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No. OF EMPLOYEES	180	
No. OF EMPLOYÉS	229	



COLLECTIVE AGREEMENT

JULY 1, 1997 - JUNE 30, 2003



BETWEEN

SMURFIT-MBI

NEW WESTMINSTER PLANT

AND

PULP, PAPER AND WOODWORKERS OF CANADA.

LOCAL NO. 16

01358(06)

COLLECTIVE AGREEMENT

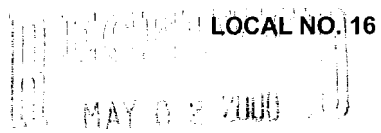
JULY 1, 1997 - JUNE 30, 2003

BETWEEN

SMURFIT-MBI
NEW WESTMINSTER PLANT

AND

PULP, PAPER AND WOODWORKERS OF CANADA



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AGREEMENT

Section 1. GENERAL PURPOSE OF AGREEMENT

- (a) The general purpose of this Agreement is, in the mutual interest of the employer and employee, to provide for the operation of the Plant hereinafter mentioned under methods which will further, to the fullest extent possible, the safety and physical welfare of the employees, economy of operation, quality and quantity of output, cleanliness of Plant and protection of property. It is recognized by this Agreement to be the duty of the Company, the Union and the employee to cooperate fully, individually and collectively for the advancement of said conditions.
- (b) Further, the purpose of this Agreement is also to provide for orderly collective bargaining, prompt disposition of grievances, wages, hours of work and other terms and working conditions to the extent and in the manner provided herein.

(c) Harassment/Human Rights

Human rights and harassment shall be subject to all applicable Provincial or Federal Legislation now in force or which may hereafter be enacted.

Section 2. RECOGNITION

The Company recognizes the Pulp, Paper and Woodworkers of Canada, Local No. 16, as the sole agency representing all employees, as defined in this Agreement, for the purpose of collective bargaining.

Section 3. UNION SECURITY

- a) Any employee who is now a member in good standing, or who becomes or is reinstated as a member of the Signatory Union,

shall, as a condition of continued employment, maintain such membership in good standing throughout the term of this Agreement, subject to such procedure as may be mutually satisfactory to the President of the Signatory Union and the Local Manager. Any new employee hired shall, as a condition of continued employment, become a member of the Signatory Union forty-five (45) days after his/ her employment.

- (b) No employee shall be subject to any penalties against his or her application for membership or reinstatement, except as may be provided for in the Constitution and By-laws of the Union.
- (c) In the event that the Local Union suspends a member for failing to maintain his membership in good standing, as required by the Union Constitution, the Union shall notify the Company in writing at least seven (7) days before such suspension shall become operative.

Section 4. DEFINITIONS

Wherever used in this Agreement, including Exhibits:

- (a) The word EMPLOYEE(S) means all persons on the payroll of the Signatory Company at the location named in this Agreement, excepting those engaged in administration, actual supervision, in sales, engineering, technical or research, stenographic and other office work, or watchman functions.
- (b) The word DAY means a period of twenty-four hours beginning at 12:01 a.m. or at the regular hour of changing shifts nearest 12:01 a.m.
- (c) The word WEEK means a period of seven calendar days beginning at 12:01 a.m. or at the regular hour of changing shifts nearest to 12:01 a.m. Monday.

- (d) Sunday, for the purpose of this Agreement, is a twenty-four hour period commencing at 12:01 a.m. Sunday and ending at 12:01 a.m. Monday, or at the regular hours of changing shifts nearest to 12:01 a.m. The hours of commencing and ending specified above may be varied by mutual agreement of the Management and the Union Standing Committee and the specified hour of commencing or ending will be adjusted to coincide with the regular hours for changing shifts.
- (e) An employee's common-law spouse or same sex partner (who meets the legal definition) will be recognized as a legal spouse with respect to the Welfare Plan and bereavement leave.
- (f) Wherever the words "him" or "his" appears in the Agreement, it will be taken as referring to a male or female employee as the case may be.

Section 5. TERM OF AGREEMENT AND CHANGES IN AGREEMENT

This Agreement shall be in effect from July 1st, 1997 to June 30, 2003.

- (a) The parties agree that the operation of Section 66 (2) of the Industrial Relations Act of British Columbia is hereby excluded.
- (b) This Agreement shall terminate only upon the expiration of a ten day notice given in accordance with the provisions of sub-section (f) below.
- (c) All notices given under the provisions of this Section on behalf of the Signatory Union shall be given by the National President of the Signatory Union (or his representative), and similarly notices on behalf of the Signatory Company shall be given by the President of the Signatory Company (or his representative).

- (d) This Agreement may be opened for collective bargaining as to changes as follows: either party desiring any change shall mail to the other party, notice in writing, by registered mail, or or after March 1st, 2003, but in any event not later than by midnight, June 30th, 2003, that a change is desired, and if no such notice is given by either party on or after March 1st, or before midnight June 30th, or dates falling between March 1st and June 30th, the earliest time at which such notice can be given by either party is the corresponding dates in the following year.
- (e) If notice of desire for changes has been given in accordance with subsection (d) above, the parties shall, as soon as agreeable to the parties following such date of notice, meet for collective bargaining, the Signatory Company being represented in such negotiations by a Bargaining Committee appointed by the Company and the Signatory Union being represented by a Bargaining Committee selected by said Union. Any agreement on changes arrived at and approved in such negotiations shall be binding upon the parties to this Agreement. If such negotiations cannot be completed prior to the July 1st following the date on which such notice was given any changes in compensation to employees shall nevertheless be retroactive to the said July 1st.
- (f) In case negotiations conducted in accordance with (e) break down, either party may terminate this Agreement upon the expiration of ten days' notice in writing mailed by registered mail to the other party.

Section 6. INTERRUPTION OF WORK

It is agreed there shall be no strikes, walkouts, or other interruption of work during the period of this Agreement. It is agreed there shall be no strikes, walkouts, or other interruption of work upon its expiration except with the express and specific sanction of the Union signatory to this Agreement. It is agreed that there shall be no lock-outs by the Company during the period of this Agreement.

Section 7. SENIORITY

- (a) With the exception of those employees who have less than forty five (45) worked days of service, in promotions, lay-offs, and in the re-employment of seasonal employees, if the employee has the necessary qualifications and ability, the principles of seniority will govern.
- (b) When the management promotes, lays-off, recalls or re-employs, and does not follow the principles of seniority, the Standing Committee of the Signatory Union may take exception to the Management's actions in this regard and shall be privileged to present recommendations which will be considered by the Management prior to action by the Management. In cases where time does not permit such prior consultation, the Management shall, wherever practical, take temporary action only until the recommendations of the Standing Committee can be obtained. In case of disagreement, procedure as outlined in Section 16, Adjustment of Complaints, may apply.
- (c) Where department seniority is established, the order of position in the line of progression will be determined by job rates. Vacancies in the department will be filled at the bottom of the line from the labour pool, and plant seniority will be the determining factor in progression from the labour pool. Should there be any question in respect to the order of progression or position in the line of progression the matter will be settled to the mutual satisfaction of both Standing Committees. The principle of the plant seniority will be recognized in determining who will be laid off.
- (d) Any employee promoted to a supervisory or staff position which removes him from the bargaining unit shall retain his plant and department seniority within the bargaining unit for a period of two months. In addition, he will retain his plant seniority within the bargaining unit for a further four months. Union membership shall be maintained during this period.

