreman or superintendent of his intention

to return. This notice should be given 24 hours in advance, if possible, but at least in sufficient time to make the necessary arrangements prior to the beginning of the regular work period in which he intends to resume duty. If the employee fails to give the supervisor sufficient notice to enable him to adjust the shifts back to the original schedule, the supervisor may send the returning employee home when he reports for work

31.03 Reasonable Discipline

The Company and Union agree that disciplinary penalties shall not be imposed unreasonably or unjustly. Any warning and/or penalty shall not be used against an employee for the purpose of discipline after 12 months, with the exception of safety infractions, which will be 24 months. For the purpose of progressive discipline, safety infractions will be kept separate from all other discipline.

31.04 Individual Responsibility

Everything in and about the plant shall be kept clean and in good order, and each employee will be held responsible for the condition of the part of the Plant under his control as far as is humanly possible. He is also required to see that his locker is kept clean and in neat condition.

31.05 Causes for Discharge

No employee shall be disciplined or discharged without just cause. When any disciplinary action being taken by the Company, the affected employee will have Union representation. The Company shall provide the affected employee and the Union with a copy of all written warnings and other disciplinary letters.

Incompetence

Bringing intoxicants into the Mill

Reporting for duty under the influence of liquor

Smoking while on duty in prohibited areas

Refusing to comply with Company's rules

Giving or taking of a bribe of any nature as an inducement to obtaining work or retaining a position

Destruction or removal or waste of Company's property

Disorderly conduct

Dishonesty

Disobedience

Neglect of duty

Deliberate sleeping on duty

The **disfigurement** of bulletin boards and interference with Company notices.

31.06 Bulletin Boards

Notices shall not be posted in the mill except on the official bulletin boards and permission of the General Superintendent must be obtained before the notice is posted.

31.07 Fire Service

In case of fire, all employees must assist in preventing the destruction of Company property. Fire apparatus must not be removed from its place or used except in cases of fire.

31.08 Leaving the Plant

No employee shall be permitted to leave the plant during working hours without the permission of the Supervisor of his department.

31.09 Safety

The Company's Safety Rules shall be complied with at all times.

31.10 Removal of Tools

Anyone leaving the employ of the Company shall not remove any tools from the premises unless they are first inspected by the head of his department.

31.11 Clothing

Clothing is now provided for planned work with corrosive chemicals; however, replacement of personal clothing as a result of contact with these materials will be determined by the Workplace Safety and Health Committee.

32. GRIEVANCES

32.01 In case of a grievance arising out of the interpretation of this collective agreement the parties agree to the following procedure: Paid Holidays and weekends excluded shall apply to all steps.

Step 1: The employee with union representation shall present a written grievance to his immediate supervisor. The Supervisor must sign and date accepting its receipt and send copies to Union, Employee, Department Superintendent and the HR Superintendent. If the matter is not resolved at this level within 2 working days it may be forwarded to the next step.

Step 2: The grievance may be reported to the Departmental Superintendent or his designate in writing. The grievance report shall be handed to the Superintendent concerned within 5 work-

ing days of the completion of Step 1. If the matter is not resolved at this level within 5 days it may be forwarded to the next step.

Step 3: The grievance and investigation report may be referred to the Human Resources Superintendent or her designate. If the HR Superintendent and Union President or his designate are unable to arrive at a satisfactory settlement within 10 working days, the question may be jointly referred to the General Manager and the Union's Staff Representative, or his accredited representative.

Step 4: If the General Manager and Staff Union Representative fail to agree, the grievance may be left to arbitration.

If an employee is unjustly discharged, his case will be reported to the General Manager within 48 hours and if on investigation it is found that he was unjustly discharged, he shall be reinstated without loss of time.

These timelines will apply to both Union and Company. If either party requires an extension, notice will be provided in writing and any extension will be granted consistent with the stage of grievance, (i.e. Step 3 = 10 days = 10 day extension) The Union President and HR Superintendent will review request for further extensions from either party.

When grievances are submitted to Arbitration, the Union and the Company will choose a single Arbitrator, who will confer with the parties and render a decision within 30 calendar days. If the parties fail to agree upon a single Arbitrator, the provincial Minister of Labour will be

requested to make the selection. The decision of the Arbitrator shall be final and binding upon both parties, it being understood that the function of the Arbitrator shall be to interpret and apply this agreement. The Arbitrator, however, shall have no authority to add to or subtract from or to modify and extend any of the terms of this agreement or any agreement made supplementary hereto, except by mutual consent of the Company and the Union.

32.02 In determining any grievance arising out of discharge or other discipline, the Arbitrator may dispose of the claim by affirming the Company's action and dismissing the grievance or by setting aside the disciplinary action involved and restoring the grievor to his former position with or without compensation or in such other manner as may in the opinion of the Arbitrator be justified. Such decision shall be final and binding on both parties to this agreement.

33. RETIREMENT INCOME PLAN

33.01 General Provisions

The Pension Plan, which is registered in the Province of Manitoba, forms part of this collective agreement.

33.02 Joint Pension Committee.

(a) The membership of the Joint Pension Committee will include one employee representative appointed by USW Union. Two regular meetings will be scheduled each year, including a meeting at which the actuarial valuation and other financial and statistical reports will be represented.

(b) The Company will arrange and pay transportation and hotel expenses (when necessary) plus \$50. per day to cover meals and incidental charges for the Joint Pension Committee members who are employees. Joint Pension Committee members will be compensated at straight time rates for all regularly scheduled hours lost as a result of attending Joint Pension Committee meetings.

33.03 Retirement Income Plan

(a) A post-retirement adjustment provision will be equivalent to 50% of the Consumer Price Index (up to a maximum of 5%) for clarification only. The Company is prepared to provide annual indexation (COLA) for those Pine Falls retirees who commenced retirement after September 1/94, who are currently receiving a monthly pension benefit and currently qualify for annual COLA. For all employees retiring effective September 1/06, the indexation will be applied every second year as per the attached chart.

(b) Effective August 31, 2005 there will no longer be a CPP offset (0/35).

(c) Bridging supplement for active participants over age 58 with 20 years of service who retire before the age of 60, the benefit payable to age 60 will be: (Effective September 1, 2013 bridging supplement for active participants over age 57 with 20 years of service who retire before the age of 60, the benefit payable to age 60 will be:)

- \$33.00 per month per year of credited service (maximum 30 years).

(d) For active participants over age 60 with 20 years of service who retire, the benefit payable to age 65 will be:

- \$16.00 per month per year of credited service. (maximum 30 years).

33.04 Employees on Long-term Disability

The option of the current pension formula will continue to be in effect.

When an employee retires while receiving a long-term disability benefit, his pension benefit will be calculated based on the greater of: 1) his rate at the time of the disability as defined in the collective agreement of 2) the base (JCP 2) rate in the bargaining unit in each of the years used to calculate his pension.

33.05 Employee Contributions

Effective September 1, 1999, each active participant will contribute as follows:

- 4.5% of his regular earnings up to the Yearly Maximum Pensionable Earnings (RRQ/CPP)
- 6.0% of his regular earnings in excess of the Yearly Maximum Pensionable Earnings (RRQ/CPP).

Effective September 1, 2006, refer to Pension Chart, page 58.

PENSION PLAN CHART

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|--------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|----------------|----------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Effective September 1, except when specified otherwise. | | | | | | | | | | |
| Formula (%) | | 1.70% | | | | | | | 1.75% | |
| Post-retirement adjustment (Jan 1) CPI x 50%, Max 5% | | | √ | | √ | | √ | | √ | |
| Employee Contributions | | 6% Sept 1 | 6% Sept 1 | 6% Sept 1 | 6.5% Sept 1 | 6.5% Sept 1 | 7% Sept 1 | 7% Sept 1 | 7.5% Sept 1 | 7.5% Sept 1 |

Note: The pension adjustment formula is based on the Consumer Price Index for the 12-month period ending in October of the preceding year (rounded to the nearest tenth of one per cent), subject to a maximum 5% adjustment. For calculation purposes, the Consumer Price Index means the all-items index (1981=100) published by Statistics Canada.

Effective September 1, 2013, the pension plan rules will be modified such that an active employee retiring at age 57 or more with at least 20 years of continuous service will be entitled to an unreduced pension and bridge benefit, subject to the minimum reductions imposed under the regulations of the Income Tax Act.

The parties agree to a 10-year moratorium.

34. SCHEDULE OF RATES

34.01 The attached schedule of wage rates (Appendix "A") shall be effective under this agreement.

34.02 A shift differential of \$0.50 cents per hour shall be paid for all hours worked on shift or shift occupations between the hours of 4 p.m. and 12 midnight and a shift differential of \$0.70 cents per hour shall be paid for all hours worked on shift or shift occupations between the hours of 12 midnight and 8 a.m. This shift differential shall not apply to day workers on overtime work. When employees who normally work as day workers are scheduled to work on shift, the above shift differentials will apply.

34.03 All workers absent on vacations, holidays with pay, paid sick leave, bereavement leave, or jury duty shall not be entitled to the shift differential.

34.04 When it is necessary to move a man up to replace an hourly rate foreman, the Company will pay the rate for the job. Men assigned responsibility in the absence of a salaried foreman/supervisor or superintendent shall receive a premium of \$0.70 cents per hour while they are carrying out such responsibility. Where, in specific cases, present policy is more generous than that in the wording above, then present policy shall be continued. It is understood that when foremen are absent for one day or more, the Company will set up another man to carry the supervisor's/foreman's responsibility during such absence.

34.05 It is further understood that the Company reserves the right to determine when it is necessary to set up a replacement for a **supervisor/superintendent** absent for one day or more. The above premium in all cases shall be applicable only when the man has been officially designated to take on such responsibility.

When a union employee fills in for management personnel, that employee shall not be used to do bargaining unit work during that shift. For overtime and call-ins that employee can only be used as a last resort. (i.e.: If a maintenance employee moves up for the day and there is a call-in or overtime at the end of the shift, he shall be the last tradesman called or used if there are no others in his trade available. If he were filling in for a weeks holiday then he also would not be used from 8:00 a.m. the prior Sunday to 8:00 a.m. the following Sunday unless there were no others in his trade available.)

34.06 When a Journeyman is assigned the responsibility of a Lead Hand in a crew of not less than 3 men (including the Lead Hand) required to do maintenance or construction work, he will be paid 2.5% per hour above the top rate supervised as he exercises this responsibility.

34.07 When additional supervision is required on a continuous basis a Journeyman "A" will be appointed a Lead Hand and will be paid 2.5% per hour above the top rate in the Maintenance Department (currently Electrician Journeyman **AA**).

Lead Hands assigned responsibility in the absence of a salaried foreman or superintendent shall receive a premium of 5% per hour above top rate in the Maintenance Department (currently Electrician Journeyman **AA**) while they are carrying out such responsibility.

34.08 The Papermakers Wage Scale which appears in Appendix "A", forms part of this agreement. Widths, Speeds, and Frequency of Speed Rate Adjustments are to remain as provided for in the present agreements and/or presently in effect.

34.09 The accepted schedule is considered permanent and no future alterations may be made in the schedule except by collective bargaining.

34.10 The machines must maintain increased or reduced speeds for a period of 12 working days before changes in rates shall be applied according to the schedule.

34.11 Foremen: JCP will apply.

Boss Machine Tender and other non-JCP Foremen (Woodroom Foreman, Yard Foreman and Head Weigher) 5% above top rate in their respective department. All other benefits for previously salaried foremen shall return to the USW benefit package.

Maintenance Lead Hand: 2.5% above top rate supervised.

Maintenance Supervisor replacement 5% above top rate in the Maintenance Department (currently Electrician Journeyman AA).

35. TRADESMEN

35.01 It is the sole right and responsibility of management to determine **the** number of tradesmen required to take care of mill repairs and maintenance requirements.

35.02 The Company will continue to recognize the following trades:

Electrician
 Machinist
 Welder
 Pipefitter
 Instrument Mechanic
 Millwright
 Tinsmith
 Auto Mechanic.
 Heavy Duty Mechanic
 Mobile Crane Operator

35.03 (a) When a job is performed, Tradesmen will normally be assigned tasks related to their basic trade. Tradesmen may, however, be required to perform tasks unrelated to their basic trade which they have the knowledge and ability to perform.

The Company will provide the necessary training to ensure Tradesmen are capable of performing work assignments safely and efficiently.

(b) A joint committee of 3 Union and 3 Company personnel will act in a recommending capacity to resolve issues arising out of the cooperative trades program.

35.04 With respect to the implementation of Article 35.03 above, the Company had included a \$1.00 per hour rate adjustment which was negotiated in the previous collective agreement to the following classifications and Journeyman "A" and Journeyman "AA" positions:

Electronic Technician
 Electrician
 Machinist
 Welder
 Pipefitter
 Instrument Mechanic
 Millwright
 Tinsmith
 Painter
 Auto Mechanic
 Instrument Mechanic/Electrician
 Heavy Duty Mechanic
 Mobile Crane Operator
 The listed rates in this collective agreement do reflect the rate adjustment described above.

35.05 The Company will call in the primary tradesmen for the job required. The Company will attempt to call each employee once and leave a message if possible before going to the other trades.

36. **APPRENTICE SYSTEM**

36.01 It is agreed that an Apprentice System is in effect in the mechanical trades. The Trade Apprenticeship Plan forms part of this Agreement and is attached hereto as Appendix "C",

and also includes reference in LOU – Mechanical Helper Program.

37. MEETINGS WITH MANAGEMENT

37.01 The Company shall pay lost time for Local Union Officers and Stewards attending meetings called by the Company.

38. UNPAID LEAVES OF ABSENCE

38.01(a) Leave of absence without pay, up to a maximum of 12 months, may be granted at the discretion of management for the following reasons:

- 1) Legitimate personal reasons;
- 2) Official part-time Union business;
- 3) Candidacy for public office at Federal, Provincial or Municipal level; such leave may be extended until 7 days have elapsed following the date of the election.

(b) Any leave of absence granted pursuant to (a) will not result in any loss of seniority.

(c) Leave of absence without pay up to a maximum of 2 years may be granted at the discretion of management for service as a full time Union representative.

(d) Leave of absence without pay may be granted at the discretion of management, for service as an elected representative in the federal or provincial legislatures or in municipal office. Such leave, if granted, shall normally expire 30 days following conclusion of the period of elected office but in no case shall it be in excess of 5 years.

(e) Any leave of absence granted pursuant to (c) or (d) will not cause a break in continuity of service but the period of absence shall

not be counted in calculating any service-related benefit.

(f) When a leave of absence in excess of one month is granted, an employee will be required to prepay group life insurance premiums, the Company will suspend its welfare contributions pursuant to Article 23.01(a) and weekly indemnity and long term disability coverage will cease.

(g) All leaves of absence must be applied for in writing.

(h) The Company may require an employee to exhaust his normal vacation and floating holiday entitlement before commencing a leave of absence.

39. SAFETY EQUIPMENT

39.01 The Company will pay \$100 annually towards the purchase of protective footwear.

(Effective Sept 1, 2006 - \$110 annually)

(Effective Sept 1, 2008 - \$120 annually)

When presented with proof of purchase and the cost of 1 pair of safety footwear exceeds a 2 year credit, an employee may upon written request use his boot credit for the preceding, current and following year.

40. METRIFICATION

40.01 The Company will pay the cost of all education related to the metric system if such education is deemed necessary by the Company.

40.02 In those cases where an employee already owns a tool in Imperial measure and the Company requires him to own the equivalent tool in metric measure, the Company will

pay for 50% of the cost of the required metric tool.

41. JOB CLASSIFICATION PLAN

41.01 It is agreed that all jobs under the jurisdiction of USW 3-1375, except jobs in the mechanical trades and related occupations and/or jobs properly covered by the Papermakers' Wage Scale, clerical jobs and supervisory jobs, will be classified using the Pulp and Paper Manufacturers Job Classification Plan Explanatory Booklet dated May 1990, as amended. The Job Classification Plan will be implemented.

Implementation

41.02 The Job Classification Plan is the basis for determining the job class applicable to any existing jobs, any newly created jobs or any jobs which have changed.

41.03 The Wage Rate Structure established for the various job classifications is set forth in the "Schedule of Wage Rates", which forms part of this agreement.

41.04 (a) In the event new jobs are created or significant changes occur in existing jobs, the employee or the Company may formally request the preparation of a job description from the Joint Local Committee.

The structure and function of the **JCP**

Committees shall be as follows:

Joint Local Committee (JLC):

Union President or Vice President
 Human Resources representative
 JCP Writer

Function:

- Agree as to the accuracy and adequacy of job descriptions
- Recommend jobs for consideration by the Joint Classification Committee
- Assist the Joint Classification Committee to properly classify jobs
- Establish priority of review by the JCC
- Retain in good order, records of all work conducted by the Committee.

(b) Joint Classification Committee (JCC):

Union President and one Union representative
 HR Superintendent and one HR representative

Function:

- Classify jobs when requested by the JLC, unanimous decision of this Committee will be binding to all parties
- Report the results to the JLC and the Joint Senior Committee
- Retain in good order records of all work conducted by the Committee.