Any extension of the above shall be by mutual agreement and limited to one (1) month intervals during which all conditions above shall apply.

- (e) An employee selected for a posted job for which a step rate does not apply will be paid their regular rate or previously scheduled rate whichever is higher.
- (f) Where a layoff results from a permanent partial plant closure or a temporary closure in excess of one hundred eighty (180) days, the Company will participate in a program of training and retraining for another job within the operations to facilitate the exercising of mill seniority, recognizing there will be limitations where special qualifications are required. Phasing in arrangements to implement the program will be discussed by the Company and the local Union and shall not exceed three (3) months from the date of closure.

Section 8. HOURS OF WORK

- (a) The regular hours of employment for all production workers except as noted below, shall be eight (8) hours per day Monday through Friday.

1. The hours of work for day workers shall be as follows

Day	6:30 a.m. to 10:30 a.m. and 11:00 a.m. to 3:00 p.m.
Afternoon	3:00 p.m. to 7:00 p.m. and 7:30 p.m. to 11:30 p.m.
Night	11:30 p.m. to 2:50 a.m. and 3:10 a.m. to 6:30 a.m.

or as mutually agreed upon.

2. The hours of work for shift workers shall be from 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., or as mutually agreed upon.
 3. Hours of work may be scheduled one half () hour in advance or one half () hour later than the shift schedule outlined above, provided the employees concerned have been given at least thirty-six (36) hours advance notice. This will not apply to the Friday cleanup schedule.
- b) Sunday work is subject to the following conditions:
1. Any work necessary in the protection of life or property may be done.
 2. Any major maintenance or repair work, which is necessary in order to prevent material subsequent curtailment of employment of a substantial number of employees, may be done, provided that no machine or equipment involved in production shall be operated for production purposes during the Sunday shutdown period, except as provided in sub-paragraph 3 below.
 3. Production work may be done on Sundays provided that such work is mutually agreeable to the Management and the Union Standing Committee and further provided that such work be on a voluntary basis.
- (c) All employees shall be entitled to two (2) ten (10) minute rest periods in each eight (8) hour shift at times to be designated by the Company.
- (d) The six (6) hour and forty (40) minute night shift shall constitute an eight (8) hour shift with eight (8) hours' pay for the purpose of computing overtime.

Section 9. WAGES

(a) The wage schedule as agreed upon between the Signatory Company and the Signatory Union is as follows:

	Dec 14/98	July 1/99	July 1/00	July 1/01	July 1/02
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
<u>CORRUGATOR DEPARTMENT</u>					
Scheduler	24.340	24.830	25.330	25.840	26.360
Operator	24.340	24.830	25.330	25.840	26.360
Knifetender	24.330	24.820	25.320	25.830	26.350
Warehouse Receiver	22.260	22.710	23.165	23.630	24.100
Doublebacker	22.185	22.630	23.085	23.550	24.020
Stacker Operator	21.720	22.155	22.600	23.055	23.520
Roll Tender	21.480	21.910	22.350	22.800	23.260
Load Mover	21.280	21.710	22.145	22.590	23.040
Single Face Winder					
Operator	21.010	21.435	21.865	22.305	22.750
Warehouse Receiver					
Helper	20.660	21.075	21.500	21.930	22.370
Helper	20.660	21.075	21.500	21.930	22.370

ENGINEERING DEPARTMENT

Chief Stationary Engineer - 3rd. Class	27.640	28.195	28.760	29.340	29.930
Stationary Engineer - 4th. Class *	26.045	26.570	27.105	27.650	28.200
Adhesive Maker	22.125	22.570	23.025	23.490	23.960

*WILL BE PAID ADDITIONAL 85¢ PER HOUR IF HOLDER OF A 3RD CLASS STATIONARY ENGINEER'S CERTIFICATE

PRESSDEPARTMENT
Press Machines - Flexos

068 Ward Flexo Operator	24.340	24.830	25.330	25.840	26.360
- 1st Helper	22.065	22.510	22.965	23.425	23.895
- 2nd Helper	20.950	21.370	21.800	22.240	22.685

060 Langston Flexo Operator	24.340	24.830	25.330	25.840	26.360
- 1st Helper	22.065	22.510	22.965	23.425	23.895
- 2nd Helper	20.950	21.370	21.800	22.240	22.685

67 Ward Flexo Operator	24.340	24.830	25.330	25.840	26.360
- 1st Helper	22.065	22.510	22.965	23.425	23.895
- 2nd Helper	20.950	21.370	21.800	22.240	22.685

Press Machines - Rotaflexo

042 Rotaflexo Operator	24.340	24.830	25.330	25.840	26.360
- 1st Helper	22.065	22.510	22.965	23.425	23.895

Press Machines - Rotary Die Cutters

081 Ward Operator	24.190	24.675	25.170	25.675	26.190
- 1st Helper	22.065	22.510	22.965	23.425	23.895

80 Ward Helper	24.190	24.675	25.170	25.675	26.190
- 1st Helper	22.065	22.510	22.965	23.425	23.895

Press Machines - Flatbed Die Cutter

087 Bobst Operator	24.190	24.675	25.170	25.675	26.190
- 1 st Helper	22.065	22.510	22.965	23.425	23.895

Photopolymer Area

Head Photopolymer Processor	24.340	24.830	25.330	25.840	26.360
Photopolymer Process (over 12 months)	22.980	23.440	23.910	24.390	24.880
Photopolymer Process (0 to 12 months)	22.475	22.925	23.385	23.855	24.330

Steel Die Area

Senior Steel Die Maker	24.340	24.830	25.330	25.840	26.360
Steel Die Maker (over 24 months)	23.770	24.250	24.375	24.865	25.360
Steel Die Maker (13 to 24 months)	23.270	23.740	24.215	24.700	25.190
Steel Die Maker (0 to 12 months)	22.475	22.925	23.385	23.855	24.330

Press Miscellaneous

Die Mounter	24.340	24.830	25.330	25.840	26.360
Ink Tech	23.070	23.535	24.010	24.495	24.980
Plant Utility	21.630	22.065	22.510	22.965	23.420
Machine Bundling (Off Press)	20.740	21.155	21.580	22.015	22.460
Offbearer	20.740	21.155	21.580	22.015	22.460
Feeder	20.950	21.370	21.800	22.240	22.680

Finishing Specialty Department

070 Post Gluer Operator	22.640	23.095	23.560	24.035	24.520
Post Helper	20.875	21.295	21.725	22.160	22.600
Baler	21.045	21.470	21.900	22.340	22.780

Slitter Salvage Department

031 Partition Slotter					
Operator	21.280	21.710	22.145	22.590	23.045
Offbearer	20.660	21.075	21.500	21.930	22.370
005 Slitter Scorer Operator					
Offbearer	21.280	21.710	22.145	22.590	23.045
	20.660	21.075	21.500	21.930	22.370
Bundler, General	20.660	21.075	21.500	21.930	22.370
Utility Clean Up W/Machine	20.990	21.410	21.840	22.280	22.730