Joint Senior Committee (JSC):

USW Staff Representative
 General Manager

Function:

- Settle job classifications that have not been unanimously agreed to by the JCC
- Periodically review the administration of the Plan and alter any phase of it that is

mutually acceptable to all Senior Committees

- Unsettled differences by the JSC will be referred to the next Labour Agreement negotiation.

(c) The incumbent of a job will receive the rate applicable to the job class, determined as outlined above. An upward rate adjustment, if applicable, will be effective from the date the new job was created or the date that a revised job description was formally requested. A downward rate adjustment, if applicable, will be effective from the beginning of the next weekly pay period following notification in writing to the Company and the Union to the Joint Local Committee by the Joint Classification Committee.

(d) The Joint Local and Joint Classification Committees will meet as required.

41.05 General increases will apply to all occupations.

41.06 Incentive rates presently allowed to the employees of the Steam Plant will continue to apply.

41.07 As a condition of continued participation in the plan by the Company and in consideration of the Company's agreement to adhere to the general principles of the Job Classification Plan, the Union agrees that it will not cause or be party to the modification of any essential element of a Job Classification Plan in any other pulp and paper company in the Eastern Canadian industry to which the Union is a party, unless such modification is agreed to by all participating companies.

42. STEAM PLANT PROGRESSION

42.01 A committee will be formed to review employees' progress toward certification. This committee shall be composed of the Steam Plant Superintendent, a representative of the Human Resources Department, the Steam Plant Shop Steward and Steam Plant Shift Foreman.

This committee shall meet no later than 60 days following the date of ratification to discuss the relationship between certification requirements and the line of progression. A representative from the Union executive and Human Resources Department will be included in these discussions.

42.02 The following requirements are necessary for Steam Plant personnel posting into the bottom job (Ashman) in the Steam Plant line of progression:

- (a) Must have a secondary school graduation diploma or equivalent.
- (b) Must acquire within 18 months of posting into this line of progression a Fourth Class Certificate. If unable to obtain a Fourth Class Certificate he will be removed from the Steam Plant.
- (c) After obtaining a Fourth Class Certificate, he must acquire within a further 18 months a Third Class Certificate (this 18 month period would commence when the Company has obtained his course), and further, he must acquire a Third Class Certificate to advance to Electric Boiler Operator or Fireman positions. If unable to obtain a Third Class Certificate, he will be removed from the Steam Plant.

(d) After obtaining a Third Class certificate, he must acquire within a further 30 months a Second Class Certificate (this 30 month period would commence when the Company has obtained his course).

42.03 At the discretion of the review committee, a 6 month extension may be granted in order for the employee to obtain a Second Class Certificate.

42.04 The Company will purchase all required courses and the employee will be billed monthly until the cost of the courses are paid for. The Company will refund the entire cost for the courses to the employee when he has successfully completed the course.

42.05 The routing of test papers during a course will be through the Steam Plant Superintendent and the Human Resources Department so that employees' progress can be closely monitored.

42.06 Seniority within the Steam Plant shall be based on the date an employee successfully obtains his Government Certification for the job requirements. Seniority for a new employee hired with certification will follow those employees who are presently certified.

42.07 Employees released from the Steam Plant for failure to obtain a certificate in the prescribed time interval will be referred to the Human Resources Department for placement. Such placement shall be based on plant-wide seniority.

42.08 Steam Plant is referenced in Letter of Understanding – Steam Plant Seniority.

43. QUALIFYING EXAMINATIONS

43.01 The Provincial Government specifies certain periods of time that are necessary to write qualifying examinations for Operating Engineer and Trade Journeyman Certificates. In addition, the Company may require employees to undergo aptitude testing. Employees will be compensated at their straight-time hourly rate for time missed from their regularly scheduled shifts for the purpose of writing initial examinations required for occupational certification and/or aptitude testing required by the Company.

Signed this 30th day of August, 2006 at
Lac Du Bonnet, Manitoba.

FOR THE COMPANY

M. Tremblay
D. Boyer
J. Habing
C. Dowling
S. Earle

FOR THE UNION

G. Talarico
J. Kallichuk
G. Pelland
H. Dube
G. Hutchison
C. Sokoloski
J. Johnson

APPENDIX "A"**SCHEDULE OF WAGE RATES****Wage Rate Increases:**

| | |
|-------------------|------------------------|
| September 1, 2005 | 0% |
| September 1, 2006 | 2.5% + \$0.60 per hour |
| September 1, 2007 | 2% |
| September 1, 2008 | \$0.60 per hour |

WIDTHS: Widths of machines are definitely established. Starting with 100 inches and up to, but not including 110 inches, is a group unit called Class 1. Starting with 110 inches and up to, but not including 120 inches, is a group unit called Class 2. This same rule applies all the way down the width differential line.

SPEEDS: Starting with 400 feet and up to, but not including 450 feet, is a group unit called Class 1. Starting with 450 feet and up to, but not including 500 feet, is a group unit called Class 2. In the speed line the classifications of machines will advance if speed of machine is increased sufficiently to put them over the 50 foot differential line into higher classes. A 100 inch machine is established as the minimum width for all machines less than 100 inches in width. Fourdrinier widths shall be determined by face width of breast roll.

BOSS MACHINE TENDERS

Boss Machine Tenders or Foremen on paper machines shall receive 5% above Machine Tender rate paid to the highest paid operating Machine Tender over which he has charge.

BEATER ENGINEERS

Beater Engineers, or by whatever name they might be called, shall receive either Class "A" or Class "B" rate.

CLASS "A" -In a mill where coloured paper (NOT shades of Standard White Newsprint) is manufactured the hourly rate for the Beater Engineer or by whichever name he might be called, shall equal the highest Machine Tender rate on the ma-chine(s) to which he furnishes stock.

CLASS "B" -In a mill where any other paper, except coloured paper, is manufactured, the hourly rate for the Beater Engineer, or by whatever name he might be called, shall equal the highest Back Tender rate on the machine(s) to which he furnishes stock.

CLOTHING MAN

The Clothing Man shall receive a rate not less than the highest paid Third Hand.

PAPER MACHINE SPEED & WIDTH CHART

| Width | 1800 | 1850 | 1900 | 1950 | 2000 | 2050 | 2100 | 2150 | 2200 | 2250 | 2300 | 2350 | 2400 | 2450 | 2500 | 2550 | 2600 | 2650 | 2700 | 2750 | 2800 | 2850 | 2900 | 2950 | 3000 | 3050 | 3100 |
|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 190 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 |
| 200 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 |
| 210 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 |
| 220 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 |
| 230 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 |
| 240 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 |
| 250 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 |
| 260 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 |
| 270 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 |
| 280 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 |
| 290 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 |
| 300 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 |
| 310 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 |
| 320 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 |

PAPER MAKER WAGE SCALE
September 1, 2005 - 0% increase

| Class | Mach Tender | Back Tender | 3rd Hand | 4th Hand | 5th Hand | 6th Hand |
|-------|----------------|----------------|-------------|-------------|-------------|-------------|
| 45 | 31.77 | 30.46 | 27.86 | 25.70 | 25.07 | 24.00 |
| 46 | 31.98 | 30.58 | 27.91 | 25.76 | 25.08 | 24.00 |
| 47 | 32.08 | 30.67 | 27.95 | 25.85 | 25.09 | 24.00 |
| 48 | 32.21 | 30.72 | 28.12 | 25.87 | 25.10 | 24.09 |
| 49 | 32.21 | 30.85 | 28.27 | 25.88 | 25.11 | 24.11 |
| 50 | 32.27 | 30.97 | 28.32 | 25.90 | 25.12 | 24.12 |
| 51 | 32.33 | 31.03 | 28.34 | 25.97 | 25.20 | 24.16 |
| 52 | 32.50 | 31.12 | 28.40 | 25.99 | 25.24 | 24.09 |
| 53 | 32.55 | 31.22 | 28.43 | 26.05 | 25.30 | 24.21 |
| 54 | 32.61 | 31.29 | 28.49 | 26.14 | 25.32 | 24.23 |
| 55 | 32.72 | 31.38 | 28.68 | 26.15 | 25.34 | 24.29 |
| 56 | 32.84 | 31.46 | 28.71 | 26.16 | 25.35 | 24.30 |
| 57 | 32.94 | 31.66 | 28.77 | 26.21 | 25.39 | 24.34 |
| 58 | 33.02 | 31.71 | 28.86 | 26.22 | 25.40 | 24.38 |
| 59 | 33.14 | 31.78 | 28.92 | 26.26 | 25.42 | 24.40 |
| 60 | 33.25 | 31.94 | 28.99 | 26.30 | 25.43 | 24.44 |
| 61 | 33.34 | 32.05 | 29.13 | 26.33 | 25.51 | 24.47 |
| 62 | 33.43 | 32.21 | 29.28 | 26.36 | 25.53 | 24.48 |
| 63 | 33.52 | 32.27 | 29.30 | 26.48 | 25.66 | 24.51 |
| 64 | 33.57 | 32.36 | 29.32 | 26.49 | 25.67 | 24.53 |
| 65 | 33.67 | 32.50 | 29.35 | 26.52 | 25.70 | 24.55 |
| 66 | 33.85 | 32.55 | 29.50 | 26.53 | 25.76 | 25.66 |
| 67 | 33.95 | 32.65 | 29.62 | 26.56 | 25.83 | 24.62 |
| 68 | 34.05 | 32.78 | 29.67 | 26.60 | 25.85 | 24.65 |
| 69 | 34.13 | 32.90 | 29.71 | 26.66 | 25.87 | 24.66 |
| 70 | 34.29 | 32.98 | 29.78 | 26.69 | 25.88 | 24.70 |
| 71 | 34.40 | 33.07 | 29.92 | 26.78 | 25.95 | 24.76 |
| 72 | 34.57 | 33.25 | 30.05 | 26.83 | 25.99 | 24.77 |
| 73 | 34.71 | 33.36 | 30.10 | 26.96 | 26.05 | 24.80 |
| 74 | 34.89 | 33.49 | 30.21 | 27.02 | 26.15 | 24.82 |
| 75 | 34.99 | 33.54 | 30.29 | 27.08 | 26.21 | 24.83 |
| 76 | 35.21 | 33.70 | 30.45 | 27.17 | 26.26 | 24.85 |
| 77 | 35.33 | 33.86 | 30.50 | 27.25 | 26.33 | 24.88 |
| 78 | 35.53 | 33.98 | 30.62 | 27.28 | 26.38 | 24.91 |
| 79 | 35.66 | 34.13 | 30.70 | 27.42 | 26.48 | 24.92 |
| 80 | 35.85 | 34.29 | 30.74 | 27.45 | 26.52 | 24.98 |
| 81 | 35.96 | 34.34 | 30.88 | 27.60 | 26.65 | 25.03 |
| 82 | 36.12 | 34.49 | 30.97 | 27.65 | 26.67 | 25.05 |
| 83 | 36.29 | 34.59 | 31.03 | 27.71 | 26.71 | 25.08 |
| 84 | 36.36 | 34.72 | 31.17 | 27.78 | 26.83 | 25.10 |
| 85 | 36.62 | 34.87 | 31.27 | 27.90 | 26.85 | 25.11 |

PAPERMAKER WAGE SCALE
September 1, 2006 - 2.5% + 60 cents

| lass | Mach Tender | Back Tender | 3rd Hand | 4th Hand | 5th Hand | 6th Hand |
|------|----------------|----------------|-------------|-------------|-------------|-------------|
| 45 | 33.16 | 31.82 | 29.16 | 26.94 | 26.30 | 25.20 |
| 46 | 33.38 | 31.94 | 29.21 | 27.00 | 26.31 | 25.20 |
| 47 | 33.48 | 32.04 | 29.25 | 27.10 | 26.32 | 25.20 |
| 48 | 33.62 | 32.09 | 29.42 | 27.12 | 26.33 | 25.29 |
| 49 | 33.62 | 32.22 | 29.58 | 27.13 | 26.34 | 25.31 |
| 50 | 33.68 | 32.34 | 29.63 | 27.15 | 26.35 | 25.32 |
| 51 | 33.74 | 32.41 | 29.65 | 27.22 | 26.43 | 25.36 |
| 52 | 33.91 | 32.50 | 29.71 | 27.24 | 26.47 | 25.29 |
| 53 | 33.96 | 32.60 | 29.74 | 27.30 | 26.53 | 25.42 |
| 54 | 34.03 | 32.67 | 29.80 | 27.39 | 26.55 | 25.44 |
| 55 | 34.14 | 32.76 | 30.00 | 27.40 | 26.57 | 25.50 |
| 56 | 34.26 | 32.85 | 30.03 | 27.41 | 26.58 | 25.51 |
| 57 | 34.36 | 33.05 | 30.09 | 27.47 | 26.62 | 25.55 |
| 58 | 34.45 | 33.10 | 30.18 | 27.48 | 26.64 | 25.59 |
| 59 | 34.57 | 33.17 | 30.24 | 27.52 | 26.66 | 25.61 |
| 60 | 34.68 | 33.34 | 30.31 | 27.56 | 26.67 | 25.65 |
| 61 | 34.77 | 33.45 | 30.46 | 27.59 | 26.75 | 25.68 |
| 62 | 34.87 | 33.62 | 30.61 | 27.62 | 26.77 | 25.69 |
| 63 | 34.96 | 33.68 | 30.63 | 27.74 | 26.90 | 25.72 |
| 64 | 35.01 | 33.77 | 30.65 | 27.75 | 26.91 | 25.74 |
| 65 | 35.11 | 33.91 | 30.68 | 27.78 | 26.94 | 25.76 |
| 66 | 35.30 | 33.96 | 30.84 | 27.79 | 27.00 | 26.90 |
| 67 | 35.40 | 34.07 | 30.96 | 27.82 | 27.08 | 25.84 |
| 68 | 35.50 | 34.20 | 31.01 | 27.87 | 27.10 | 25.87 |
| 69 | 35.58 | 34.32 | 31.05 | 27.93 | 27.12 | 25.88 |
| 70 | 35.75 | 34.40 | 31.12 | 27.96 | 27.13 | 25.92 |
| 71 | 35.86 | 34.50 | 31.27 | 28.05 | 27.20 | 25.98 |
| 72 | 36.03 | 34.68 | 31.40 | 28.10 | 27.24 | 25.99 |
| 73 | 36.18 | 34.79 | 31.45 | 28.23 | 27.30 | 26.02 |
| 74 | 36.36 | 34.93 | 31.57 | 28.30 | 27.40 | 26.04 |
| 75 | 36.46 | 34.98 | 31.65 | 28.36 | 27.47 | 26.05 |
| 76 | 36.69 | 35.14 | 31.81 | 28.45 | 27.52 | 26.07 |
| 77 | 36.81 | 35.31 | 31.86 | 28.53 | 27.59 | 26.10 |
| 78 | 37.02 | 35.43 | 31.99 | 28.56 | 27.64 | 26.13 |
| 79 | 37.15 | 35.58 | 32.07 | 28.71 | 27.74 | 26.14 |
| 80 | 37.35 | 35.75 | 32.11 | 28.74 | 27.78 | 26.20 |
| 81 | 37.46 | 35.80 | 32.25 | 28.89 | 27.92 | 26.26 |
| 82 | 37.62 | 35.95 | 32.34 | 28.94 | 27.94 | 26.28 |
| 83 | 37.80 | 36.05 | 32.41 | 29.00 | 27.98 | 26.31 |
| 84 | 37.87 | 36.19 | 32.55 | 29.07 | 28.10 | 26.33 |
| 85 | 38.14 | 36.34 | 32.65 | 29.20 | 28.12 | 26.34 |