Receiving and Shipping Department

Assistant Shipper	23.480	23.950	24.430	24.920	25.420
Checker Driver	22.105	22.550	23.005	23.470	23.940
Lift Truck Operator	21.570	22.005	22.450	22.900	23.360
Sheet Transfer	21.570	22.005	22.450	22.900	23.360
091 Unitizer Operator	21.850	22.290	22.740	23.195	23.660
Helper	20.660	21.075	21.500	21.930	22.370
Pallet Repair Man	20.770	21.190	21.615	22.050	22.495

Maintenance Department

Mechanic Class A+	28.310	28.880	29.460	30.050	30.655
Mechanic/Electrician	28.310	28.880	29.460	30.050	30.655
Electrician A	27.350	27.900	28.460	29.030	29.615
Mechanic Class A	27.350	27.900	28.460	29.030	29.615

Apprentice Department

5th	27.350	27.900	28.460	29.030	29.615
4th	26.330	26.860	27.400	27.950	28.510
3rd	25.325	25.835	26.355	26.885	27.425
2nd	23.325	23.795	24.275	24.765	25.265
1st	22.575	23.030	23.495	23.965	24.445

GENERAL

Base 20.660 21.075 21.500 21.930 22.370

Any employee hired, or transferred to or promoted to an job as schedule above, shall receive the scheduled rate for that job. Probationary employees will be paid at a rate of \$1.50 less than the classified rate for the job performed

First Aid

The employee designated to take the responsibility for First Aid on any shift will be paid a First Aid Certificate bonus as follows:

Certificate Level II \$.60 per hour
Certificate Level III \$.85 per hour

First Aid Certificates

A First Aid Attendant **authorized** by the Company to attend class or write examinations for obtaining, renewing or upgrading a First Aid Ticket, will be compensated for lost earnings. The duration of the course shall include graveyard shifts on the day immediately preceding the day the course/exam begins and the day the course/exam finishes.

Section 10. Overtime

- (a) Weekend overtime will be allocated on the basis of senior employees within the departmental line of progression. Rate employees on day shift will be given preference for the regular rated jobs.
- (1) Overtime at the rate of time and one-half shall be paid only on the following basis:

(i) For all work in excess of eight (8) hours in any one day or in excess of eight (8) consecutive straight time hours except as otherwise provided in Section 8 and employees working on a compressed work week.

or

(ii) For all hours worked in excess of forty (40) hours in any one week.

or

(iii) For all hours worked on any Saturday.

(2) All hours worked on a Sunday, a statutory holiday or work in excess of twelve (12) hours per day to be paid at a double time rate.

(3) Time and one-half or double time shall be paid only once on any hour actually worked, and the one basis which results in payment of the largest amount of overtime shall be used.

(4) If an employee volunteers for weekend overtime work, he will be paid the rate of the job he volunteered to perform or his rated job rate, whichever is the higher.

(5) The scheduling of graveyard overtime Saturday morning will be considered as eight (8) hours (minimum) (6.7 hours shift equals eight (8) hours overtime).

(b) Employees will be allowed to bank overtime subject to the following conditions:

(1) (a) time earnings will be paid to an employee for overtime worked.

(b) Straight time earnings will be banked for overtime worked.

- (2) Maximum accumulation will be 120 hours in one year.
- (3) Banked overtime will not be taken in conjunction with a vacation.
- (4) Banked overtime will be taken by May 1st of the following year in slack time as determined by the Company.
- (5) The declaration for banked overtime will be made in the last two (2) months of the preceding calendar year. The declaration shall be revokable at any time but once an employee withdraws from the plan, he would not be eligible to rejoin the plan until the following January 1.

Earnings banked will be at job rate or at a composite of rates which might vary during a shift or a year.

- (c) When an employee works one (1) additional hour after completing his regular shift, he shall receive an allowance of \$10.00 and a paid break period of twenty (20) minutes. An additional allowance shall be provided every four (4) hours thereafter.

When an employee is called in early, and less than two (2) hours notice has been given, an allowance shall be provided.

- (d) Employees working on Saturday will be given the first opportunity to work the succeeding Sunday at the same job if it is required.
- (e) No employee shall work over sixteen (16) hours continuously. If the employee's next shift is the following day, the employee can only work a six (6) hour shift, starting two hours after the shift regular start time and will be paid for hours worked.

Section 11. Shift Differential

(a) 7 Day Operation Workers

- (i) 7 Day Operation Workers following compressed work week schedules shall be paid the following shift differential in addition to the hourly rate for all work performed as follows:

	1998 (% of base rate)	July 1, 2000 (% of base rate)
6:30 am to 6:30 pm	2.25%	2.50%
6:30 pm to 6:30 am	4.00%	4.25%

- (ii) Where 7 day Continuous Run work is scheduled, 8-4, 4-12 and 12-8, the following shift differentials will be paid in addition to the hourly rate on all work performed:

	1998 (% of base rate)	July 1, 2000 (% of base rate)
Day Shift	1.75%	2.00%
Afternoon Shift	3.30%	4.50%
Night Shift	4.25%	4.50%

(b) Day Workers/Shift Workers

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

	1998 (% of base rate)	July 1, 2000 (% of base rate)
3:00 pm to 11:30 pm	2.00%	2.25%
11:30 pm to 6:30 am	3.00%	3.25%

- (ii) However, night shift differential will not be paid to day workers who are working on the short night shift, as specified in Section 8.
 - (iii) Appropriate shift differential will be paid to day workers who are scheduled on the normal day shift for work performed beyond the normal day shift.
 - (iv) Appropriate shift differential will also be paid to day workers who are scheduled on other than normal day shift hours. In this case, payment of shift differential will commence or cease in accordance with the same time: as it applied to shift workers.
- (c) Shift differential shall be paid in addition to an employee's regular rate of compensation but it is not to be added to the wage rates for the purpose of calculating overtime.

Section 12. Allowance for Failure to Provide Work

- (a) In case any employee reports for his regular scheduled shift having been ordered to report for such work and then no work is provided, he shall nevertheless receive two hours' pay for so reporting.
- (b) In any case where an employee has commenced his regular scheduled shift, he shall receive a minimum of four hours' pay except in cases of accident, breakdown, interruption of power Acts of God, or in cases of Call Time as provided in Section 1 hereof.

In cases of accident, breakdown, interruption of power or Act of God, the employee shall receive a minimum of two (2) hours pay.
- (c) In any case where an employee has commenced his regular scheduled shift and is transferred to a lower paid job, he will receive his regular rate or scheduled rate, whichever higher, for the balance of his shift.

- (d) Wherever practicable, the Company will endeavour to give employees twenty (20) hours' notice of a cancellation of a shift.

Section 13. Minimum Call and Penalty Payment for Employees

- (a) 1. Any employee required to go on duty after he has completed his designated shift shall receive two hours Call Time at the straight time day rate plus actual time worked, except that such Call Time shall not be payable when notification has been given before punching out and the interval between the designated shift and the return to work does not exceed two hours.
2. Any employee required to report for work on his regular day off shall receive two hours Call Time at the straight time day rate except that such Call Time shall not be payable when notification has been given during his second shift preceding the work involved.
3. When an employee commences his following day's work within his regular day off or on a holiday as specified in Section 17 of this Agreement, or on a Sunday, no Call Time is payable if the period of work within the day off, the holiday or the Sunday does not exceed two hours and notice thereof has been given during his second shift preceding.
4. Any employee required to report for duty in advance of his regular scheduled shift shall receive two hours Call Time at the straight time day rate. However, no Call Time is payable when notice of the change in starting time is given during the worker's second shift preceding and the change in starting time does not exceed one hour in advance of the regular scheduled shift.

5. The regular hours of employment as defined in Section 8 shall not be changed, except in case of breakdown, without giving notice to an employee during his second shift preceding.

If an employee's shift schedule is changed after the start of his schedule, without notice being given during his second shift preceding, except in the case of breakdown he shall receive a two (2) hour penalty payment at his straight time regular rate for the first shift worked resulting from the change.

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

Call time will not be paid in addition to the change of shift penalty.

- (b) It is understood and agreed that in the payment of Call Time on the basis provided in this Section, a minimum of four hour pay will be paid for each call when work has actually commenced; it being understood that such payment will include the payment for the time worked, whether at straight time or at an overtime rate.
- (c) It is further understood and agreed that in the payment of Call Time on the basis provided in this Section, not more than one basis shall be used to cover the same period of work, nor will Call Time be added to or paid in lieu of allowances payable under Section 12 hereof.

Section 14. Starting and Stopping of Work

- (a) Employees shall be at their respective posts ready to begin work at the time their pay starts and shall not quit work in advance of the time their pay stops. For example, if

mechanic's pay time is from 8:00 a.m. to 12:00 noon, and from 1:00 p.m. to 5:00 p.m., he shall be at his post ready to work at 8:00 a.m. and 1:00 p.m. and shall not quit work until 12:00 noon and 5:00 p.m.

- (b) If a worker does not report for his regular shift, his mate shall notify the foreman. He shall remain at his post until a substitute relief is secured, and if necessary, he shall work an extra shift. It is the duty of the worker to report for his regular shift, unless he has already arranged with his foreman for a leave of absence. If unavoidably prevented from reporting, he must give notice to his foreman, or at the office, if reasonably possible, at least four hours before his shift goes on duty.

Section 15. Discipline

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

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

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

When, in the opinion of the Company, disciplinary action involving discharge becomes necessary, the Union shall be notified of that intent and the reasons therefore. Further, the Company welcomes pertinent discussion with the Union about disciplinary action.

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

Section 16. Adjustment of Complaints

- (a) Standing Committees shall be maintained in the plant in the following manner:
1. The Local Manager shall appoint a Company Standing Committee of two individuals which shall represent the Company.
 2. The Local Union of the Pulp, Paper and Woodworkers of Canada shall select from its membership at Smurfit-MBI New Westminster Plant, a Union Standing Committee of three which shall represent the Union for the purpose: stated in this Agreement.
- (b) Should there be any dispute or complaint as to the interpretation of any of the clauses of this Agreement, or any grievance arising out of the operation of this Agreement, except in case of discharge or suspension, the employee shall continue to work as per the conditions existing prior to the time the dispute, complaint or grievance arose. In the event that an employee has been suspended subject to discharge and it is alleged that he has been unjustly dealt with, the grievance procedure may be used. The suspension and arrangement for meeting must be submitted to the Union in writing within 2 working hours. When the Company declares this employee as discharged, step 1 of the grievance procedure shall be omitted.
- (c) The grievance shall be taken up by the employee within five (5) days of the occurrence with his supervisor and the employee will be accompanied by a Shop Steward. If no settlement reached, the question may be referred to the Union Standing Committee on the prescribed form.

- (d) The Union or Company Standing Committee, on notification in writing from one to the other of the existence of a grievance, shall within three days agree on a mutually satisfactory date for a meeting thereon, but in no case longer than five days from the date such notice has been given. Subjects not listed on the written notice shall nevertheless be dealt with. If the two Standing committees are unable to arrive at a settlement within five days, the question may, within fourteen days be dealt with as per Item (e).
- (e) The grievance may, upon written request by either party (a copy of which request shall be delivered to the other party), then be taken up at a meeting with the Local Manager by the Standing Committee of Smurfit-MBI, New Westminster Plant. The President of Local No. 16, Pulp Paper & Woodworkers of Canada and/or an officer of the Pulp, Paper and Woodworkers of Canada, may also attend as representative(s) of the Union at this meeting. If a satisfactory settlement is not reached within five days, the question may, within fourteen days, be referred to a Board of Arbitration or a single arbitrator if the parties so agree.
- (f) The Company will have the right to select one member of this Arbitration Board and the Union shall select one member; then the two Arbitrators thus named will choose a third Arbitrator who shall act as Chairman. If unable to choose a third Arbitrator who is mutually satisfactory, then they shall ask the British Columbia Minister of Labour to appoint a Chairman.

After the Board of Arbitration has been chosen by the foregoing procedure this Board shall meet and hear evidence of both sides and render a decision within fifteen (15) days after they have concluded their hearings, said decision to be final and binding upon all parties to this Agreement.

In the case of discharge or suspension which the Board of Arbitration has determined to have been unjust, the Board shall order the reinstatement of the employee and shall award

him back pay. In the case of back pay, should there be any doubt in the opinion of the Board, the Board may order all or part back pay as it deems fit.

- (g) It is understood that in all discussions concerning grievances, the President of Local No. 16 - Pulp, Paper and Woodworkers of Canada and/or an officer of the National Union may accompany the Union Standing Committee, and the Local Union may call on any other employee to accompany them in their meetings with the Manager.
- (h) In the event a grievance has not advanced to the next step within the time limit set forth in (d) or (e) above, then the grievance shall be deemed to be abandoned and all rights of recourse to the Adjustment of Complaints under this Agreement in respect of this grievance shall be at an end.

The time limit between steps may be extended by mutual consent

Section 17. Holidays

- (a) 1. The following shall be recognized paid holidays:

New Year's Day - 32 hours, from 3:00 p.m. - Decembe
31st.

Good Friday - 24 hours

Victoria Day - 24 hours

Canada Day - 24 hours

British Columbia Day - 24 hours

Labour Day - 24 hours

Thanksgiving Day - 24 hours

Remembrance Day - 24 hours

Christmas Eve - 24 hours

Christmas Day - 24 hours

Boxing Day - 24 hours

Floating Holidays-An additional paid holiday shall be observed on the day immediately prior to or immediately following the Christmas Eve, Boxing Day or New Year's holiday. The date of this floating holiday to be discussed by the parties no later than December 1st.

When this holiday is observed on the day prior to New Year's during the period Monday to Friday in any week, the plant shall shutdown for sixteen (16) hours only. In all other cases, the plant will shutdown the normal twenty-four (24) hour day.

2. The hours of commencing and ending specified above, may be varied by mutual agreement of the Management and the Union Standing Committee.
3. In the event that any holiday falls on a Saturday or Sunday, the Company will name the following Monday and/or the previous Friday as the day to be observed.

In the event of a Statutory Holiday falling on a Tuesday, Wednesday or Thursday, and where the Company and Union mutually agree, the holiday may be observed on the preceding Monday or following Friday.

4. On such holidays no work shall be done except as follows:
 - (i) Any work necessary in the protection of life and property.
 - (ii) Any major maintenance or repair work which is necessary in order to prevent material subsequent curtailment of employment of a substantial number of employees provided that such work be subject to the mutual agreement of the Management and Union Standing Committee and further provided that no machine or equipment involved in production shall be operated for production purposes during the holiday shutdown period.