PAPERMAKER WAGE SCALE
September 1, 2007 - 2% increase

| Class | Mach Tender | Back Tender | 3rd Hand | 4th Hand | 5th Hand | 6th Hand |
|--------------|------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| 45 | 33.83 | 32.46 | 29.74 | 27.48 | 26.82 | 25.70 |
| 46 | 34.05 | 32.58 | 29.79 | 27.54 | 26.83 | 25.70 |
| 47 | 34.15 | 32.68 | 29.83 | 27.64 | 26.84 | 25.70 |
| 48 | 34.29 | 32.73 | 30.01 | 27.66 | 26.85 | 25.80 |
| 49 | 34.29 | 32.87 | 30.17 | 27.67 | 26.86 | 25.82 |
| 50 | 34.35 | 32.99 | 30.22 | 27.69 | 26.87 | 25.83 |
| 51 | 34.41 | 33.05 | 30.24 | 27.76 | 26.96 | 25.87 |
| 52 | 34.59 | 33.15 | 30.30 | 27.78 | 27.00 | 25.80 |
| 53 | 34.64 | 33.25 | 30.34 | 27.85 | 27.06 | 25.92 |
| 54 | 34.71 | 33.33 | 30.40 | 27.94 | 27.08 | 25.94 |
| 55 | 34.82 | 33.42 | 30.60 | 27.95 | 27.10 | 26.01 |
| 56 | 34.95 | 33.50 | 30.63 | 27.96 | 27.12 | 26.02 |
| 57 | 35.05 | 33.71 | 30.69 | 28.01 | 27.16 | 26.06 |
| 58 | 35.13 | 33.76 | 30.79 | 28.03 | 27.17 | 26.10 |
| 59 | 35.26 | 33.84 | 30.85 | 28.07 | 27.19 | 26.12 |
| 60 | 35.37 | 34.01 | 30.92 | 28.11 | 27.20 | 26.16 |
| 61 | 35.47 | 34.12 | 31.07 | 28.14 | 27.28 | 26.20 |
| 62 | 35.56 | 34.29 | 31.22 | 28.17 | 27.30 | 26.21 |
| 63 | 35.66 | 34.35 | 31.25 | 28.30 | 27.44 | 26.24 |
| 64 | 35.71 | 34.44 | 31.27 | 28.31 | 27.45 | 26.26 |
| 65 | 35.81 | 34.59 | 31.30 | 28.34 | 27.48 | 26.28 |
| 66 | 36.00 | 34.64 | 31.45 | 28.35 | 27.54 | 27.44 |
| 67 | 36.11 | 34.75 | 31.58 | 28.38 | 27.62 | 26.35 |
| 68 | 36.21 | 34.88 | 31.63 | 28.42 | 27.64 | 26.38 |
| 69 | 36.29 | 35.01 | 31.67 | 28.49 | 27.66 | 26.39 |
| 70 | 36.46 | 35.09 | 31.75 | 28.52 | 27.67 | 26.44 |
| 71 | 36.58 | 35.19 | 31.89 | 28.61 | 27.74 | 26.50 |
| 72 | 36.75 | 35.37 | 32.03 | 28.66 | 27.78 | 26.51 |
| 73 | 36.90 | 35.49 | 32.08 | 28.80 | 27.85 | 26.54 |
| 74 | 37.09 | 35.63 | 32.20 | 28.86 | 27.95 | 26.56 |
| 75 | 37.19 | 35.68 | 32.28 | 28.92 | 28.01 | 26.57 |
| 76 | 37.42 | 35.85 | 32.45 | 29.02 | 28.07 | 26.59 |
| 77 | 37.55 | 36.01 | 32.50 | 29.10 | 28.14 | 26.62 |
| 78 | 37.76 | 36.14 | 32.63 | 29.13 | 28.19 | 26.66 |
| 79 | 37.89 | 36.29 | 32.71 | 29.28 | 28.30 | 26.67 |
| 80 | 38.09 | 36.46 | 32.75 | 29.31 | 28.34 | 26.73 |
| 81 | 38.21 | 36.51 | 32.90 | 29.47 | 28.47 | 26.78 |
| 82 | 38.38 | 36.67 | 32.99 | 29.52 | 28.50 | 26.80 |
| 83 | 38.55 | 36.78 | 33.05 | 29.58 | 28.54 | 26.83 |
| 84 | 38.63 | 36.91 | 33.20 | 29.66 | 28.66 | 26.85 |
| 85 | 38.90 | 37.07 | 33.30 | 29.78 | 28.68 | 26.86 |

PAPERMAKER WAGE SCALE
September 1, 2008 - \$0.60 per hour

| Class | Mach. Tender | Back Tender | 3 rd Hand | 4 th Hand | 5 th Hand | 6 th Hand |
|-------|-----------------|----------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 45 | 35.16 | 33.79 | 31.07 | 28.81 | 28.15 | 27.04 |
| 46 | 35.38 | 33.92 | 31.12 | 28.88 | 28.16 | 27.04 |
| 47 | 35.48 | 34.01 | 31.17 | 28.97 | 28.18 | 27.04 |
| 48 | 35.62 | 34.06 | 31.34 | 28.99 | 28.19 | 27.13 |
| 49 | 35.62 | 34.20 | 31.50 | 29.00 | 28.20 | 27.15 |
| 50 | 35.68 | 34.32 | 31.55 | 29.02 | 28.21 | 27.16 |
| 51 | 35.74 | 34.39 | 31.57 | 29.10 | 28.29 | 27.20 |
| 52 | 35.92 | 34.48 | 31.64 | 29.12 | 28.33 | 27.13 |
| 53 | 35.97 | 34.58 | 31.67 | 29.18 | 28.40 | 27.26 |
| 54 | 36.04 | 34.66 | 31.73 | 29.27 | 28.42 | 27.28 |
| 55 | 36.15 | 34.75 | 31.93 | 29.28 | 28.44 | 27.34 |
| 56 | 36.28 | 34.84 | 31.96 | 29.29 | 28.45 | 27.35 |
| 57 | 36.38 | 35.04 | 32.02 | 29.35 | 28.49 | 27.39 |
| 58 | 36.47 | 35.10 | 32.12 | 29.36 | 28.50 | 27.43 |
| 59 | 36.59 | 35.17 | 32.18 | 29.40 | 28.52 | 27.45 |
| 60 | 36.71 | 35.34 | 32.25 | 29.44 | 28.53 | 27.50 |
| 61 | 36.80 | 35.45 | 32.40 | 29.47 | 28.61 | 27.53 |
| 62 | 36.89 | 35.62 | 32.56 | 29.50 | 28.64 | 27.54 |
| 63 | 36.99 | 35.68 | 32.58 | 29.63 | 28.77 | 27.57 |
| 64 | 37.04 | 35.78 | 32.60 | 29.64 | 28.78 | 27.59 |
| 65 | 37.15 | 35.92 | 32.63 | 29.67 | 28.81 | 27.61 |
| 66 | 37.33 | 35.97 | 32.79 | 29.68 | 28.88 | 28.77 |
| 67 | 37.44 | 36.08 | 32.91 | 29.71 | 28.95 | 27.68 |
| 68 | 37.54 | 36.22 | 32.96 | 29.75 | 28.97 | 27.72 |
| 69 | 37.63 | 36.34 | 33.01 | 29.82 | 28.99 | 27.73 |
| 70 | 37.79 | 36.42 | 33.08 | 29.85 | 29.00 | 27.77 |
| 71 | 37.91 | 36.52 | 33.23 | 29.94 | 29.07 | 27.83 |
| 72 | 38.09 | 36.71 | 33.36 | 29.99 | 29.12 | 27.84 |
| 73 | 38.23 | 36.82 | 33.41 | 30.13 | 29.18 | 27.87 |
| 74 | 38.42 | 36.96 | 33.53 | 30.19 | 29.28 | 27.89 |
| 75 | 38.53 | 37.01 | 33.61 | 30.26 | 29.35 | 27.90 |
| 76 | 38.76 | 37.18 | 33.78 | 30.35 | 29.40 | 27.92 |
| 77 | 38.88 | 37.34 | 33.83 | 30.43 | 29.47 | 27.96 |
| 78 | 39.09 | 37.47 | 33.96 | 30.47 | 29.52 | 27.99 |
| 79 | 39.23 | 37.63 | 34.04 | 30.61 | 29.63 | 28.00 |
| 80 | 39.43 | 37.79 | 34.08 | 30.64 | 29.67 | 28.06 |
| 81 | 39.54 | 37.85 | 34.23 | 30.80 | 29.81 | 28.11 |
| 82 | 39.71 | 38.00 | 34.32 | 30.85 | 29.83 | 28.13 |
| 83 | 39.89 | 38.11 | 34.39 | 30.91 | 29.87 | 28.16 |
| 84 | 39.96 | 38.24 | 34.53 | 30.99 | 29.99 | 28.19 |
| 85 | 40.23 | 38.40 | 34.64 | 31.11 | 30.02 | 28.20 |

WAGE RATES

| | JCP | Sept 2005 | Sept 2006 | Sept 2007 | Sept 2008 |
|---|-----|--------------|--------------|--------------|--------------|
| MODIFIED WOODROOM & WOODYARD | | | | | |
| Sawyer/Foreman Woodyard Opera- tor | 11 | 25.83 | 27.08 | 27.62 | 28.22 |
| Chip Hauler | 8 | 24.86 | 26.08 | 26.60 | 27.20 |
| Filterman | 7 | 24.57 | 25.78 | 26.30 | 26.90 |
| Woodroom Opera- tor | 5 | 24.01 | 25.21 | 25.71 | 26.31 |
| | 4 | 23.70 | 24.89 | 25.39 | 25.99 |
| PAPER MILL (Speed & Width: Class 56) | | | | | |
| BMT | 5% | 35.22 | 36.73 | 37.46 | 38.09 |
| Beater Engineer | | 33.54 | 34.98 | 35.68 | 36.28 |
| Clothing Man | | 29.41 | 30.75 | 31.36 | 31.96 |
| Machine Tender | | 33.54 | 34.98 | 35.68 | 36.28 |
| Back Tender | | 32.16 | 33.56 | 34.24 | 34.84 |
| Third Hand | | 29.41 | 30.75 | 31.36 | 31.96 |
| Fourth Hand | | 26.86 | 28.13 | 28.69 | 29.29 |
| Fifth Hand | | 26.05 | 27.30 | 27.85 | 28.45 |
| Sixth Hand | | 25.00 | 26.23 | 26.75 | 27.35 |
| Swipe | 4 | 23.70 | 24.89 | 25.39 | 25.99 |
| FINISHING ROOM | | | | | |
| Head Weigher | 5% | 27.79 | 29.117 | 29.694 | 30.32 |
| Weigher | 13 | 26.47 | 27.73 | 28.28 | 28.88 |
| Utility 2 | 9 | 25.12 | 26.35 | 26.87 | 27.47 |
| Utility 1 | 7 | 24.57 | 25.78 | 26.30 | 26.90 |
| Paper Trucker | 7 | 24.57 | 25.78 | 26.30 | 26.90 |
| Head Coreman | 6 | 24.27 | 25.48 | 25.99 | 26.59 |
| Carman Utility | 4 | 23.70 | 24.89 | 25.39 | 25.99 |
| Capper / Crimper- man | 4 | 23.70 | 24.89 | 25.39 | 25.99 |
| Coreman | 3 | 23.43 | 24.62 | 25.11 | 25.71 |
| Coreman Helper | 2 | 23.32 | 24.39 | 24.88 | 25.48 |

WAGE RATES

| | JCP | Sept 2005 | Sept 2006 | Sept 2007 | Sept 2008 |
|------------------------------|-----|--------------|--------------|--------------|--------------|
| STEAM PLANT | | | | | |
| Repair Engineer: 1st class | 28 | | 33.57 | 34.24 | 34.84 |
| Repair Engineer: 2nd class | 18 | 28.27 | 29.58 | 30.17 | 30.77 |
| Repair Engineer: 3rd class | 15 | 27.16 | 28.43 | 29.00 | 29.60 |
| Repair Engineer: 4th class | 12 | 26.13 | 27.38 | 27.93 | 28.53 |
| Relief Repair Engineer | 18 | 28.27 | 29.58 | 30.17 | 30.77 |
| Shift Engineer | 27 | 31.79 | 33.19 | 33.85 | 34.45 |
| Fireman/2nd Class Cert | 18 | 28.27 | 29.58 | 30.17 | 30.77 |
| Fireman/3rd Class Cert | 16 | 27.55 | 28.84 | 29.41 | 30.01 |
| Fireman/4th + A of 3rd) | 14 | 26.82 | 28.09 | 28.65 | 29.25 |
| Fireman (no papers) | 9 | 25.12 | 26.35 | 26.87 | 27.47 |
| Ashman-Coal; 2nd class | 10 | 25.49 | 26.73 | 27.26 | 27.86 |
| Ashman-Coal; 3rd class | 8 | 24.86 | 26.08 | 26.60 | 27.20 |
| Ashman-Coal; 4th class | 5 | 24.01 | 25.21 | 25.71 | 26.31 |
| Ashman-Coal; no papers | 3 | 23.43 | 24.62 | 25.11 | 25.71 |
| Utility Man (with papers) | | 6 | 24.27 | 25.48 | 25.99 |
| Utility Man (without papers) | 4 | 23.70 | 24.90 | 25.39 | 25.99 |
| YARD & TRACK | | | | | |
| Foreman | 5% | 27.12 | 28.43 | 29.00 | 29.63 |
| Locomotive Engineer | 11 | 25.83 | 27.08 | 27.62 | 28.22 |
| Switchman | 8 | 24.86 | 26.08 | 26.60 | 27.20 |
| Sub-Foreman | 8 | 24.86 | 26.08 | 26.60 | 27.20 |
| Truck & Tractor Operator | 6 | 24.27 | 25.48 | 25.99 | 26.59 |
| Utility Man | 3 | 23.43 | 24.62 | 25.11 | 25.71 |
| Labourer | 1 | 22.91 | 24.08 | 24.56 | 25.16 |
| Cleaner | 1 | 22.91 | 24.08 | 24.56 | 25.16 |
| TECHNICAL | | | | | |
| Weekend Tester | 8 | 24.86 | 26.08 | 26.60 | 27.20 |
| Paper Lab Technician | 8 | 24.86 | 26.08 | 26.60 | 27.20 |
| Mill Tester | 8 | 24.86 | 26.08 | 26.60 | 27.20 |
| Day Tester | 5 | 24.01 | 25.21 | 25.71 | 26.31 |

When a USW member replaces on the COPE Production Clerk position he shall be paid at the same daily amount based on the number of hours worked (7.25 or 8) Production Clerk will be paid according to equivalent experience as per the COPE salary scale

WAGE RATES

| | JCP | Sept 2005 | Sept 2006 | Sept 2007 | Sept 2008 |
|--|-----|--------------|--------------|--------------|--------------|
| WASTE WATER TREATMENT PLANT | | | | | |
| WWTP Technician | 17 | 27.93 | 29.23 | 29.81 | 30.41 |
| WWTP Operator | 13 | 26.47 | 27.73 | 28.28 | 28.88 |
| DEINK PLANT | | | | | |
| Operator | 14 | 26.82 | 28.09 | 28.65 | 29.25 |
| Unloader | 7 | 24.57 | 25.78 | 26.30 | 26.90 |
| TMP | | | | | |
| Operator | 22 | 29.84 | 31.19 | 31.81 | 32.41 |
| Utility (with Oiling) | 8 | 24.86 | 26.08 | 26.60 | 27.20 |
| Utility (without Oiling) | 6 | 24.27 | 25.48 | 25.99 | 26.59 |
| MAINTENANCE | | | | | |
| Electrical Rates | | | | | |
| * Electronics Technician | | 30.80 | 32.17 | 32.81 | 33.41 |
| * Tour Electrician | | 30.38 | 31.74 | 32.37 | 32.97 |
| * Electrician Journeyman A | | 29.32 | 30.65 | 31.27 | 31.87 |
| * Electrician Journeyman AA | | 31.24 | 32.62 | 33.28 | 33.88 |
| The Company maintains the right to determine how many of its tradesmen are to be used in each different certification levels | | | | | |
| * See Mechanical Rate Adjustment - November 1990 | | | | | |
| Mechanical Rates | | | | | |
| Journeyman A * | | 29.32 | 30.65 | 31.27 | 31.87 |
| Helper | | 22.91 | 24.08 | 24.56 | 25.16 |
| Helper A | | 23.66 | 24.83 | 25.31 | 25.91 |
| Painter A | | 27.61 | 28.90 | 29.48 | 30.08 |
| Painter B | | 23.37 | 24.55 | 25.04 | 25.64 |
| Painter Helper | | 22.82 | 23.99 | 24.47 | 25.07 |
| When spray painting Helpers will receive 'B' Painters rate | | | | | |
| OILERS | | | | | |
| (Paper Machine) Shift | | | | | |
| Oiler | 10 | 25.49 | 26.73 | 27.26 | 27.86 |
| Woodroom Oiler | 10 | 25.49 | 26.73 | 27.26 | 27.86 |
| TMP Oiler | 10 | 25.49 | 26.73 | 27.26 | 27.86 |
| Dayshift Oiler | 10 | 25.49 | 26.73 | 27.26 | 27.86 |
| Mechanical Oiler | 10 | 25.49 | 26.73 | 27.26 | 27.86 |

WAGE RATES

| | Sept 2005 | Sept 2006 | Sept 2007 | Sept 2008 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|
| Apprentice Rates: 5 Year | | | | |
| First Year: 1st half * | 23.66 | 24.83 | 25.31 | 25.91 |
| First Year; 2nd half * | 23.66 | 24.83 | 25.31 | 25.91 |
| Second Year, 1st half | 24.29 | 25.48 | 25.97 | 26.57 |
| Second Year, 2nd half | 24.92 | 26.12 | 26.63 | 27.23 |
| Third Year; 1st half | 25.54 | 26.77 | 27.30 | 27.90 |
| Third Year; 2nd half | 26.17 | 27.41 | 27.96 | 28.56 |
| Fourth Year; 1st half | 26.80 | 28.06 | 28.62 | 29.22 |
| Fourth Year; 2nd half | 27.43 | 28.71 | 29.28 | 29.88 |
| Fifth Year; 1st half | 28.06 | 29.35 | 29.94 | 30.54 |
| Fifth Year; 2nd half | 28.68 | 30.00 | 30.61 | 31.21 |
| Journeyman A | 29.32 | 30.65 | 31.27 | 31.87 |

| | | | | |
|---------------------------------|-------|-------|-------|-------|
| Apprentice Rates: 4 Year | | | | |
| First Year; 1st half * | 23.66 | 24.83 | 25.31 | 25.91 |
| First Year; 2nd half * | 23.66 | 24.83 | 25.31 | 25.91 |
| Second Year, 1st half | 24.47 | 25.66 | 26.16 | 26.76 |
| Second Year, 2nd half | 25.28 | 26.49 | 27.01 | 27.61 |
| Third Year; 1st half | 26.08 | 27.32 | 27.86 | 28.46 |
| Third Year: 2nd half | 26.89 | 28.15 | 28.71 | 29.31 |
| Fourth Year; 1st half | 27.70 | 28.99 | 29.57 | 30.17 |
| Fourth Year; 2nd half | 28.51 | 29.82 | 30.42 | 31.02 |
| Journeyman A | 29.32 | 30.65 | 31.27 | 31.87 |

* Apprentice starting rate is mill base rate (JCP 1) plus \$0.75. The step changes between apprentice levels is the difference between the 1st year apprentice rate and the Journeyman A rate, divided in 9 steps. Update to reflect changes whenever the effective base rate and/or Journeyman A rate is changed.

JOB CLASSIFICATION SCALE

| JCP Class | Sept 1 2005 | Sept 1 2006 | Sept 1 2007 | Sept 1 2008 |
|-----------|-------------|-------------|-------------|-------------|
| 1 | 22.91 | 24.08 | 24.56 | 25.16 |
| 2 | 23.32 | 24.39 | 24.88 | 25.48 |
| 3 | 23.43 | 24.62 | 25.11 | 25.71 |
| 4 | 23.70 | 24.90 | 25.11 | 25.71 |
| 5 | 24.01 | 25.21 | 25.71 | 26.31 |
| 6 | 24.27 | 25.48 | 25.99 | 26.59 |
| 7 | 24.57 | 25.78 | 26.30 | 26.90 |
| 8 | 24.86 | 26.08 | 26.60 | 27.20 |
| 9 | 25.12 | 26.35 | 26.87 | 27.47 |
| 10 | 25.49 | 26.73 | 27.26 | 27.86 |
| 11 | 25.83 | 27.08 | 27.62 | 28.62 |
| 12 | 26.13 | 27.38 | 27.93 | 28.53 |
| 13 | 26.47 | 27.73 | 28.28 | 28.88 |
| 14 | | 28.09 | 28.65 | 29.25 |
| 15 | 27.16 | 28.43 | 29.00 | 29.60 |
| 16 | 27.55 | 28.84 | 29.41 | 30.01 |
| 17 | 27.93 | 29.23 | 29.81 | 30.41 |
| 18 | 28.27 | 29.58 | 30.17 | 30.77 |
| 19 | 28.71 | 30.02 | 30.62 | 31.22 |
| 20 | | | 31.00 | 31.60 |
| 21 | 29.07 | 30.40 | 31.42 | 32.02 |
| 22 | 29.47 | 30.81 | 31.81 | 32.41 |
| 23 | 29.84 | 31.19 | 32.22 | 32.82 |
| 24 | 30.23 | 31.59 | 32.63 | 33.23 |
| 25 | 30.62 | 31.99 | 33.03 | 33.63 |
| 26 | 31.01 | 32.39 | 33.42 | 34.02 |
| 27 | 31.38 | 32.76 | 33.85 | 34.45 |
| 28 | 31.79 | 33.18 | 34.24 | 34.84 |
| 29 | 32.16 | 33.56 | 34.65 | 35.25 |
| 30 | 32.56 | 33.97 | 35.07 | 35.67 |
| 31 | 32.96 | 34.38 | 35.45 | 36.05 |
| 31 | 33.32 | 34.75 | 35.45 | 36.05 |

APPENDIX "B"

DUAL TRADES - ELECTRICAL/
INSTRUMENTATION DEPARTMENT

The following provisions will apply to employees of the Electrical/Instrumentation Department:

1. All employees within the Electrical/Instrumentation Department will be encouraged to obtain CTTAN Certification (formerly MANSCEET) and, upon official certification, the assigned rate will be paid.
2. Contingent on CTTAN Certification and the availability of manpower in each of the trades within the department, one or more employees will be assigned work in his opposite trade.
3. After 2 years work in the opposite trade the employee will be enrolled in the apprenticeship system pertaining to his new trade and the employee will be credited with 2 years experience in the trade. This will then lead to block release for training through the Apprenticeship Division in each of his remaining 2 years in the trade and will result in the employee writing his exams in order to obtain Government certification.
4. At the end of the employee's apprenticeship in the opposite trade, he will be eligible to write for his ticket. Upon the successful completion of this apprenticeship an "AA" rate will be paid.

5. **Present employees wishing to obtain** CTTAN Certification will be on a voluntary basis.
6. Related correspondence courses which may be required will be paid for by the Company.
7. Reference to enrolment into the Apprenticeship Plan after 2 years in the opposite trade could mean enrolment in an equivalent training program should the apprentice system not be available or another system be deemed to be better. The involvement in this program is voluntary.
8. The rate paid for the "AA Journeyman will be in accordance with the Wage Schedule of the Collective Agreement.
9. The company reserves the right to determine how many Journeyman **AA** it requires at any given time.
- 10 The cost of licenses which directly relate to the work performed for the Company shall be paid by the Company.

APPENDIX "C"**TRADES' APPRENTICESHIP**

1. The Company, as part of its employee development program, has established an apprenticeship system. In it, a carefully selected employee, interested in one of the trades practiced in our mills, is given work experience by varied shop and mill assignments, and must complete a government accredited course or another mutually acceptable course between the Company and the Union. By so developing tradesmen, the Company prepares replacements for future retirement of its skilled older journeymen, while offering to some of its employees an opportunity to develop and increase their skill and knowledge by learning a trade. By being thus assured of an adequate supply of skilled tradesmen, the Company is better enabled to maintain its equipment in proper shape for efficient production.

2. REQUIREMENTS

- (1) An applicant for apprenticeship must be at least 18 years of age.
- (2) An applicant for apprenticeship must have a secondary school graduation diploma or G.E.D. plus Grade 12 Mathematics certificate, or such higher academic standing as may be required by the government.
- (3) An applicant must successfully complete the "GATB" Mechanical Aptitude Test.

- (4) **Time allowances** for **various school** courses and/or time spent within the trade will be granted with the approval of the Provincial Apprenticeship Board.
- (5) An applicant for electricallinstrument-ation apprenticeship shall meet the requirements outlined as per the Letter of Understanding dated June 8, 1989.

3. **SELECTION**

- (1) All applications for apprenticeship are to be sent to the Human Resources Department.
- (2) The senior applicant(s) meeting the minimum requirements under the provisions of the plan will be given preference.
- (3) Prior to commencing the trade apprenticeship, the successful applicant will be thoroughly familiarized as to the Terms of Apprenticeship. He will then be required to sign an Apprenticeship Indenture certifying that he has read, understands, and agrees to all the terms and conditions of the Trades Apprenticeship of Pine Falls Paper Company.
- (4) "The parties agree to explore the suitability of a "skill set testing" selection tool".
- (5) Applicants must come from the helper program so long as it continues to be in working existence.

Company to review Letter of Understanding dated June 8, 1989 regarding level of

qualifications for an Electrical Apprenticeship.

4. TERMS OF APPRENTICESHIP

- (1) To be eligible for advancement at the end of any 6 month period, an apprentice must have completed his shop work to the satisfaction of the shop management and his technical training to the satisfaction of the trade school.
- 2) An apprentice who does not qualify for advancement at the end of any 6 month period shall be considered as re-entering upon a trial period, and shall be notified as to the nature of his unsatisfactory work by his immediate supervisor. If he does not qualify after 3 additional months he shall be dropped from the apprenticeship course.
- (3) An apprentice will be required to accumulate the related tools of his trade so that he can complete his work to the satisfaction of his foreman.
- (4) It is understood that all apprenticeships will be bound by the standards of the Provincial Apprenticeship Board.

5. APPRENTICE COMMITTEE

- (1) An Apprentice Committee with Company and Union representatives will deal with such things as: checking on course coverage, progress of apprentices and solving of problems that may arise. The Unions will be advised how many management representatives will attend each meeting

and *the* Unions will be entitled to an equal number of representatives in total.

- (2) The final selection of an apprentice shall be done by the Apprentice Committee. The Union representatives on this Committee, while it is selecting an apprentice, may offer any appropriate comments or suggestions.
- (3) The selection process shall refer to process set out in the Mechanical Helpers Program LOU so long as the Helper program is in working existence. The helper Committee shall explore the suitability of an amended rating scale which rates seniority **after** all other factors and sets a band within which seniority shall be given preference.

6. **WORKING CONDITIONS**

In general, an apprentice will not be asked to work overtime, except in exceptional cases and then he will not be left on the job alone; a journeyman will work along with him. An apprentice must comply with all **the** rules and regulations applicable to the department in which he serves.

7. **SPECIAL WORK**

Where a special job comes up, the apprentice in the department concerned will be given an opportunity to work wherever possible with the crew on the job.

8. SENIORITY

When a man transfers from some other job to the status of an apprentice in one of the Maintenance trades, his previous department seniority number shall be frozen and his seniority shall then develop exclusively within the Maintenance group to which he is transferred. The 240 hour probationary period will be extended until completion of Level 1. Upon receiving his journeyman ticket, if there is a vacancy in that trade for which he is ticketed, he will be retained and lose his frozen department seniority number. If not retained after receiving journeyman ticket he shall return to his departmental frozen number and resume line of progression while holding a frozen seniority number in the Maintenance department. Seniority shall only accrue in the department he is working in.

9. RATES OF PAY

- (1) The schedule of rates for apprentices appears in the main wage schedule.
- (2) When an apprentice is attending a trade training course at a Government Trade School, the following pay arrangements will apply:
 - (a) The apprentice may receive a weekly training allowance from the Provincial Depart-

ment of Labour or the Federal Manpower Office while attending school. The Company will supplement this allowance to provide the apprentice with a total weekly income to 40 times his regular hourly rate of pay. Calculation of the Company's portion will be based on the Government allowance for an apprentice who is able to live at home while attending the Trade School.

- (b) If the apprentice is required to live away from home in order to attend a trade training course, he will receive the Company pay supplement referred to above, in addition to any increased allowance paid by the Department of Labour to a trade trainee living away from home.
- (c) Payment of supplementary pay will be made on regular pay-days. To receive this pay the apprentice must maintain satisfactory attendance and performance records at school during his trade training course.
- (d) The Company will provide the foregoing weekly pay supplement for the number of weeks normally required to complete trades' training courses. Should an apprentice be required to spend more than the normal number of weeks to complete a course he will not receive Company pay during the additional time in school.
- (e) An apprentice's entitlement to vacation with pay, Statutory Holiday pay, sick leave and bereavement leave will not be affected by his attendance at a Trade School, nor will his participation in any employee wel-

fare plans in which he is enrolled. Permission of the school authorities must be obtained for all absences.

10. LOSS OF WORKING TIME

An apprentice may lose up to a maximum of 20 scheduled working days, due to sickness or accident, during his 4 year term of apprenticeship without having to serve additional time. Extension of the term of apprenticeship will be considered by the Apprentice Committee in the event that an apprentice loses more than 20 working days.

11. LIVING / TRAVEL ALLOWANCE

For those apprentices who must live away from home to attend a Government Trade School, the Company will provide a living allowance supplement of \$300/week less any comparable allowance from any government agencies. One round trip for each school session shall be paid for by the Company.

APPENDIX "D"**MOTIVE POWER TRADES
APPRENTICESHIP**

1. Tembec – Pine Falls Operations, as a part of its employee development program, has established an apprenticeship system. In it, a carefully selected employee, interested in one of the motive power trades practised in our Woods Department, is given work experience by varied shop and field assignments, and must complete a suitable course of instruction in related theory. By so developing tradesmen, the Company prepares replacements for future retirement of its skilled older journeymen, while offering to some of its employees an opportunity to develop and increase their skill and knowledge by learning a trade. By being thus assured of an adequate supply of skilled tradesmen, the Company is better enabled to maintain its equipment in proper shape for efficient production.

2. REQUIREMENTS

1. An applicant for apprenticeship must be at least 18 years of age. Individuals employed by the Company as Mechanics Helpers, will be considered for apprenticeship training providing they meet all the other requirements.
2. An applicant for apprenticeship must have a secondary school graduation diploma or equivalent and must successfully complete the Company's mechanical aptitude test.

3. A graduate of a secondary school technical course (who has specialized in the trade in which he is to be apprenticed) shall be granted 1 year standing on his term of apprenticeship.
4. A graduate of a 3 year course at a College of Applied Arts and Technology or similar institution (who has specialized in the trade in which he is to be apprenticed) shall be granted 2 years standing on his term of apprenticeship.
5. Time allowances for completion of various Government trade school courses or combination courses will be 6 to 24 months depending on agreements reached with the approval of Provincial Apprenticeship Boards and Trade School authorities.
6. Preference will be given to present employees who desire to become apprentices and meet the above listed requirements.

3. SELECTION

1. All applications for apprenticeship are to be sent to the Human Resources Department.
2. Senior applicants meeting the minimum requirements under the provisions of the Plan will be given preference.
3. Prior to commencing the trade apprenticeship, the successful applicant will be thoroughly familiarized as to the Terms of Apprenticeship. He will then be required to sign an Apprenticeship Indenture certifying that he has read, understands, and agrees to all the

terms and conditions of the Trades Apprenticeship of the Company.

4. TERMS OF APPRENTICESHIP

1. The period of Apprenticeship will be 4 years divided into 8 periods, each of 6 months' duration. After graduation, if retained, an apprentice will automatically proceed over a 1 year period to Journeyman status, as indicated in the Apprentice "Rates of Pay".
2. Technical training pertaining to the trade will be provided by:
 - (a) Whenever possible, the technical training of apprentices shall be provided through attendance at Government trade schools. In such cases the number of hours of technical training an apprentice receives shall be determined by the authorities in charge of the trade school.
 - (b) If suitable government trade school training is not available, 4 hours per week of the apprenticeship term will be allowed for classroom instruction or correspondence course study.
3. The first period shall be considered entirely a probationary period and his continuance as an apprentice depends upon ability, progress and attitude as demonstrated during this trial period.
4. Where technical training cannot be taken at a trade school because suitable courses are not available, correspondence courses in the related subjects will be used. Courses will be pur-

chased under our Educational Refund Plan but in the case of an apprentice the refund for this course will be 100% of the net cost on successful completion of the course.

The Human Resources Department will review course content for the various trades as provided by the government trade schools and if additional technical training is considered necessary, an apprentice may be required to take a correspondence course as well as attend a trade school.

5. Except as indicated in Sub-section (4) above, when an apprentice receives his technical training at a government trade school, he will not be enrolled for a correspondence course and will not be allowed time for study during his regular hours of work. However, any employee who is already enrolled for a correspondence course shall complete such course under the conditions such course under the conditions contained in this Agreement.
6. After an apprentice has completed his required correspondence course, all remaining study time, allowed on the basis of four hours per week, will be available to him for further approved technical training if he so desires.
7. To be eligible for advancement at the end of any 6 month period, an apprentice must have completed his shop work to the satisfaction of the shop management, his technical training to the satisfaction of the trade school, or in the case of a correspondence course he must have submitted the required

- number of lesson assignments and** have satisfactory grades on those returned.
8. An apprentice who does not qualify for advancement at the end of any **six** month period shall be considered as re-entering upon a trial period, and shall be notified as to the nature of his unsatisfactory work by his immediate supervisor. If he does not qualify after three additional months, he shall be dropped from the apprentice course.
 9. Tools are essential for tradesmen. At the 12, 24, 36, and 48 month completion points of the training program the apprentice will be required to submit proof to the Apprentice Committee that he owns and has in his possession a pre-determined list of tools. Before graduation from the training program the complete list of tools will be checked against the tools owned. Tools may be purchased through the Company at cost, using normal Company procedures.
 10. During the last 6 months of his apprenticeship period the apprentice will be periodically assigned jobs in his own trade.
 11. Tembec does not guarantee employment upon completion of apprenticeship, but will endeavour to place the graduates in tradesmen's jobs.

5. GENERAL

Helper

The accepted way to become a tradesman will be by the apprentice route.

Apprentice training does not mean the replacement of helpers as they will always be needed as such, but it does mean that the main course of our future tradesmen will be through apprenticeship.

6. APPRENTICE COMMITTEE

An Apprentice Committee will be formed in each Woodlands Operation composed of the Vice-president Woodlands or his representative, and appointed representatives from the following:

Mechanical Department, Human Resources Department and the Union concerned. This Committee will deal with such things as: checking on course coverage, progress of apprentices and solving of problems that may arise. The Union will be advised how many management representatives will attend each meeting and the Union will be entitled to an equal number of representatives in total.

The final selection of an apprentice shall be done by the Apprentice committee.

The Union representatives on this Committee while it is selecting an apprentice may offer any appropriate comments or suggestions.