5. Overtime shall be paid for all work performed during the above holidays at the rates hereinafter specified.
- (b) In addition to any other compensation earned, any Plant Unit employee who is on the payroll of the Signatory Company on New Year's Day, Good Friday, Victoria Day, Canada Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day, will be granted eight (8) hours' pay at the straight time rate of the employee's regular job, subject to compliance with all the conditions (1), (2) and (3), set forth below.
1. The new employees must have been on the payroll for not less than sixty (60) days just preceding the holiday, and:
 2. The new employee must have worked a minimum of one hundred and eighty (180) hours during the sixty (60) day: qualifying period, and
 3. Every employee must have worked his scheduled work day before and his scheduled workday after such holidays unless failure to work his scheduled work day before or after the holiday was due to any of the following events
 - (i) When the employee is on his regular authorized paid vacation.
 - (ii) When the employee is unable to work by reason of an **industrial** accident as **recognized** by the Workers Compensation Board, or his absence was due to **bonafide** sickness or accident.
 - (iii) When the operation in which the employee is engaged is curtailed or discontinued by the decision of **Management** and which curtailment or discontinuance changes or eliminates the employee's scheduled work day before or his scheduled work day after, such holiday. However any employee shall not be granted payment for a holiday

or holidays unless he has actually worked at least one (1) day during the thirty (30) days just preceding any given holiday, and at least one (1) day in the thirty (30) days immediately following such holiday.

- (iv) When a trade in shifts agreed upon between employees and approved in advance by Management, results in a temporary change of the scheduled work day before, or the scheduled work day after the holiday, provided the employee works the shift agreed upon.
- (v) When an employee is on an authorized leave of absence, absent due to bereavement leave or jury duty or Crown Witness or attending a Coroner's inquest.

Section 18. Vacations

All employees as defined in this Agreement shall be granted a vacation with pay subject to the following regulations:

- (a) The vacation period shall be the twelve months commencing on May 1st and ending on the following April 30th. Employees must work 1400 hours to initiate full vacation entitlement for ensuing years.
- (b) Vacation Entitlement shall be as follows for those employees who have completed the required continuous service as of April 30th each year:

One year service	2 weeks' vacation with pay
Two years' service	3 weeks' vacation with pay
Seven years' service	4 weeks' vacation with pay
Fourteen years' service	5 weeks' vacation with pay
Twenty-three years' service	6 weeks' vacation with pay
Twenty-nine years' service	7 weeks' vacation with pay
- (c) Vacation entitlement shall be allotted and paid in the following manner:

1. Employees who have worked less than 1400 hours during the year ending May 1st, shall be granted 1/4 of a day's vacation for each full week of employment. Vacation shall be calculated to the nearest whole day.
2. Vacation pay for employees with less than twelve (12) months' continuous service in their first year as of May 1st shall be calculated at 4½% of gross earnings for the previous year ending April 30th.

2 weeks' vacation shall be paid at 4½% of gross earning: for the previous 12 months period ending April 30th, or 80 hours at an employee's regular hourly rate of pay whichever is greater.

3 weeks' vacation shall be paid at 6½% of gross earning: for the previous 12 months period ending April 30th or 120 hours at an employee's regular hourly rate of pay whichever is greater.

4 weeks' vacation shall be paid at 8½% of gross earning: for the previous 12 months period ending April 30th, or 160 hours at an employee's regular hourly rate of pay whichever is greater.

5 weeks' vacation shall be paid at 10½% of gross earning for the previous 12 months period ending April 30th, or 200 hours at an employee's regular hourly rate of pay whichever is greater.

6 weeks' vacation shall be paid at 12½% of gross earning for the previous 12 months period ending April 30th, or 240 hours at an employee's regular hourly rate of pay: whichever is greater.

7 weeks' vacation shall be paid at 14½% of gross earning for the previous 12 months period ending April 30th, or 280 hours at an employee's regular hourly rate of pay whichever is greater.

- (d) Time lost as the result of an accident as recognized by the Workers' Compensation Board, suffered during the course of employment, up to a period of one year, shall be considered as continuous service for the purpose of qualifying for vacation.

Time lost as the result of a non-occupational accident or illness up to a period of one year, shall be considered as continuous service for the purpose of qualifying for vacation, provided:

1. The employee has been on the payroll for not less than one year, and;
2. The employee returns to his employment.

It is understood that the employer shall have the right to require a certificate from a physician.

- (e) An employee whose employment is terminated shall receive vacation pay in accordance with his present vacation entitlement as provided in (b) and (c) above, however, the calculation for vacation pay shall be based on the applicable percentage entitlement for the current vacation period.
- (f) Vacation in each new vacation period shall be based on the first year an employee qualifies for full vacation.
- (g) No employee may continue to work and draw vacation pay in lieu of taking vacation.
- (h) The allocation of vacation times is to be decided by the Company. However, the Company will endeavour by discussion with the employee to arrange vacations to suit the employee's request.
- (i) All employees who qualify for full vacation shall receive an additional amount of vacation pay equivalent to ten hours' pay at the hourly rate of the employee's regular job with respect to the first week of his vacation.

- (j) Vacations not booked by February 28th, shall be scheduled by the Company. They may be reslotted, but have to be completed by May 1st.
- (k) Vacation prime time is the period commencing the week, which includes Canada Day up to Labour Day.
- (l) Vacations with pay are paid cumulative and must be taken during the vacation period, except as provided below:
 - (i) At the start of vacation year, employees may elect to receive all; part or none of their vacation pay in advance;
 - (ii) Employees shall have the option at any time during the vacation year to bank paid vacation entitlement in excess of statutory minimum to a maximum of two (2) weeks per year, for which the vacation pay advance has not been paid. Employees may accumulate a maximum of six (6) weeks vacation in the bank.
 - (iii) Banked vacation must be taken prior to retirement and will be paid at the employee's current rate of vacation pay at the time when taking the banked vacation time off.
- (m) Management to give approval of vacations slotted by May 1st each year.
- (n) Where an employee's vacation pay for the current year is to be computed as a percentage of his gross earnings in the previous year, such gross earnings shall include the amount of vacation pay the employees received in the previous year

Section 19. Supplementary Vacation

- (a) After completing five (5) or more years of continuous service with the Company, an employee shall in addition to the regular vacation to which he is entitled, become eligible to receive Supplementary Vacation with pay each five (5) years as set forth below:

<u>Years of Completed Continuous Service</u>	<u>Weeks of Supplementary Vacation</u>
After Five (5)	One (1)
After Ten (10)	Two (2)
After Fifteen (15)	Two (2)
After Twenty (20)	Three (3)
After Twenty-Five (25)	Three (3)
After Thirty (30)	Four (4)
After Thirty-Five (35)	Four (4)
After Forty (40)	Five (5)

- (b) The Supplementary Vacation may be taken in conjunction with the regular vacation to which the employee is entitled provided such regular vacation is not taken during the months of July, August, or September.
- (c) The Supplementary Vacation must be taken prior to, the employee becoming eligible for his next earned period of Supplementary Vacation as provided for in subsection (a) above.
- (d) One (1) weeks Supplementary Vacation pay shall be equal to forty (40) hours at the straight time hourly rate of the employee's regular job.
- (e) For the purpose of determining eligibility for Supplementary Vacation an employee's service shall be calculated from the date of his joining the Company.
- (f) At retirement or termination from the Company, an employee shall be entitled to pay for supplementary vacations earned by completion of one or more five (5) year periods of service, but not taken, and to that portion of supplementary vacation pay proportionate to the number of years of service completed subsequent to his last five (5) year entitlement period.