7. RATIO OF APPRENTICES TO MECHANICS

During the next ten years the ratio of apprentices to mechanics retiring will depend

on the work load of the **Woods** Department. Mechanics will continue to come from both helpers and apprentices.

8. WORKING CONDITIONS

In general, an apprentice will not be asked to work overtime except in exceptional cases and then he will not be left on the job alone, a journeyman will work along with him. An apprentice must comply with all the rules and regulations applicable to the department in which he serves.

9. SPECIAL WORK

When a special job comes up, the apprentice in the department concerned will be given an opportunity to work wherever possible with the crew on the job.

10. CERTIFICATE

The Company will supply a signed certificate to each apprentice on completion of his apprenticeship. In addition, where applicable, a Certificate of Apprenticeship shall be presented by the Provincial Department of Labour to each apprentice who is registered with the Department and who completes his apprenticeship.

11. SENIORITY

When a man transfers from some other job to the status of an apprentice in one of the Maintenance trades, his previous department seniority number shall be frozen and his seniority shall then develop exclusively

within the Maintenance group to which he is transferred. The 240 hour probationary period will be extended until completion of Level 1. Upon receiving his journeyman ticket, if there is a vacancy in that trade for which he is ticketed, he will be retained and lose his frozen department seniority number. If not retained after receiving journeyman ticket he shall return to his departmental frozen number and resume line of progression while holding a frozen seniority number in the Maintenance department. Seniority shall only accrue in the department he is working in.

12. RATES OF PAY

1. The schedule of rate for apprentices appears in the main Wage Schedule.
2. When an apprentice is attending a trade training course at a Government Trade School, the following pay arrangements will apply:

(a) The apprentice may receive a weekly training allowance from the Provincial Department of Labour or the Federal Manpower Office while he is attending school. The Company will supplement this allowance to provide the apprentice with a total weekly income equal to 40 times his regular hourly rate of pay. Calculation of the Company's portion will be based on the Government allowance for an apprentice who is

able to live at home while attending the Trade School.

(b) If the apprentice is required to live away from home in order to attend a trade training course, he will receive the Company pay supplement referred to above, in addition to any increased allowance paid by the Department of Labour to a trade trainee living away from home.

For those apprentices who must live away from home to attend a Government Trade School, the Company will provide a living allowance supplement of \$300 per week less any comparable allowance from any Government agencies.

(c) Payment of supplementary pay will be made on regular pay days. To receive this pay the apprentice must maintain satisfactory attendance and performance records at school during his trade training course.

(d) The Company will provide the foregoing weekly pay supplement for the number of weeks normally required to complete trades training courses. Should an apprentice be required to spend more than the normal number of weeks to complete a course he will not receive Company pay during the additional time in school.

(e) An apprentice's entitlement to Vacation with Pay, Statutory Holiday Pay, Sick Leave and Funeral Leave will not be affected by his attendance at a Trade School, nor will his participation in any employee welfare plans in which he is enrolled. Permission of the school authorities must be obtained for all absences.

13. LOSS OF WORKING TIME

An apprentice may lose up to a maximum of 20 scheduled working days due to sickness or accident, during his four year term of apprenticeship, without having to serve additional time. Extension of the term of apprenticeship will be considered by the Apprentice Committee in the event that an apprentice loses more than 20 working days.

APPENDIX "E"**TWELVE (12) HOUR SHIFTS
FOR OPERATING DEPARTMENTS, STEAM
PLANT EMPLOYEES & SHIFT ELECTRICIANS**

This Agreement made between the Company and the Union is supplementary to the Collective Agreement between the parties and covers the special conditions applicable to the Operating Departments working a compressed work week on 12-hour shifts. The main Collective Agreement continues to apply in all necessary respects not specifically provided for in this supplementary agreement.

1. INTRODUCTION

- 1.1 Problems may be identified or may arise which are not covered by this Memorandum of Agreement or which were not contemplated at the date of the signing of this Memorandum of Agreement. Should this occur, both parties will meet to resolve the problem in the spirit of this Memorandum of Agreement to the end that no additional cost should be incurred by the Company.
- 1.2 It is understood and agreed that each party has the right to cancel the agreement on 30 days' written notice to the other party.
- 1.3 It is agreed that no premium time will be paid as a result of a change from an 8 or 10 hour to a 12 hour shift schedule or, conversely, as a result of a change from a 12 hour to an 8 or 10 hour shift schedule.

2. HOURS OF WORK

- 2.1 The schedule of hours shall be 8:00 a.m. to 8:00 p.m. and from 8:00 p.m. to 8:00 a.m.
- 2.2 It is understood that relief shall not be earlier than 15 minutes before the hour.

3. AVAILABILITY FOR CALLS ON SCHEDULED DAYS OFF

- 3.1 Replacements must be available when required due to absenteeism caused by sickness, accidents, etc. These replacements must come from the availability list which will be set up by mutual agreement by all concerned in the department. It is understood that availability of replacements is critical to the success and continuation of the 12 hour shift schedule.
- 3.2 It may be necessary, at times, due to unforeseen circumstances such as illness, accidents, etc., to call in other **em**-employees not on the availability list so that the employees will not be required to work more than **16** hours consecutively.
- 3.3 (Shift Electricians only)
The department availability list will be set up so that all of the concerned members will have a turn of being available for a period of **2** weeks.
- 3.4 Employees on the availability list will be required to be available for calls between the hours of 1 hour before and 2 hours after the scheduled shift change to allow for late relief.

4. RATES OF PAY

- 4.1 Regular straight time rates shall be paid for all hours worked for each 12 hour shift.
- 4.2 Time and one-half shall be paid for all hours worked in excess of 12 hours, except for late relief as per the Agreement.
- 4.3 Time and one-half shall be paid for all hours worked in excess of 48 hours per week.
- 4.4 Double time shall be paid for all hours worked after 12 hours on a Sunday and a Paid Holiday. This will include excess hours worked beyond the Sunday night shift.

5. MILL (SHUTDOWN) HOLIDAYS

- 5.1 Employees who work on a Paid Holiday shall be:
 - (a) paid at the rate of time and one half;
 - (b) granted a day off with 8 hours pay at a later date (or may elect to receive 8 hours pay in lieu of such day off). **As** part of this arrangement, eligible accumulated Statutory Holiday pay may be combined to allow 12 hours pay for a 12 hour shift off;
 - (c) paid double time for any time worked in excess of 12 hours on the Paid Holiday.
- 5.2 Employees not working on a Paid Holiday, and qualified to receive holiday pay, shall be paid for 8 hours at their regular rate of pay.

6. **FLOATING HOLIDAYS (876'S)**

- 6.1 Employees on 12 hour shifts will be allowed 4 floating holidays based on 12 hours per day or 6 floating holidays based on 8 hours per day. A maximum total of 48 hours will be paid for floaters per vacation year.
- 6.2 To be eligible for floating holidays, a new employee must have been in the employ of the Company for 640 hours or more to qualify for 2 holidays and 1,440 hours or more to qualify for the third and fourth holiday.

7. **SHIFT DIFFERENTIALS** - will be paid according to our Collective Agreement.

Example

8:00 a.m. to 8:00 p.m. = 8 hours at 0 cents + 4 hours at \$0.50 cents

8:00 p.m. to 8:00 a.m. = 4 hours at \$0.50 cents + 8 hours at \$0.70 cents

8. **VACATIONS WITH PAY**

Each week of vacation entitlement will be paid for on the basis of for 40 times the employee's classified rate at the time of the vacation taken or 2.4% of the gross earnings for the previous year, whichever is greater. Each week of vacation shall start on the first shift of the employee's selected week.

9. **BEREAVEMENT LEAVE**

- 9.1 (a) When death occurs to an employee's spouse, child, step-child, mother or father, the employee will be granted a leave of absence and will be paid for up to 40 hours at his regular

straight time rate. An employee will be allowed up to 4 consecutive scheduled working days lost within the 8-day period beginning with the date of death.

(b) When death occurs to an employee's brother, sister, mother-in-law, father-in-law, step-mother, step-father, step-brother, step-sister, grandchild, grandmother, or grandfather, the employee will be granted a leave of absence and will be paid up to 24 hours at his regular straight time rate. An employee will be allowed up to 3 consecutive scheduled working days lost within the 8 day period beginning with the date of death. When distance prevents the employee from attending the ceremony, one day of compassionate leave will be allowed within the 8 day period beginning with the date of death.

10. **JURY DUTY**

Employees will be paid the difference between the payment received for such duties and their regular pay they would have received for each scheduled 12 hour work day lost.

11. **CREW CHANGES**

An employee who is on a regular crew (ie. not a posted spare) will not be required to change crews unless such change is for at least a 30 day period. No crew change will be made due to the absence caused by holidays and floaters. Such changes will take place at the start of the work week as reflected in the schedules posted the previous Friday.

When the employee, whose absence necessitated the crew change, returns before the 30 day period expires, he will return to his original crew.

For overall crew balancing and realignment, the Company, may in its sole discretion, re-arrange the crews with due regard to seniority, during the period January 15th to February 15th each year, but not implemented until April 1st

Crew Changes - "If the Union and the Company, via the Wellness Committee, agree that a particular absence is most likely to extend beyond 30 days without the proper medical documentation having been provided, they may then also agree to approve the timing of the subsequent crew change. In these instances both the Company and the Union shall be held harmless. Finally, when an employee who provides his written notice of retirement the timing of the subsequent crew change shall be on the employee's anticipated last day of work.

APPENDIX "F"

WEEKLY INDEMNITY PLAN

1. **DEFINITIONS**

In this plan, unless otherwise specifically provided:

- (a) "**Accident**" is a bodily injury caused by external, violent means;
- (b) "**Accidental Injury**" means bodily injury caused directly and independently of all other causes by external, violent, and purely accidental means.
- (c) "**Disability**" is a disability preventing an employee from pursuing any gainful occupation arising from any mental infirmity, bodily disorder, or bodily injury, verified to the satisfaction of the Company and/or insurer and not otherwise excluded by this plan;
- (d) "**Employee**" means an employee in the active employment of the Company who participates in this plan;
- (e) "**Illness**" means an ailment or disease that requires medical attention from a physician.
- (f) "**Injury**" means bodily injury caused directly and independently of all other causes by external, violent, and purely accidental means.

- (g) "**Insurer**" means the insurance company or carrier appointed by the Company;
- (h) "**Plan**" means the Weekly Indemnity Plan;
- (i) "**Wage**" means an employee's regular weekly wage, based on 40 times his straight time average rate for the 40 hours worked prior to the start of disability, excluding any overtime premium or shift bonus.

2. **PARTICIPATION**

- (a) All employees of the Company listed on the attached participation schedule shall be eligible to participate in this Plan, in accordance with the provisions listed herein.
- (b) Participation in this Plan is limited to eligible employees who have completed three months of continuous employment with the Company.
- (c) The cost will be borne by the Company. The 5/12 of the E.I. premium reduction will continue to be retained by the Company.
- (d) The Company and the Union agree to work together on developing a healthy workplace program with the following elements: active case management, wellness, ergonomics and streamlined claims administration

3. **AMOUNT OF DISABILITY BENEFITS**

- (a) The amount of disability benefits shall be 70% of an employee's wage, as defined in

Section 1 (i), immediately preceding the date of disability, with no maximum.

- (b) **Change in Benefits**
Any employee not actively at work on the effective date or dates of the changes in benefits will not be eligible for the increase in benefits until the date of his return to active employment.

4. ELIGIBILITY FOR PAYMENT

- (a) (i) Except in the case of disability arising out of an accident or by being hospitalized for sickness, an employee shall be eligible to receive an amount of disability benefit, in accordance with Section (3) hereof, for a period not exceeding 52 weeks for any illness, beginning after 3 consecutive days of continuance of the disability.

(ii) In the case of a disability arising out of an accident or by being hospitalized for sickness, an employee shall be eligible to receive an amount of disability benefit in accordance with Section (3) hereof, for a period not exceeding 52 weeks for any one accident or such sickness commencing from the date of the accident or first day of hospitalization.
- (b) An employee, absent from work and in receipt of an amount of disability benefit, shall continue to receive such benefit, even though a work shortage develops which would have resulted in his being laid off had he been at work, provided that the employee remains disabled and continues

to furnish evidence satisfactory to the Company and/or insurer and verifies the continuance of disability.

- (c) An employee shall not be eligible for an amount of disability benefit under this plan unless he is actively employed by the Company at the date that he becomes eligible or until he subsequently returns to active employment.

In the event of a lay-off, an employee shall be considered as still employed for purposes of this benefit up to the end of the policy month next following the policy month in which the employee was laid off.

- (d) An employee making a claim for an amount of disability benefit after lay-off or termination of employment for disability, established to the satisfaction of the Company and/or insurer as having occurred prior to his lay-off or termination, shall be eligible for an amount of disability benefit, provided such disability was accompanied by a continuance of absence that commenced prior to actual lay-off or termination.
- (e) Successive periods of disability, separated by less than 4 consecutive weeks, shall be considered 1 period of disability unless the subsequent disability is due to an accident or illness entirely unrelated to the previous disability and commences after return to active employment on a full time basis.

- (f) An amount of disability benefit under this plan shall not be paid in the event the absence is a result of:
- (i) Any injury arising out of or sustained while doing any act or thing pertaining to any occupation or employment for remuneration or profit, or
 - (ii) Any injury or illness entitling the employee to compensation under any Workers' Compensation or similar legislation, or
 - (iii) Self-destruction or any self-inflicted injury, while sane or insane, or
 - (iv) Any injury or illness resulting from insurrection or war, whether war be declared or not, or from participation in riot or civil commotion, or
 - (v) Disability for which the employee is not under the treatment of a physician except that authorization for benefits by a chiropractor shall be permitted for up to four weeks per insured person per calendar year, or
 - (vi) Alcoholism or Drug Addiction, unless the employee is confined in a hospital or institution licensed to provide care and treatment incident thereto or unless the employee is undergoing regular rehabilitative treatment approved by the insurer and a physician.
- (g) An amount of disability benefit will not be payable following the normal retirement date of an employee, other than retirement

under the total and permanent disability provision of the Company pension plan.

- (h) An amount of disability benefit will not be payable following the early retirement date of an employee, if early retirement was approved prior to the onset of disability.
- (i) An amount of disability benefit will not be payable for those days for which the employee receives holiday pay, vacation pay, or more than one-half day's regular pay, from the Company.
- (j) An employee on Weekly Indemnity who is determined as being fit for "light duty" by a licensed physician and if no "light duty" work is available, he shall remain on Weekly Indemnity Benefits in line with Section 4 (a) (i).

5.(a) (i) In computing the amount of disability benefits, disability will be considered as starting from the first day of disability; however, in the event of absence due to illness, an employee must be certified by a physician for the disability within the first 3 days of disability. In the event that the employee is not certified within the first 3 days, disability will be considered as starting 2 complete days prior to the day that the employee is actually certified by a physician.

(ii) When an employee becomes ill on a Friday, the 3 day waiting period will be extended to the Monday. However, if the employee in this instance fails to see his doctor on the Monday immediately follow-

ing the Friday, the grace period will revert to the 3 days only.

- (b) A daily rate of payment for each calendar day of absence that qualifies for payment shall be one-seventh the weekly amount of disability benefit under Section (3) hereof.

6. MISCELLANEOUS PROVISIONS

- (a) An employee who is absent due to disability or on an authorized leave of absence on the date he was to become eligible under this plan and is unable to return to active employment when eligible because of a disability shall, upon the date of his return to active employment, be eligible to participate in this plan;
- (b) An employee absent on an authorized leave of absence on the date he was to become eligible under this plan shall, upon the date of his return to active employment, be eligible to participate in this plan;
- (c) If an employee who has been covered under the terms of this plan is granted an authorized leave of absence, such employee shall be considered as still covered under the terms of this plan but not beyond the end of the policy month next following the policy month in which such employee ceased work.

7. GOVERNMENT DISABILITY PLANS

- (a) The amount of disability benefit under this plan will be reduced by the amount for which an employee and/or the employee's dependent, up to the age of eighteen, is

eligible under the disability benefit provision of the Canada or Quebec Pension Plan or similar provisions in any other Government plans' for disability for which the employee is receiving an amount of disability benefit under this plan, except for War Disability Pensions and Workers' Compensation Disability Pensions;

- (b) The Company and/or insurer may require certification or verification of the amount of income from the Canada or Quebec Pension Plan or such other Government Plans;
- (c) The amount of disability benefit, in excess of the amount which should have been paid, may be deducted from the amount of any future disability benefit or repaid by the employee to the Company and/or insurer, as the case may be, through some other mutually satisfactory arrangement.

8. COMPANY PENSION PLAN DISABILITY BENEFITS

The amount of disability benefit under this plan will be reduced by the amount of pension for which the employee receives under the total and permanent disability provision of the Company pension plan.

- 9. PHYSICAL EXAMINATIONS** The Company and/or insurer reserves the right to require periodic physical examinations throughout the duration of the employee absence due to disability. Such examinations shall be conducted by a physician or physicians designated by the Company and/or insurer.

Cost of physical examinations, transportation and reasonable out-of-pocket expenses related thereto will be paid by the insurer.

10. ADMINISTRATION

- (a) It shall be the obligation of the employee to notify immediately the Company of his absence due to disability, following which, the Company will issue the necessary initial claim forms to him.
- (b) Completed claim forms will be checked by the Company to determine whether or not an employee is a participant in the plan and the Company will forward the claim forms to the insurer for adjudication and processing.
- (c) To assist the insurer in the proper adjudication and processing of claims, the Company and/or the insurer may establish claims control procedures. The weekly indemnity policy terms and conditions shall be in accordance with these collective agreement terms. The Company shall supply a copy of the policy to the Union and WI (STD) reference booklets to the employees.
- (d) (i) A Wellness Committee will be established, consisting of a Union representative of each participating local and representative of management, having a representative of management as Chairman, the purpose of which will be to discuss any problems relating to the administration of the plan and to review claims experience. To

assist in the function of the Wellness Committee, a representative of the insurer will attend meetings periodically and claims experience will be made available.

(ii) The Wellness Committee may assist in the establishment of claims control procedures which may be required from time to time.

(iii) The Wellness Committee will not seek, directly or indirectly, to abridge, modify, add to, nor subtract from, the terms of this Plan, nor to secure benefits not payable under the terms of this Plan.

11. WEEKLY INDEMNITY DISPUTE RESOLUTION MECHANISM

The following weekly indemnity dispute mechanism will apply conditional to:

- The employee has submitted the required claim forms properly filled; and
 - The employee has given authorization to the Company and/or the insurer to have access to the information they require to adjudicate the claim.
- a) If requested by the employee, the Company will make advance payments at normal pay intervals until the claim is processed. The employee will sign a promissory note stating that he will reimburse the Company for any advance payments received.
- b) The Company and/or insurer reserves the right to demand physical examinations throughout the duration of the employee's absence due to disability.

Such examinations **shall** be conducted by physicians designated by the Company and/or insurer.

Cost of physical examinations, transportation and reasonable out of pocket expenses related thereto will be reimbursed.

- c) Regardless of b) above, if there is a medical dispute as to the validity of a claim and/or the continuance of a claim and if the physicians of the employee and the Company or insurance carrier fail to reach an agreement, the dispute will be referred to a mutually agreed upon practicing specialist, picked from a list established yearly, who will render a final and binding decision. Payments will continue until that final and binding decision is rendered.

12. **GENERAL**

All of the foregoing provisions of this plan shall be subject to the Grievance Procedure.

APPENDIX "G"**LONG TERM DISABILITY BENEFIT PLAN**

The Company shall pay the monthly premium cost of the Long Term Disability Benefit Plan. The premium cost will be borne by the Company. The long term disability policy terms and conditions shall be in accordance with these collective agreement terms. The Company shall supply the Union with a copy of the policy and LTD booklets for each employee.

The Long Term Disability Benefit Plan shall be administered in accordance with the terms of an insurance policy and shall contain the following governing provisions:

1. ELIGIBILITY

The Long Term Disability Benefit Plan shall be compulsory for all full-time regular employees who are participants in and who are covered under the terms of the Weekly Indemnity Plan.

2. EFFECTIVE DATE OF COVERAGE

An eligible employee is entitled to benefits, provided he is actively at work on the first day the Long Term Disability Benefit Plan becomes effective.

An eligible employee, absent from work due to sickness or accident at the effective date of the plan, shall only be eligible for Long Term Disability Plan Benefits at the return to continuous, active full-time employment over a 30 calendar day period. An eligible employee, absent from work

due to lay-off at the effective date of the plan, shall be entitled to Long Term Disability Plan Benefits upon recall on reporting to work. The Company shall have the right to give medical examinations to employees returning from such lay-off to determine their eligibility under the plan.

3. QUALIFYING PERIOD

An insured employee shall be eligible to receive an amount of Long Term Disability Benefit after 52 weeks of benefit entitlement for the same disability under the Weekly Indemnity Plan. Benefit payment shall not commence during a lay-off or strike until the termination of the lay-off or strike.

4. DEFINITION OF DISABILITY

"Disability" shall be meant to apply to an insured employee who has received 52 weeks of benefits under the Weekly Indemnity Plan and who, for up to the next ensuing 12 months, is unable because of disease or injury, to work at his regular occupation and thereafter is unable to perform any and every duty of every occupation in the mill for which he is reasonably fitted by education, training or experience. The Company and the Union, via the Wellness Committee, agree to work together to reasonably accommodate an employee's return to work in meeting these definitions of disability requirements.

5. AMOUNT OF BENEFIT

- (a) Fifty-five percent (55%) of the regular straight time hourly rate, multiplied by 2,080 hours divided by 12, up to a maximum monthly payment of \$2,400.

(Effective date of ratification for all new claims the maximum will be \$3000);
(Effective September 1, 2007 for all new claims the maximum will be \$3060);
(Effective September 1, 2008 for all new claims the maximum will be \$3120).

During the term of the agreement, effective May 1st of each year, general wage rate increases will be incorporated into the benefit up to the maximum monthly payment as indicated above.

- (b) The amount of benefit shall be reduced by any payments on behalf of the employee made under any government disability plan (except increases in such amounts occurring 12 months or more after disablement), Workers' Compensation or any other non-private disability income plan.
- (c) While receiving benefits under this Plan, an employee will continue to accrue pension benefits at no cost to him.

6. DURATION OF BENEFITS

The monthly benefit will cease at the earliest of the following occurrences:

- (a) The date at which the disability ceases.

- (b) The date at which the employee reached 65 years of age.
- (c) The death of the employee.

7. CONTINUATION OF GROUP LIFE INSURANCE DURING DISABILITY

An insured employee receiving Long Term Disability Plan Benefits, who was a participant in the Company Group Life Insurance Plan at the commencement of his disability, will continue to enjoy Group Life Insurance coverage at no premium cost to him.

8. EXCLUSIONS

- (a) An insured employee receiving Long Term Disability payments shall not accumulate credit for vacation or holidays.
- (b) Benefits under the Long Term Disability Plan will not be payable for claims resulting from:
 - (i) Any injury arising out of or sustained while doing any act or thing pertaining to any occupation or employment for remuneration or profit, or
 - (ii) Any injury or illness entitling the employee to compensation under any Worker's Compensation or similar legislation, or
 - (iii) Self-destruction or any self-inflicted injury, while sane or insane, or

(iv) Disability for which the employee is not under the treatment of a physician, or

(v) Alcoholism or drug addiction, unless the employee is confined in a hospital or institution licensed to provide care and treatment incident thereto or unless the employee is undergoing regular rehabilitative treatment approved by the insurer and a physician.

9. The Company shall provide Blue Cross coverage for an employee on L.T.D.

10. **REHABILITATION**

An employee receiving an amount of Long Term Disability Benefit may be asked to undergo reasonable rehabilitation measures which have been the subject of prior consultation with the employee's doctor and the Wellness Committee, at no cost to the employee. If such employee refuses to undertake such rehabilitation, he may be declared not eligible for an amount of disability benefits.

FORMER WOODLANDS APPENDIX "H"**RULES AND REGULATIONS
GOVERNING WOODLANDS
EMPLOYEES**

1. Hours of work will be eight hours per day and forty hours per week. The normal work day is from 8:00 a.m. to 5:00 p.m., with one hour for lunch, from 12:00 noon to 1:00 p.m., except that a one-half hour lunch period may be mutually arranged between the employees and supervisor. It may be necessary to stagger hours of work, and employees are required to cooperate to meet the needs of efficient operation.
2. Employees are required to report in time to commence work at 8:00 a.m. and remain on the job until 5:00 p.m., except for the lunch period, and when they may be working staggered hours, in which case they will conform to the hours set by the Superintendent.
3. An employee requiring time off must advise his foreman at least 24 hours in advance, indicating the duration of the period he will be away and also designating the date he will return. Failure to return to work on the designated date without a good and sufficient reason will make the employee liable to be sent home without warning.
4. Employees are held responsible for the condition, return, and cleanliness of the equipment and tools entrusted to their care

and under their control, including such items as boats, trucks tractors, graders, axes, pulphooks, wrenches, cant hooks, pike poles, etc., and any other mechanical or servicing equipment. They will also be responsible for the general conditions and cleanliness of their work place.

5. Causes Of Discharge

Incompetency

Insubordination

Failure to advise foreman of intent to lay off work

Bringing intoxicants onto the job

Reporting for work under th influence of liquor

Smoking in prohibited areas

Refusal to comply with Company rules

Destruction, removal, or waste of Company property

Disorderly conduct

Dishonesty

Disobedience

Neglect of duty

Horseplay

Failure to report for duty without a bona fide reason

Violation of Company Safety Code:

Part A - Immediate discharge

Part B - Discharge after two warnings

Unauthorized use of mechanical equipment and tools

6. Safety

The Company's safety rules shall be complied with at all times

7. Equipment logs and daily reports, where required. must be made at the end of each days' work and turned in to the superintendent or foreman promptly.
8. All Woodlands employees must assist in the prevention of destruction of Company property by fire.

Fire prevention equipment must not be removed or otherwise used except in case of fire.
9. Employees are required to report all fires at once.
10. Company employees must assist to the fullest possible extent in the suppression of forest fires.
11. Mechanical equipment must be fuelled on completion of the day's work when possible.

WOODYARD DEPARTMENT

(Est. December 1, 1991)

SENIORITY AND LINE OF PROGRESSION

(Effective December 1, 1991)

This department, consisting of heavy equipment operators from both the Mill and Woods operations, was formed to create a more efficient operation. Entry into the new department was made by posting in from either the Woodroom or the Woods Garage. The following is a list of employees by Woodyard seniority and those in the line of progression.

Sylvio Chevrefils
 Robert Chevrefils
 Brian Fountain
 Phillip Chevrefils
 Rene Guetre
 Raymond Boisjoli
 Richard Coss
Spares in Relief Positions:
 Norman Dube
 Barry Fontaine
 Frank Chrusch
 David Houston
 Ron Fontaine
 Leon Coss

There are also a number of employees who have applied for positions in the Woodyard who have been grandfathered in the line of progression. In 1991, Norman Coss was the last rained carylift operator, and therefore is the last Woodroom employee grandfathered into the Woodyard. (Robert Blatz is grandfathered as crane operator until its demise - although is not listed below.)

Mark Pakoo
 Dennis Kemball
 Kelvin Pakoo
 Larry Palmquist
 George Bouvier
 Marcel Dube
 Jean Vincent
 Noel Catellier
 Jeff Joseph
 Pierre Dion
 Sheldon Tardiff
 Norman Fontaine
 Norman Coss

Woodroom Line Of Progression

Effective December 1, 1991

| POSITION | "A CREW | "B" CREW | "C" CREW | "D" CREW |
|-----------|--------------|--------------|--------------|--------------|
| Foreman | J. Houston | R. Anderson | M. Bonekamp | P. Palmquist |
| Oiler | F. Chrusch | G. Yaworek | D. Houston | R. Fontaine |
| Sawyer | A. Gauthier | M. Pakoo | D. Kemball | K. Pakoo |
| Chipper | G. Bouvier | L. Palmquist | D. Sundstrom | J. Vincent |
| Filterman | N. Catellier | J. Joseph | P. Dion | A. Hendersor |
| Drum Man | S. Tardiff | N. Fontaine | N. Coss | T. Jesseau |
| Loftman | A. Guimond | L. Yaworek | W. Wiggins | N. Viznaugh |

Grandfathered Spares to Woodroom Department:

| "A" CREW | "B" CREW | "C" CREW | "D" CREW |
|------------|-------------|----------------|-----------|
| J. Bittle | N. Boulette | R. Blatz | M. McHugh |
| V. Rodych | R. Sparkes | D. Duff | M. Coss |
| A. Grenier | R. Pedden | R. Berthelette | D. Dufour |

Spare Foremen:

| "A CREW | "B" CREW | "C" CREW | "D" CREW |
|------------|----------|-------------|--------------|
| D. Kemball | K. Pakoo | A. Gauthier | L. Palmquist |

Signed at Pine Falls, Manitoba this 13th day of
December, 1991.

FOR THE UNION:

Chris Christensen
Marcel Guay
Lionel Nobiss
Richard Papineau

FOR THE COMPANY:

Thor Cronshaw
Bob Pfefferle
Jack Coote
Fern Pitre

LETTER OF UNDERSTANDING

Between

**TEMBEC INDUSTRIES
PINE FALLS OPERATION
and
UNITED STEELWORKERS
LOCAL 3-1375**

**Re: 10 Hour Shift Agreement for
Clothing Man and Swipe**

The following provisions when read in conjunction with the current collective agreement set out the terms for a 10 hour shift schedule for the Clothing Man and Swipe positions.

Article 1 – Introduction

- 1.0 The provisions of the current Collective Agreement between the USW 3-1375 and Tembec - Pine Falls Operations (hereinafter referred to as the “parties”) shall apply unless otherwise amended by this letter.
- 1.1 It is understood and agreed that each party has the right to cancel the agreement on 30 days written notice to the other party.
- 1.2 For the purpose of defining the regular hours in a normal work week, the work week shall have 40 hours.
- 1.3 For the purpose of implementing the 10 hour shift schedule only, the following provisions of the Collective Agreement are amended **as** follows:

Article 2 – Normal Hours of Work

- 2.0) Normal regular hours of work shall be 4 days of work per week and 10 hours of work per day.

- 2.1) The normal daily working hours shall be from 7:00 a.m. to 5:00 p.m., except for work on Statutory Holidays where employees may be required to work from 8:00 a.m. to 6:00 p.m, depending on the nature of the shutdown.

- 2.2) The Company has the right to schedule the crew(s) as necessary over the 4 day work week period. The company shall not change the work schedule solely to accommodate Statutory Holidays.

Article 3 – Premium Pay

Refer to LOU: 10 Hour Shifts for Mechanical & EII Day Workers (formerly Appendix Q) Article 4 – Premium Pay for Day Workers

Article 4 – Rest Period

Refer to LOU: 10 Hour Shifts for Mechanical & EII Day Workers (formerly Appendix Q), Article 5 – Rest Period

Article 5 – Hot Meals

Refer to Article 26 – Hot Meals

Article 6 – Schedule Changes

Refer to LOU: 10 Hour Shifts for Mechanical & E/I Day Workers (formerly Appendix Q) Article 8 – Schedule Changes

Article 7 – Jury Duty

Refer to LOU: 10 Hour Shifts for Mechanical & E/I Day Workers (formerly Appendix Q) Article 10 – Jury Duty

Article 8 – Bereavement Leave

Refer to LOU: 10 Hour Shifts for Mechanical & E/I Day Workers (formerly Appendix Q) Article 11 – Bereavement Leave

Article 9 – Floating Holidays

Refer to LOU: 10 Hour Shifts for Mechanical & E/I Day Workers (formerly Appendix Q) Article 12 – Floating Holidays

Article 10 – Alternate Duty

Refer to LOU: 10 Hour Shifts for Mechanical & E/I Day Workers (formerly Appendix Q) Article 13 – Alternate Duty

As amended the 30th Day of August 2006.

For The Company For The Union

J. Habing
S. Earle

G. Pelland
H. Dube

LETTER OF UNDERSTANDING

between

**TEMBEC INDUSTRIES
PINE FALLS OPERATIONS**

and

**UNITED STEELWORKERS
LOCAL 3-1375**

TEN HOUR SHIFT SCHEDULE FOR

**MECHANICAL & ELECTRICAL/
INSTRUMENTATION DAY WORKERS**

The following provisions when read in conjunction with the current collective agreement set out the terms for a 10 hour shift schedule for mechanical and electrical/instrumentation day workers. This schedule excludes the Steam Plant.

Article 1 – Introduction

1.0) The provisions of the current collective agreement between the USW Local 3-1375 and Tembec (hereinafter referred to as the “parties”) shall apply unless otherwise amended by this letter.

1.1) Problems may arise which were not anticipated in the development of these terms. Should this occur, the joint implementation team shall meet to fully resolve these problems and also amend these terms if required.

1.2) Either party may terminate this “Letter of Understanding” by providing 30 days written notice.

1.3) For the purpose of defining the regular hours in a normal work week, the work week shall have forty hours.

1.4) For the purpose of implementing the 10 hour shift schedule only, the following provisions of the collective agreement are amended as follows:

Article 2 – Normal Hours of Work

2.0) Normal regular hours of work shall be 4 days of work per week and 10 hours of work per day.

2.1) The normal daily working hours shall be from 7:00 a.m. to 5:00 p.m., except for work on statutory holidays where employees may be required to work from 8:00 a.m. to 6:00 p.m., depending on the nature of the shutdown.

2.2) There may be two crews. One crew shall work from Monday – Thursday and the second crew shall work from Tuesday – Friday or a system of one crew running from Tuesday – Friday or Monday – Thursday. The Company has the right to schedule the crew(s) necessary over the 4 day work week period. The Company can assign an employee to work whenever they deem necessary. The Company shall not change the work schedule solely to accommodate statutory holidays.

2.3) The crews may rotate the weekly days worked from time to time. It is understood that the rotation cycle may be the same for all trades and also that the departmental employees may be required to work an alternate rotation cycle. The Company maintains the ability

to approve the rotation cycle to ensure the operational interests are satisfied.