Section 20. Bereavement Leave

- (a) When death occurs to a member of a regular full-time employee's immediate family, common-law and same sex partner and their immediate family after six months of cohabitation, the employee will be granted an appropriate leave of absence and he shall be compensated at his regular straight time hourly rate for hours lost from his regular schedule for a maximum of three (3) days. Employees will be required to provide the Company with reasonable proof of death (e.g. newspaper notice, etc.).
- (b) Members of the employee's immediate family are defined as the employee's spouse, mother, father, brothers, sisters, sons, daughters, mother-in-law, father-in-law, son-in-law, daughter-in-law, step-parents, step-children, grandparents and grandchildren.
- (c) Compensable hours under the terms of the section will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays, but will not be counted as hours worked for the purpose of computing overtime.

Section 21. Jury Duty

(a) Wage Compensation

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

between the pay received for such duty and his straight time rate of pay for his regularly scheduled hours of work in that week. The employee will be required to furnish proof of performing such service and such duty pay received.

- (b) Hours paid for such duty as above in (a) will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays, but will not be counted for hours worked for the purpose of computing overtime.

Section 22. Leave of Absence

Leave of absence will be granted on written request to an employee who has been appointed or elected to Union, Federal, Provincial or Civic Office, or elected or appointed to aboriginal office, tribal councils, aboriginal societies or associations, elders councils or any self-governing party dealing in aboriginal affairs for the term for which he/she was elected or appointed.

An application for a Union leave of absence shall be made by the Union representative as far in advance of the date as is reasonably possible under the circumstances.

Plant seniority will continue to accumulate throughout the elected or appointed term of office. However, it is not the intention of the Company to grant lifetime leaves of absence.

Granting of personal leave is a matter between the employee and the Plant Management. The Company will consider the length of service and will endeavour to suit the employee's wishes. Employees with 10 or more years of service will be given special consideration. Applications for Leave of Absence must be submitted in writing.

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

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

Section 23. Bulletin Board

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

Section 24. Occupational Health & Safety

- (a) The Union and the Company undertake to promote safety education among all employees in an effort to overcome accidents.
- (b) The Union and the Company shall co-operate in selecting one or more Occupational Health & Safety Committees, which shall meet at least once a month to consider all safety problems.
- (c) The Plant Occupational Health & Safety Committee shall be set up as follows:
 - 1. Management shall be represented by three members comprised of the Superintendent and two other Supervisors.
 - 2. The Union shall be represented by three members comprised of the Union Occupational Health & Safety Chairperson, and two Counsellors selected from Plant employees, by the Union.
- (d) The Plant Occupational Health & Safety Committee shall recommend safety programs and procedures for the consideration and approval by Management and the Union

Chairmanship of the Plant Occupational Health & Safety Committee shall rotate each month between the Company and the Union representatives.

Once each month a plant tour will be made by the Plant Occupational Health & Safety Committee accompanied by the Occupational Health & Safety Counsellor of the department they are touring.

- (e) Employees and the Company are to comply with approved safety rules which are established or amended by the Plant Occupational Health & Safety Committee. Employees are not expected to operate with unsafe equipment or under unsafe working conditions. Employees are expected to immediately report to their supervisor any unsafe equipment or unsafe working conditions.
- (f) Each department shall elect an Occupational Health & Safety Counsellor and Alternate. The Counsellor will be responsible for communicating to the Plant Occupational Health & Safety Committee any suggestions or recommendations his or her department has for improvement of accident prevention in this plant.

Once each month, an Occupational Health & Safety Counsellor or Alternate from each Department shall meet with the Plant Occupational Health & Safety Committee to discuss safety items, such as: general attitudes, housekeeping, unsafe practices and unsafe equipment.

Department safety meetings will continue to be held for the term of this Agreement in accordance with the Plant Occupational Health & Safety Program.

- (g) Management shall record minutes of Plant Occupational Health & Safety Committee meetings and distribute copies of the minutes to those attending.
- (h) Wearing of safety shoes in the plant is mandatory as a condition of employment. The Company's contribution is one-half the cost for up to two pairs of boots per year per employee. The only exception that will be made will be those employees

who have received PRIOR written clearance from the joint Union/Company Review Committee as per agreement of July 5, 1977.

- (i) The Company will make up any loss of wages incurred as a result of attending the Joint Labour Management Safety Conference for two delegates elected or appointed by the Union.
- (j) An employee who has reasonable cause to believe that an unsafe condition exists may refuse to work under such conditions without being subject to discipline.

Section 25. Temporary Layoffs

The following rules apply to employees who are laid off due to a shortage of work:

- (a) If an employee has less than forty-five (45) worked days' service, he shall be terminated. However, for the purposes of establishing recall rights, this forty-five (45) worked days may be accumulated within a one (1) year period.
- (b) IF AN EMPLOYEE REQUESTS AND RECEIVES HIS VACATION PAY FOR THE CURRENT PERIOD OF EMPLOYMENT, HE SHALL BE TERMINATED.**
- (c) Any employee, other than a probationary employee, whose employment ceases due to layoff, shall retain seniority and shall be recalled on the following basis:
 - (i) An employee with less than one year's continuous service shall retain these rights for nine (9) months from the date of layoff.
 - (ii) An employee with one or more year's continuous service shall retain these rights for eighteen (18) months from the date of layoff.

- (d) If an employee is recalled then:
 - 1. His previous period of employment will be included for purposes of seniority;
 - 2. He will be eligible for the next holiday as listed in Section 17 of the agreement provided he qualifies under subsection (b) (3) of Section 17 of this agreement;
 - 3. The starting date of his previous period of employment will be used for determining vacation eligibility, provided he has worked two-thirds of the hours available during the period of his actual employment;
 - 4. Benefit plans in existence will be reinstated upon his return to work.
- (e) Laid off employees may retain their MSP, E.H.P., Dental, Group Life and AD&D coverage as follows:
 - (i) Employees with more than four (4) months, but less than one year's seniority, may continue coverage for three (3) months while on layoff.
 - (ii) Employees with more than one year's seniority may continue coverage for six (6) months while on layoff.
- (f) Laid off personnel must keep the Company advised of their up-to-date address and telephone number. In addition, if they are temporarily not available at their recorded address, they must call the Company weekly to determine their status. If requested to report back to work, they must do so within one week, otherwise they may be terminated. Management will review special cases of employees unable to report back within the one week time limit as they may arise.

Section 26. Mutual Responsibilities

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

Section 27. Apprenticeship Training Program

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

Section 28. Welfare Plan

- (a) The Company shall make available to its employees a welfare plan, pursuant to the terms and conditions of Exhibit "B", which is attached hereto and forms part of this Agreement. The Company agrees to furnish the Signatory Union with statistical reports designed to maintain compliance with Exhibit "B".
- (b) The cost of all welfare plan premiums for those plans which are maintained, will be paid for by the Union for the periods that the Plant is closed due to strikes or any other form of work interruption caused by the action of the employees of this Plant or their refusal to cross picket lines established at the Plant.