- 2.4) There shall be three paid breaks each work day. These shall be as follows:
- 15 minutes in the a.m.;
 - 30 minutes for lunch;
 - 10 minutes in the p.m.

2.5) It may be necessary from time to time to have employees work outside their normal daily hours. To facilitate the transition of a temporarily assigned night crew back to their normal daily hours, these employees shall work a "swing" shift at straight time from 3:00 p.m. to 11:00 p.m. before returning to their normal daily hours the following day. Employees will be given the opportunity to make-up the loss of 2 hours work at straight time at some time during that pay period.

Article 3 – Weekend Availability

3.0) The commitment has been made on behalf of all the employees covered by this agreement to do their best to ensure availability on the extended weekend and/or days off.

Article 4 – Premium Pay for Day Workers

4.0) Time and one-half shall be paid for all hours worked between 7:00 a.m. Sunday and 7:00 a.m. Monday (and from 8:00 a.m. on a statutory holiday to 8:00 a.m. on the day following the statutory holiday). **Work** done in excess of 10 hours on Sunday or Statutory Holiday will be paid for at the rate of double time.

4.1) Work done in excess of 10 hours in any weekday shall be paid for at the rate of time and one-half.

4.2) A day worker who, on the completion of a shift, is called in for repair work during the hours from 5:00 p.m. to 6:00 a.m., shall be guaranteed a minimum of 4 hours pay and shall perform only that emergency work that necessitated the call-in. If upon completion of the emergency work that necessitated the call-in, the employee is required by the Company to perform any subsequent additional work, it shall be treated as an added call-in. When a Day Worker is called in on a breakdown before 6:00 a.m. and continues to work on that breakdown after his normal starting time, the time and one-half rate will apply to the completion of the job. If called in between 6:00 a.m. and 7:00 a.m., he shall receive time and one-half until 7:00 a.m. Upon completion of a Sunday shift, if called in, a minimum of 6 hours pay or double time will apply, whichever is greater.

4.3) A day worker called in on his designated day off shall receive time and one-half for the time worked with a minimum of 4 hours pay for each call. If called in on Sunday or Statutory Holidays a day worker shall receive time and one-half for the hours worked with a minimum 6 hours pay for each call. For the purpose of this section, a day worker's Statutory Holiday will be from 8:00 a.m. of the day for which he receives his Statutory Holiday pay to 8:00 a.m. the following day.

Article 5 – Rest Period

5.0) Any day worker called-in, who works one hour or more after 11:00 p.m., shall receive time off (at straight time) equal to the time worked between 11:00 p.m. and 7:00 a.m. providing he is scheduled to work at 7 a.m. the following day. In order to qualify for rest pay employees entitled to a rest period of 4 hours or less, must report to work between their deferred starting time and 11:00 a.m. Employees entitled to a rest period of more than 4 hours are not required to report the day following the call in order to qualify for rest pay provided they so advise their foreman.

5.1) Rest pay shall be at the applicable rate for the shift that the rest pay is taken on. (i.e. Sunday at time and one half, triple time if rest on applicable Paid Holiday).

Article 6 – Hot Meals

6.0) An employee required to work beyond the end of their regular shift shall receive a hot meal and an additional hot meal every 5 hours thereafter. After 2 Company-supplied meals the employee may take a meal ticket.

Article 7 – Training and Company Business

7.0) Recognizing that the duration of most training courses/seminars is 8 hours, where it is possible for the employee to return to work to complete the remainder of his shift he will be expected to do so. Where the course is scheduled on or runs into an employee's day off he will arrange with his supervisor an appropriate work schedule ahead of time to compensate for the course time. When an em-

ployee is on a course for an entire work week then he shall be paid for his regular 40 hours.

7.1) An employee who is away from work and participating in Company business shall not lose time based on a regular 40 hour week. When an employee is away on Company business for a period shorter than a week he shall be compensated at his normal daily hours of work (8 or 10 hours whichever is applicable).

Article 8 – Schedule Changes

8.0) It is understood that when it is necessary to change days or schedules, efforts will be made to have these changes completed by the preceding Friday at 3:00 p.m. and no premium time is applicable. If a schedule change is required after Friday at 3:00 p.m. it can be done without premium time being applicable by mutual agreement between the employee and the supervisor or by providing 24 hours notice prior to the start of his regular scheduled shift

Article 9 – Participation

9.0) Every mechanical, electrical and instrumentation employee shall participate in the 10 hour shift schedule except where it is not in the best interest of the operation to have them included. It may also be possible for an individual employee upon request to opt out of the 10 hour shift schedule for personal reasons providing supporting rationale acceptable to the Company is provided. It is understood that the Company in accepting an individual employee's request has the right to establish a minimum opting out period.

Article 10 – Jury Duty

10.0) Article 25.01 of the collective agreement is amended to reflect a 10 hour shift duration.

Article 11 – Bereavement Leave

11.0) When death occurs to an employee's spouse, child or stepchild, mother or father, the employee will be granted a leave of absence and will be paid for 10 hours at his regular straight time rate for up to 4 consecutive scheduled working days lost within the 8 day period beginning with the date of death.

11.1) When death occurs to an employee's brother, sister, mother-in-law, father-in-law, stepmother, stepfather, stepbrother, stepsister, grandchild, grandmother, or grandfather, the employee will be granted a leave of absence and will be paid up to 24 hours at his regular straight time rate. An employee will be allowed up to 3 consecutive scheduled working days off within the 8 day period beginning with the date of death. An employee shall have the option to recover up to 6 hours of lost time at straight time on a supervised day off during that pay period.

Article 12 – Floating Holidays

12.0) Employees on 10 hour shifts will be allowed 4 floating holidays based on 10 hours per day plus 1 floating holiday based on 8 hours per day. For the purpose of implementing this provision, where there are leftover hours (i.e.: floater entitlement not divisible by 10, e.g., 24 hours = 2 floaters and 4 hours leftover) the employee will make appropriate ar-

rangements with his supervisor for the equal amount of time away from work.

Article 13 – Alternate Duty

13.0) It may be necessary from time to time to move an employee from the 10 hour schedule to a different schedule in order to facilitate a return to work on alternate duty under this program. This movement will be done without premium time being applicable and without loss of regular earnings to the employee.

This provision will not prejudice any other discussions to take place on this matter between the parties.

Article 14 – Scheduling of Vacation and Floaters

14.0) Given the floater and vacation accumulated levels, it is necessary to increase the length of time for posting the entitlements and for the supervisor to assign the days to be taken. The dates will be to provide notice to the employees of earned time remaining on January 1 of each year with the supervisor's right to schedule remaining earned time after February 15 of each year.

Article 16 – Tour Electrician

16.0) It is agreed that the EII Department will work out a system amongst themselves that allows employees to move in and out of the Tour Electrician position without premium time being applicable.

Article 17 – Shutdowns

17.0 There are times (i.e.: shutdowns on statutory holidays and major repair/upgrade work) when it will be necessary to have all the employees covered by this agreement working the same weekly rotation. When these times occur it is understood that there will be no premium time applicable in changing to the one crew schedule or changing back to the two crew schedule.

Article 18 – Shift Differential

18.0 Pursuant to Article 34.02 of the collective agreement, the shift differential shall not apply to day workers on overtime work. When employees who normally work as day workers are scheduled to work on shift, the shift differentials shall apply. When employees covered by this agreement are working on shift, the shift differential periods shall be from 5:00 p.m. - midnight and from midnight - 7:00 a.m.

Article 19 – Helpers

It may be necessary from time to time to have these employees help the mechanical and EII day workers covered by this agreement and thus also work 10 hour shifts. When this happens these employees will be covered by the terms of this agreement.

Article 20 - Banking of Overtime

A trades person who is working overtime will have the option to "Bank" his half time and 2 hours of call-in pay; which will be taken off his time and one half for the hours worked or off his call pay. The maximum hours that he may accumulate is limited to 40 hours per year.

This forty-hour block may be used to schedule one additional week off in the following year's schedule. In no case can an employee take off a block of hours below 40. If the employee does not succeed in accumulating 40 hours before March 31st, he will be paid for his hours and start over on April 1st.

As amended the 30th Day of August 2006.

For The Company For The Union

J. Habing
S. Earle

G. Pelland
H. Dube

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES
PINE FALLS OPERATION
and
UNITED STEELWORKERS
LOCAL 3-1375

Re: Modified Woodroom - 10 Hour Shift Agreement

The following provisions when read in conjunction with the current collective agreement set out the terms for a 10 hour shift schedule for the modified Woodroom operation:

Article 1 ~ Introduction

- 1.0 The provisions of the current collective agreement between the USW 3-1375 and Tembec - Pine Falls Operation (hereinafter referred to as the "parties") shall apply unless otherwise amended by this letter.
- 1.1 For the purpose of defining the regular hours in a normal work week, the work week shall have forty hours.
- 1.2 Either party has the right to cancel this agreement on 30 days' written notice to **the** other party.
- 1.3 For the purpose of implementing the 10 hour shift schedule only, the following provisions of the collective agreement are amended as follows:

Article 2 – Normal Hours of Work

- 2.0 Normal regular hours of work shall be 4 days of work per week and 10 hours of work per day.
- 2.1 The normal daily working hours shall be from 7:00 a.m. to 5:00 p.m. and 5:00 p.m. to 3:00 a.m., except for work on statutory holidays where employees may be required to work from 8:00 a.m. to 6:00 p.m. depending on the nature of the shutdown.
- 2.2 The Company has the right to schedule the crew(s) as necessary over the 4 day work week period. The company shall not change the work schedule solely to accommodate Statutory Holidays.

Article 3 – Premium Pay

Premium pay for employees covered by this agreement are to be paid as per Article 12 – Premium Pay for Shift Workers, with the understanding that references to an 8 hour workday are considered to be a 10 hour workday.

Article 4 – Rest Period

Refer to Article 18.04 and 18.05 – Rest Period.

Article 5 – Hot meals

Refer to Article 26 – Hot Meals

Article 6 – Schedule Changes

Refer to LOU: 10 Hour Shifts for Mechanical & E/I Day Workers (formerly Appendix Q), Article 8 – Scheduling Changes

Article 7 – Bereavement Leave

Refer to LOU: 10 Hour Shifts for Mechanical & E/I Day Workers (formerly Appendix Q), Article 11 – Bereavement Leave

Article 8 – Floating Holidays

Refer to LOU: 10 Hour Shifts for Mechanical & E/I Day Workers (formerly Appendix Q), Article 12 – Floating Holidays

Article 9 – Alternate Duty

Refer to LOU: 10 Hour Shifts for Mechanical & E/I Day Workers (formerly Appendix Q), Article 13 – Alternate Duty

Article 10 – Shift Differential

Refer to Article 34.02. When employees are covered by this agreement, the shift differential period shall be from 5:00 p.m. to 11:00 p.m. and 11:00 p.m. to 7:00 a.m.

As amended the 30th Day of August 2006.

For The Company

J. Habing
S. Earle

For The Union

G. Pelland
H. Dube

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES
PINE FALLS OPERATION
and
UNITED STEELWORKERS
LOCAL 3-1375

**Re: 12 Hour Shift Agreement for Yard
(Train Crew)**

The following provisions when read in conjunction with the current collective agreement set out the terms for a 12 hour shift schedule for the Yard Train Crew.

Article 1 – Introduction

- 1.0 The provisions of the current collective agreement between the USW 3-1375 and Tembec - Pine Falls Operation (hereinafter referred to as the "parties") shall apply unless otherwise amended by this letter.
- 1.1 It is understood and agreed that each party has the right to cancel the agreement on 30 days' written notice to the other party.
- 1.2 For the purpose of implementing the 12 hour shift schedule only, the following provisions of the collective agreement are amended as follows:

Article 2 – Normal Hours of Work

- 2.0 Normal regular hours of work shall be 4 days on and 4 days off and 12 hours of work per day.
- 2.1 The normal daily working hours shall be from 7:00 a.m. to 7:00 p.m. seven days per week, except for work on statutory holidays where employees may be required to work from 8:00 a.m. to 6:00 p.m. depending on the nature of the shutdown.

Article 3 – Rate of Pay for Train Crew

- 3.0 Regular straight time rates shall apply for all hours worked for each 12 hour shift.
- 3.1 Time and one-half shall be paid for all hours worked in excess of 12 hours.
- 3.2 Time and one-half shall be paid for all hours worked in excess of 48 or 36 hour per week depending on rotation.
- 3.3 Double time shall be paid for all hour worked after 12 hours on a Sunday.
- 3.4 Premium pay for employees covered by this agreement are to be paid as per Article 14 – Premium Fay for Day Workers with the understanding that references to an 8 hour workday are considered to be a 12 hour workday.

Article 4 – Rest Period

Refer to Article 18.01, 18.02, 18.03 and 18.05 – Rest Period

Article 5 – Hot meals

Refer to Article 26 – Hot Meals

Article 6 – Bereavement Leave

Refer to Appendix E, Article 9 – Bereavement Leave

Article 7 – Floating Holidays

Refer to Appendix E, Article 6 – Floating Holidays

Article 8 – Jury Duty

Refer to Appendix E, Article 10 – Jury Duty

As amended the 30th Day of August 2006.

FOR THE COMPANY

FOR THE UNION

J. Habing
S. Earle

G. Pelland
H. Dube

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES
PINE FALLS OPERATIONS
and
UNITED STEELWORKERS
LOCAL 3-1375

**RE: Twelve Hour Shift Agreement –
Murphy Days**

**Implementation of “blocked time off” in 8
week cycle**

1. The 8 week cycle is a fixed rotation starting with the first Sunday day shift in each rotation (crew changes shall apply).
2. One 12 hour shift off in 8 week cycle and in addition two 12 hour shifts annually. These shifts will be mutually agreed to by the Company and the employee which shall be taken in four **(4)** day blocks.
3. Calculation of hours will be as follows for all employees following a regular crew:
 - Hours worked by calendar week Sunday to Saturday (not hours paid)
 - The following days will count as time worked, company approved days off (not paid), Statutory or Paid Holidays, Floating Holidays, bereavement leave, jury duty, and vacations.
 - Absences due to illness.
 - Commencing on the implementation date employees will be able to submit

in writing to Payroll (form to be provided) once per year only, their request to bank \$0.75 or \$1.00 of every hour paid in order to receive pay when blocked time is taken off.

- Applies to employees who qualify during the eight (8) week cycle by working an average of more than forty (40) hours per week.
- For call list employees who do not follow a crew, the company and Union will review the Spruce Falls model with the Union and Management within 30 days of ratification. This applies to employees who work a combination of eight (8), ten (10 and twelve (12) hours.

The Parties agree to finalize the implementation of blocked rest days within 2 months of ratification.

Signed this 31st day of August 2006

For the Company

Marc Tremblay
 Dan Boyer
 Judy Habing
 Shannon Earle
 Colette Dowling

For the Union

Gary Talarico
 Jeff Kallichuk
 Gerald Pelland
 Henry Dube
 Guy Hutchison
 Cam Sokoloski
 Jody Johnson

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES
PINE FALLS OPERATIONS
and
UNITED STEEL WORKERS
LOCAL 3-1375

RE: MECHANICAL HELPERS PROGRAM

The Mechanical Helper Program, as it presently exists and with the agreed to set of rules following, will supersede language in our Collective Agreement under Appendix "C" numbers 1-2-3-5. With the introduction of the new Helper Program the present apprentice starting rate will change from Mill base rate to base rate + \$0.75. This Program does not include the Electrical/Instrumentation Department.

1. The Helper Committee will consist of:
1 Union Executive, 2 Union appointed Mechanical employees and 1 Human Resources representative, these committee members will pick the Helpers in the Program.
2. Two additional Union appointed members will also be called upon to join the Committee. Although these members will not take part in the selection process they will provide guidance in problem solving, sustain direction and contribute feedback.
3. Employees entering the Helper Program must write a Mechanical Aptitude Test which will be used to evaluate the applicants.

4. Apprenticeships will be offered to members of the Helper Pool only.
5. Helpers who decide to leave the Program cannot reapply, extenuating circumstances will be taken into consideration. (ex. injury or sickness)
6. The Helpers will be evaluated after every 3 month term by employees he has been working with and the foreman/superintendent in that specific trade.
7. When an apprenticeship comes open the Helper Committee along with the Foreman and Superintendent will make the choice.
8. When picking apprentices the Committee will judge all helpers equally and all Helpers will be contacted when an apprenticeship does come open.
9. This program is considered a Temporary Posting so Helpers will not lose any seniority in their present departmental line of progression.
10. At least once per year vacancies inside the Helper Pool will be filled from the Posting Applicants, so the Pool will remain at 6 members. All employees that have previously applied will have the choice to reapply. All present Helpers will be asked if they would like to remain in the Helper Program, the choice will be **left up** to each individual.

11. Helpers working in a **specific trade** may be required to go back to his original posting if manpower levels in his old department deem so necessary, he will return back to the trade position when the situation clears up.
12. Helpers will only be allowed into the Program when a suitable replacement at his present position comes available.
13. If by some chance Helpers in the Pool cannot be made available for reasons of vacation or manpower requirements in his existing department, then the Company has the right to schedule other members of the Pool in his place.
14. Helpers may be required to work on Paper Machine Maintenance days and any other Mill wide shutdowns. This will only be done if the Helper's immediate schedule permits and a suitable replacement is available to cover his existing position. The final decision to work with the Maintenance Crew rests with each specific Helper. When helpers are provided with a full week of work, the helper will be required to move to his posting in the Maintenance Department.
15. The pay rate for all Helpers will be the Mill base rate. After a Helper has worked in the Program for 6 months he will be classified as a A Class Helper and receive an extra **\$0.75 / Hour**. When the A Class Helper receives his apprenticeship he will start at the A Class Helper rate and carry this rate for the first 18 months (end of the

1st half - 2nd year) as stated in the Collective Agreement under Schedule for Mechanical Rates.

As amended the 30th Day of August 2006.

For The Union

G. Pelland
H. Dube

For The Company

J. Habing
S. Earle

**TO BE USED IN CONJUNCTION WITH
LETTER OF UNDERSTANDING**

HELPER POOL EVALUATION

Would you please take the time to fill out the following evaluation on _____
You do not have to sign this evaluation if you wish so, these remarks will be used to grade the Helper's and hopefully better them in their areas of weakness. Please be honest, remembering that someday this person could be a journeyman working along with you.

Scoring: Outstanding (5) - Above Average **(4)** - Average (3) - Below Average (2) Unsatisfactory - (1)

| | |
|---|-----------|
| Safe working habits for himself & others | 5 4 3 2 1 |
| Care & use of tools & equipment | 5 4 3 2 1 |
| Ability to communicate & work with others | 5 4 3 2 1 |
| Self confidence on the job | 5 4 3 2 1 |
| Reaction to advise or criticism | 5 4 3 2 1 |
| Willingness to follow direction | 5 4 3 2 1 |
| Reliability & Initiative | 5 4 3 2 1 |
| Punctuality & Attendance | 5 4 3 2 1 |
| Ability to solve problems without supervision | 5 4 3 2 1 |
| Ability to learn and advance to journeyman status | 5 4 3 2 1 |

Comments or areas where this helper needs to improve?

Thank you for your help,

Helper Pool Committee

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES
PINE FALLS OPERATIONS
and
UNITED STEEL WORKERS
LOCAL 3-1375

**RE: POSTED SPARES - OPERATING
DEPARTMENTS**

It is agreed by the Company and the Union, that the following provisions will be applied regarding posted spares.

1. All employees within a posted line of progression will be assigned a number in their line of progression.
2. An employee's number will change as he promotes in his line of progression.
3. Upon accepting a new posting, the employee will be frozen with his number in the line of progression from which he left and assigned a new number at the bottom of the line of progression to which he posted. (An employee cannot promote in two lines of progression and can only hold one frozen number).
4. If an employee is a spare on 7 day operation and takes another posting, he is not entitled to a frozen number position. The lowest limit of a frozen numbered position is at the bottom permanent position on 7 day operation, with no one off.

5. An employee cannot post during the 240 hour trial period nor for a 6 month period after he either has accepted the posting or having declined the posting. This provision does not apply to Boiler House and Apprenticeship upcoming postings nor in an instance where the employee has not yet commenced his training.
6. An employee has 240 accumulated worked hours in the posted position to decide if he will accept the posting. If the employee declines it, he may return to his previous line of progression without numbered seniority penalty or posting penalty.
7. The company has 240 accumulated worked hours to decide if the employee is suitable or not in the new posted position. If the Company decides that the employee is not suitable, the employee reverts to the numbered position from which he left without seniority penalty or posting penalty.
8. If an employee vacates his posted position, he cannot apply for the opening he created. An employee being trained in a new posting prior to the 240 hour trial shall be paid the rate for the position he is being trained. The 240 hour trial period shall not include time spent training and will only include time spent working on his own in the new posted position.
9. If the employee accepts the new posting, he can only leave that position by posting out.

10. An employee after becoming permanent in his new line of progression will relinquish his other departmental frozen number in the line of progression.
11. An employee will be considered permanent in a posted position if he holds the position when his department is scheduled on a 5 day operation (3 crews) or on a 7 day operation (4 crews), with no one off.
12. It is hereby understood that a promotion is a permanent number change (due to retirement, etc.). Therefore, advancements are understood to be temporary job moves caused by holidays, floaters, etc. An employee's advancement in the line of progression can take place up to the maximum position he had been trained to (ie, no new training) in the department he posted out of as per 7 day scheduling (e.g.: on less than 7 day operation, an employee can be advanced due to floaters, holidays, sick leave, etc.)

As amended the 30th Day of August 2006.

FOR THE UNION

G. Pelland
H. Dube

FOR THE COMPANY

J. Habing
S. Earle

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES
PINE FALLS OPERATION
and
UNITED STEELWORKERS
LOCAL 3-1375

Re: Shift Start Times

The Company and the Union recognize that in order to maintain the efficiency and production of the Pine Falls operations, the operation runs on several different types of shifts that require different start times and days of work. The parties further recognize that the shifts of hourly workers may begin on times that conflict with the start times outlined in the current Collective Agreement

During the course of negotiations, the parties discussed a number of concerns over the established hours of work in the Collective Agreement and the practice of alternate shift times worked by employees of Tembec (Pine Falls).

Without limiting the generality of the foregoing, the parties agree to as follows:

During the term of this agreement, the 7:00 start time shall apply for the following departments: Paper Machines, Maintenance, Steam Plant, WWTP, DIP, TMP, Finishing Room and Yard.

It is understood that any language that could be affected by this trial will be adjusted by one-hour in order to reflect the 8:00 start as per the

Collective Agreement. It is understood by both parties at the end of this trial (i.e. the end of this agreement) the start time will revert back to 8:00 unless negotiated otherwise and mutually agreed by both parties.

As amended the 30th Day of August 2006.

For The Union

G. Pelland
H. Dube

For The Company

J. Habing
S. Earle

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES
PINE FALLS OPERATIONS
and
UNITED STEEL WORKERS
LOCAL 3-1375

RE: STEAM PLANT SENIORITY

This Agreement made between Tembec – Pine Falls and USW Local 3-1375 is supplementary to the Collective Agreement between the parties and covers the special conditions agreed to in the following Letter. The main Collective Agreement continues to apply in all necessary respects not specifically provided for in this supplementary agreement.

Under Article 42.06 of our Collective Agreement, Steam Plan Seniority will be based solely on the timing of achieving any certain certificate.

Due to Noel Papineau's employment prior to the Letter of Understanding, Appendix "K" of the Collective Agreement and other Letters including the Sunset Provision, Noel is excluded from such contracts and it is further understood that, he cannot be bumped from the position of "ashman". (If Noel wishes to obtain his 3rd Class certificate he can do so and would then be in

the line of seniority behind the last person who received his ticket prior to Noel.)

Since there is no requirement under the existing contract for employees to obtain their 1st Class ticket, the 1st Class ticket will not be considered when determining seniority for any of the shift jobs in the boiler house. It will be considered as part of the requirements for the maintenance engineer job and the job of superintendent or his relief.

Review Committee - The past practice of reviewing personnel progress should be part of the Superintendent's job with the Committee only there to add direction and stability. The Superintendent will handle the personal evaluations one on one and would turn to use the committee as only a last resort. From time to time employees may have to be dismissed from the department for failing to meet the prescribed certification time lines. The Company is open to trying varying forms of assistance, however, the final responsibility lies with the employees.

In the event of a mill wide lay-off or job elimination, the employee holding the most mill seniority with the necessary level of ticket to operate the Steam Plant will be entitled to work.

An employee who **has** been **removed** from the Steam Plant will be permitted to post back into the department so long as he can show to the Superintendent significant progress on his certification studies. A minimum of 1 year must pass before such reposting shall be permitted. An employee shall only be allowed to repost under these terms once.

As amended the 30th Day of August 2006.

FOR THE UNION

G. Pelland
H. Dube

FOR THE COMPANY

J. Habing
S. Earle

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES
PINE FALLS OPERATIONS
and
UNITED STEEL WORKERS LOCAL 3-1375

**SUB-CATEGORY OF CONTRACTING OUT
CONTRACT (TERM) EMPLOYEES**

Whereas the parties realize from time to time that circumstances develop requiring the Company to hire extra trades personnel (Mechanical & E/I) to perform bargaining unit work on a short term basis, it is agreed and understood that a form of contracting out of term employees will, when required, be utilized according to the following outline of practice and procedures:

1. Before the term employee is hired the Union will be provided with the usual written contracting out notice and a member of the Union executive will participate in the hiring interview process.
2. Term employees will be entitled to receive all rights and wage rates as provided by the Collective Agreement, except those items expressly limited or withheld by means of this Letter of Understanding.
3. The term employee is not entitled to the following: seniority, promotions and layoffs, pension benefits, and layoff, but will be eligible to receive WCB benefits, W.I. and Blue Cross but not L.T.D.
4. The Union will receive copies of any documents/contracts signed by the term employee in a timely manner.

5. The term employee will be hired for a specific contract period, to a maximum of 6 months.
6. Additional contracts (extending the length of employment) will be subject to the same process as Item #4.
7. The term employee will pay Union dues via the payroll deduction system and upon completion of the agreed-to term, the employee will be outright released unless the contract is extended as per #5 above.
8. Should a term employee be hired permanently by the Company, his seniority shall be counted back to the original date of hire as a then term employee, provided there has not been a breach of service of greater than 12 months.
9. Unforeseen problems in the administration/operation of this Program may occur from time to time; these will be jointly addressed by Union/Management as required.
10. This Letter of Understanding forms part of the Collective Agreement.

As amended the 30th Day of August 2006.

For The Union

G. Pelland
H. Dube

For The Company

J. Habing
S. Earle

LETTER OF UNDERSTANDING

between

**TEMBEC INDUSTRIES
PINE FALLS OPERATIONS
and
UNITED STEEL WORKERS
LOCAL 3-1375**

STUDENT EMPLOYMENT PROGRAM

PURPOSE

The program is designed to offer students an opportunity to earn funds toward the advancement of their education. The purpose of the student employment program is to have a trained pool of employees available to work during periods when the permanent employees are unavailable or already have a full week of work.

The student employment program shall have 2 terms. The first term shall be known as the "summer term" and shall operate from May 1st to the conclusion of the Labour Day long weekend of each year. The second term shall be known as the "winter term" and shall operate from the second weekend in September to April 30 of each year.

ELIGIBILITY FOR EMPLOYMENT

Only those students satisfying the following criteria are eligible for employment under the student employment program:

- Students must furnish acceptable proof of enrolment and/or attendance by May 1 for eligibility for the summer term and by

October 1 and February 1 of **each year** for eligibility for the winter term, and as requested from time to time. The Company maintains the sole right to determine who is hired under this program.

- Students must be enrolled in the next immediate semester for a minimum of at least 75% of the full-time course load, except for students requiring less than the 75% requirement in order to complete their degree or diplomas in their final year of study;
- Students who drop out of or are expelled from school shall not be eligible for re-entry into the student employment program until the next September 1; this rule can be relaxed on compassionate grounds;
- Students must requalify to continue with the program prior to May 1 and October 1 each year;
- Preference will be given to those students attending a qualifying post-secondary education program.
- Students who do not make themselves available for work and/or who are unwilling to work for the full term will not be eligible for continued employment;
- Students who quit the student program after the commencement of the summer term will not be eligible for any employment until the next summer term.

TERMS OF EMPLOYMENT

- Term employees will be entitled to receive all rights and wage rates as provided by the Collective Agreement, except those items expressly limited or withheld by means of this Letter of Understanding;
- Students shall pay union dues as per union regulations, however, they shall not accrue seniority. Further, their length of previous employment, age or year of study, other than the initial placement on the call-list as described below shall provide no enhanced employment privileges whatsoever:
- Recognizing that operational commitments are first priority and that students shall be trained for certain positions in the mill, students will be placed on the call list related to their years of study in their original degree or diploma program. The Company will strive to balance hours amongst groups. Students who are not available shall be removed from the call list.
- Students shall not accrue rights or privileges associated with seniority nor any rights or privileges around promotions and lay-offs, benefits, weekly indemnity, long term disability, bereavement leave, floating holidays, vacation, jury duty, pensions, profit sharing, common shares distribution or severance pay;

- **A student employee who is injured at work** is eligible for Workers compensation benefits. This student may also be eligible for alternate duty depending on the nature of the injury and the availability of suitable work. This decision is the sole responsibility of the Company.
- A student employee has the right to union representation for reasons of discipline.
- A student employee who, upon graduation, applies for work on the call list shall be given special consideration (assuming the student is held in good standing and of equal quality) recognizing the Company's intention to offer employment opportunities to persons from minority groups.

As amended the 30th day of August 2006.

For The Union

G. Pelland
H. Dube

For The Company

J. Habing
S. Earle

LETTER OF UNDERSTANDING
between
PINE FALLS PAPER COMPANY LIMITED
and
LUMBER & SAWMILL WORKERS UNION
LOCAL 2612
and
PACE 7-1375

RE: WOODLANDS OPERATION

After meaningful and open discussions between the parties the following Agreement of Understanding was presented. It was recognized that the proposed business plan is not the result of failures to work together collectively to solve our cost problems, but rather recognition that in order to reach the goal as set, these changes must be introduced.

We must set the target at \$32.00 / m³ direct cost. In order to accomplish this goal we see an operation of 9 employees as optimum.

This Agreement made between PINE FALLS PAPER COMPANY LIMITED and L.S.W.U. Local #2612 and PACE Local #7-1375, is supplementary to the Collective Agreement between the parties and covers the special conditions applicable to working a compressed work week. The main Collective Agreement continues to apply in all necessary respects not specifically provided for in this supplementary agreement.

Effective on date of ratification, the following provisions will apply to those employees who are affected in the Pine Falls Woodlands.

1. Employees will reside in Trailers supplied by the Company. (The location of the Trailers will herein *after* be referred to as "the Camp".)
2. (a) When travelling to and from the Camp, vehicle drivers only will be paid at straight time rates.
(b) If no Camp is in operation, travel time will be paid in accordance with the respective Union's Collective Agreement.
3. Operator's shift start times will begin at the machine. The Mechanic's start time will begin when he starts work. The Company will strive to locate Camp as close as practical to the work area to minimize distances of travel. Unpaid travel time will not exceed ½ hour to or from the machine.
4. Flexible hours of work among operators on opposite shifts will be allowed if it does not adversely affect the operations.
5. Replacement of Mechanic – When a replacement mechanic is required to work at the Camp but has not been scheduled the previous week, he will be paid his regular straight time rate for the period of time he is required to travel.
6. (a) Time and one-half shall be paid for all consecutive hours worked in excess of agreed upon work schedule.
(b) Time and one-half shall be paid for normal hours worked on Sunday or Statutory Holidays.
7. Double time shall be paid for all hours worked in excess of the (see 6 (a) above) Sunday and Statutory Holidays.
8. Employees who work on a Statutory Holiday shall be paid at the rate of time and one-half and be granted a day *off* with 8

- hours pay at a later date (or may elect to receive 8 hours pay in lieu of such day off).
9. (a) Statutory Holidays – Eligible employees will receive 8 hours pay without the performance of work for the following days:
- New Years Day
 - Canada Day
 - Labour Day
 - Christmas Day
 - Boxing Day
- (b) Floating Holidays – Eligible employees will be granted 7 floating holidays per calendar year to be taken at a time satisfactory to the employee and his supervisor. (A maximum total of 56 hours will be paid for floating holidays in any calendar year.)
- (c) Vacations – The vacation week shall start on Sunday and will be paid according to the Collective Agreements.
10. A Camp Committee will be set-up to ensure employee input into Camp operations.
11. Training requirements will be decided by the Camp Committee with an annual budget of \$25,000.00 which is to be added to the Camp costs.
12. Meeting costs of the Camp Committee will be charged back to Camp costs.
13. Vehicle driving to transport the crews to and from the Camp will be performed by members of L.S.W.U.
14. Trailers will be supplied by the Company. Each Trailer will be supplied with the following:
- pots, pans, dishes and cutlery
 - cleaning supplies
 - microwave oven
 - composting toilet

- shower facilities
- 26" television
- VCR and satellite system
- air conditioning
- It is agreed that only 2 employees will stay in a trailer at any one time or one trailer may be designated to accommodate 3 employees.
- Bottom bunks will be available for each employee.
- On a one-time basis, each employee staying in Camp will be provided with his own mattress cover, sleeping bag and pillow.
- Every employee residing in Camp will receive a \$40.00/day live-in allowance.
- The Company will arrange to have the Camp cleaned every two weeks.

Signed in Pine Falls this 18th day of April, 2000.

FOR LSWU 2612
Gord Asmundson

FOR THE COMPANY
Denis Beausejour
Glen Pinnell
Don Lavigne
Edith Kemball

FOR PACE 7-1375
Henri Dube
Guy Hutchison
Gary Talarico

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