Section 29. Technological Change

(a) Objective

In view of the interest and concern by the parties to this Agreement in the impact on manpower and conditions of employment resulting from competitive automation in the converting industry, it is agreed that the parties in this plan

utilize all scientific developments to the best advantage of the Company and it's employees in the interest of reducing costs and keeping the Company competitive in it's field of operations.

(b) Joint Committee

The Company and the Union Standing Committees will constitute a joint committee on technological change. It shall be the function of this committee to study the affect of technological change on employment in this plant generated by introduction of new machinery and/or modification of old machinery to ensure that the interests of the Company and employees are mutually protected.

(c) Notice

The Company will advise the Union Standing Committee as soon as possible and in any case not less than sixty (60) days before the introduction of any technological changes which the Company has decided to introduce which will result in terminations or other significant changes in the employment status of employees.

(d) Seniority Status

The joint committee will discuss as follows any significant changes in the employment status of permanent employees if such changes are due to the introduction of technological change.

1. In the event termination is necessary, crews will be reduced in accordance with the Seniority Section of this Agreement.
2. An employee who is set back to a lower paid job because of technological change will receive the rate of his regular job at time of the setback for a period of six months and for a further period of six months will be paid an adjusted

rate which will be midway between the rate of his regular job at time of setback and the base rate. At the end of this twelve month period, the regular rate of his new job or jobs will apply. However, such employee will have the option of terminating his employment and accepting severance pay as outlined below provided he exercised this option within the above referred to twelve month period.

(e) Severance Allowance

An employee with one year of continuous service, for whom no job is available because of technological change will, upon termination, receive a severance allowance as follows:

<u>Years of Employment</u>	<u>Severance Allowance</u>	
	<u>Weeks/Yr*</u> or	<u>% of Earnings</u>
1 st ten years	2	4%
Subsequent years	1	2%
 Maximum Severance Allowance	 45 weeks	 1,800 hours

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

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

(f) Training

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

Section 30. Permanent Mill Closure

1. Notice

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

2. Severance Allowance

Such employees shall be entitled to a severance allowance as follows:

<u>Years of Employment</u>	<u>Severance Allowance</u>	
	<u>Weeks/Yr*</u> or	<u>% of Earnings</u>
1 st ten years	2	4%
Subsequent years	1	2%
Maximum Severance Allowance	45 weeks	1,800 hours

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

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

Section 31. 7 Day Operation

1. The Company may operate the plant or a portion of the plant on a seven (7) day basis once they have exhausted the normal hours available in a five (5) day operation (Monday to Friday - 24 hours per day) on the equipment being scheduled for seven days.

2. **Crews scheduled on their machine will not be moved to operate or work on other machines.**
3. In the event the Company decides to do so, the applicable provisions of the Labour Agreement will be amended as follows:
 - Two (2) weeks notice will be given
 - Minimum run of thirty (30) day schedule
 - One week notice of cancellation of shift schedule
4. The plant will not normally operate on paid holidays.
5. The continuous run shift schedule will be on an eight (8) hour basis. Any other continuous run shift schedule will be by mutual agreement between the Company and the Union.
6. Extra rated positions will be established as required to operate on a continuous run basis. All extra rated positions (production, shipping or trades) will be posted and trained as per previous practices.
7. Employees on a continuous run schedule will receive a twenty (20) minute paid lunch. Hours of work for an eight hour continuous run schedule will be:

Graveyard	10:30 p.m. to 6:30 a.m.
Day	6:30 p.m. to 2:30 p.m.
Afternoon	2:30 p.m. to 10:30 p.m.

or as mutually agreed upon.
8. Overtime will be paid for work performed on an employee's designated day off.
9. Days Off and Schedule of Shifts
 - (a) The Company will designate regular periodic days off for

each regular employee and will not change such designation without forty-eight (48) hour notice.

The Company's policy is to schedule days off on a consecutive basis.

In the event the day or days off are changed to follow the original designated day or days off then forty-eight (48) hour notice will be given in advance of the original day or days off. In the event the day or days off are changed to precede the original designated day or days off, then forty-eight (48) hour notice must be given in advance of the new day or days off.

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

An employee may change his/her shift, day or days off by mutual agreement with the foreman of the department.

- (b) When the Company changes an employee's shift schedule after the start of the week without notification being given during the preceding weeks shift schedule, the employee shall receive two (2) hours penalty payment at straight time rate.
- 10. On continuous run operations, work performed on Saturday will be paid at straight time rates and work performed on Sunday will be paid at the rate of time and one half.
- 11. Employees who lose hours at start-up or completion of continuous operation, may make up time on their designated day off at their regular rate of pay if mutually agreed to.

Section 32. Pension Plan

The members of Local 16 of the Pulp, Paper and Woodworkers of Canada covered by this agreement, are included in the Pulp and Paper Industry Pension Plan. The Company agrees to contribute to the plan in accordance to the contribution rates established under the plan.

The contribution levels will be as follows:

January 1, 1999	Employer 10%	Employee 2%
January 1, 2000	Employer 10%	Employee 2%
January 1, 2001	Employer 10%	Employee 2%
January 2, 2002	Employer 10%	Employee 3%

During the last year of the Collective Agreement, a review will be conducted to determine if the funding can be reduced at the expiry of the collective Agreement without compromising the benefit objectives of the Trustees.

STATEMENTS OF POLICY

No.1

Clarification of Work Performed by Supervisor

The Union and Employer recognize that Supervisors are excluded from the provision of the Labour Contract and accordingly, it is improper for Supervisors normally to do the kind of work which is done by those defined as employees in the Contract.

It is also recognized that for the practical and efficient operation of the plant, there are occasions when a Supervisor must help. Such occasions must be temporary in nature and must not result in the displacement or exclusion of employees under the Contract.

No. 2

Non-Recurring Statutory Holiday

It is agreed that one non-recurring Statutory Holiday will be recognized as a paid holiday, subject to the provisions of Section 17 (b) and (c) of the Agreement, in the event such an extraordinary holiday is declared by the Federal Government.

EXHIBIT "A"

APPRENTICESHIP TRAINING PROGRAM

1. The purpose of the program is to provide Tradesmen of the highest calibre from members within Local #16.
2. The program will cover training for Mechanics and Electricians as outlined in Section 9 of the current Labour Agreement between Smurfit-MBI and the Pulp, Paper and Woodworkers of Canada Local 16.
3. The period of apprenticeship will be determined by the Apprenticeship Branch for each trade.
4. The first 6 months in the Maintenance Department shall be a probationary period. At any time during this period, the person may be removed from the department if considered not suitable. The Standing Committee may take exception to the management's action in this regard and shall be privileged to present recommendations which will be considered by the management prior to final action by the management. In case of dispute, the action may be processed through the procedure laid out in Section 16 of the Labour Agreement.
5. Apprentices hired with previous training may be placed into the Training Program at a level determined by the Joint Apprenticeship Committee, with advice from the Apprenticeship Branch.
6. Under the Program, Apprentices will receive rates as per Section 9 of the Labour Agreement. The apprentice will receive the Journeyman's rate on successful completion of his apprenticeship or after successful completion of four (4) years, whichever happens sooner, only on the understanding that he completes his full term of training. If the Apprentice refuses to continue his training, he will be removed from the program with no standing as a Journeyman in his trade.

7. All provisions of the Labour Agreement shall be applicable to Apprentices in the program.

Joint Union - Management Apprenticeship Committee

8. This Committee will be comprised of an equal number of Union and management representatives not to exceed in total three (3) from each group. The purposes of the Committee will be:
 - a) To supervise the procedures required to carry out the agreed intent of the Program;
 - b) To set standards for entry into the Apprenticeship Program that are not inconsistent with the standards recommended by the Apprenticeship Branch;
 - c) To carry out periodic reviews of the training program.
 - d) To see that the required practical tests are carried out in cooperation with the Apprenticeship Branch.
 - e) To review any case of lost time from the program because of sickness, accident, etc., and to determine the amount of additional time necessary before an employee meets his requirements of time served.

Entry to Program - New Apprentices

9. Trade Apprenticeship vacancies are posted specifying the minimum standards. Applicants who meet those standards are then called in to write the Apprenticeship test. The most senior Applicants who meets the test standards, will fill the vacancy. The standards for acceptance established by the Joint Union-Management Apprenticeship Committee and the Apprenticeship Branch are applied. The Joint Union-Management Committee will review an employee's test results, if requested by the employee.

In the event that the most senior applicant does not meet the Company standards, the Union members of the Joint Apprenticeship Committee will be given the opportunity to voice their objection prior to the final appointment by the Company.

10. Upon completion of each period of training in an approved Vocational School, an Apprentice will be required to pass examinations set by the Apprenticeship Branch. Practical examinations shall be confined to the area of training received. In the event of failure to pass examinations, the Apprentice shall be required to undergo a period of retraining on subject material specified by the Apprenticeship Branch authorities and will be required to be re-examined within twelve (12) months. Failure to pass the second examination will result in a review of his position by the Joint Apprenticeship Committee and could result in his removal from the program. Employees who are removed from the Program will be offered an entry job in keeping with their Plant seniority.
11. a) During each year of Apprenticeship, successful applicants shall work at the trade and attend Vocational School as required by the regulations pursuant to the Apprenticeship Act.
- b) Upon the successful completion of this term of Apprenticeship and receipt of his Certificate of Apprenticeship issued by the Provincial Apprenticeship Committee, the Apprentice shall be designated as a certified Journeyman at the regular hourly rate for "A" Mechanics and Electricians.
- c) If any of the aforementioned work periods are exceeded due to the unavailability of Vocational School facilities, such extra time will be credited to the Apprentice in succeeding training requirements. Also, the Apprentice's rate shall be adjusted retroactively to the commencement of the schedule year, providing he successfully passes the examinations. Retroactivity will not apply where retesting is necessary.

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

Costs of Books

13. The Company will pay 100% of the cost of textbooks specified by the Apprenticeship Branch. The Apprentice will keep these books as his personal property.
14. While attending an approved Vocational School, the Apprentice will receive from the Government allowances and school expenses in accordance with the Government's schedule of grants pertaining to Apprenticeship Training. In addition, the employee shall receive from his employer an allowance comprised of the difference between his regular straight time rate, based on a forty (40) hour week and the weekly living allowance granted by the appropriate Government authorities. Allowances provided by the employer shall not apply to the periods of retraining as specified in Item 12.

General

15. a) The Company agrees to develop and provide a program of on-the-job training for each trade, which shall include doing jobs of gradually increasing skills consistent with the Apprentice's training and ability.
- b) Apprentices will be required to acquire and build a kit of tools progressively throughout the Program, as specified by the apprenticeship Branch and the Joint Union-Management Apprenticeship Committee.
- c) It is understood that the Grievance Procedure, as set forth in Section 16 - Adjustment of Complaints, shall not be applicable to those matters covered by the Apprenticeship and Tradesmen's Qualification Act which, by said Act, are deemed to be outside the jurisdiction of the Union.

EXHIBIT "B"

This Exhibit "B", including Schedule 1, which is attached hereto and forms part hereof, sets forth the respective rights and obligations of the Company and its employees, effective beginning June 1, 1962 under the Welfare Plan which the Company has established pursuant to Section 27 of the Labour Agreement between Smurfit-MBI Inc., New Westminster Plant, New Westminster, B.C. and the Pulp, Paper and Woodworkers of Canada, Local No. 16.

1. Compliance

- (a) It is agreed that as of June 1, 1962, the Company will comply with the terms and conditions as set forth in Exhibit "B".
- (b) The Company will use its best efforts to provide coverages in accordance with its obligations set forth in Section 27 and Exhibit "B" of this Agreement. The Company's obligation and the Welfare Plan shall be subject to all limitations found in the contracts of the selected carrier or carriers, including, among others, the requirement of participation by a minimum percentage of those eligible, and conditions under which coverages and benefits may be subject to increased cost or to termination.

2. Waiting Period

All full-time employees who are actively working and have completed their forty-five (45) worked days probationary service are eligible for coverage and benefits set forth in Schedule 1 of this exhibit. This coverage will be effective the first pay period following the completion of the probationary period.

3. Changes in Classification

The regular wage rate of the employee in effect on July 1st, will determine his entitlement to Weekly Indemnity Benefits as outlined in Table No. 1 contained in Exhibit "B". Where an employee's regular duties consist of more than one job, his regular rate shall be deemed to be the average of the rates applicable to such jobs.

4. costs

Net costs of the coverages and benefits made available to participating employees under the Welfare Plan will be shared between the Company and said employees in accordance with the following:

Cost Share for Group Life, A.D.&D. MSP & E.H.P.:

- Company - 100%

Cost Share for Weekly Indemnity Plan:

- Company - 70%

- Employee - 30%

Cost Share for Dental Plan premium:

- Company - 100%

5. Reports

The Company agrees to furnish the Signatory Union with statistical reports designed to maintain compliance with Exhibit "B".

6. Reporting Period

The initial reporting period was June 1, 1962 to November 30, 1962.

Each year thereafter the report shall cover the twelve (12) month period ending November 30th and shall be submitted to the Signatory Union by not later than the following March 1st.

7. Changes in Premiums and Employee Contribution

It is understood that any change in respect to the premium rate charged by the carrier may only be made effective as of May 1 st in any year.

8. Distribution of Surplus

It is understood that surplus accumulations, if any, will be used only for the purpose of reducing premium costs. Surplus accumulations must be disposed of within reasonable time limits.

9. Disputes

No dispute arising out of the operation, administration or interpretation of any coverage contract between the Company and the carrier shall be subject to the Adjustment of Complaints procedure of the Labour Agreement between Smurfit-MBI, New Westminster Plant, New Westminster, B.C., and the Pulp, Paper and Woodworkers of Canada, Local No. 16. Any such dispute shall be adjudicated under the terms of such coverage contract.

SCHEDULE 1 -WELFARE PLAN

Attached to and Part of Exhibit "B"

This Schedule 1 sets forth the coverages and benefits of the Welfare Plan.

Group Term Life Insurance

The Welfare Plan will provide Group Term Life Insurance in the amount as provided in Table 1, which will be payable as a result of death from any cause on a twenty-four hour coverage basis.

Accidental Death or Dismemberment insurance

In addition to the above Group Term Life Insurance coverage, the Welfare Plan will provide Accidental Death Insurance in the amount as provided in Table 1, on a twenty-four hour coverage basis.

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

Weekly Indemnity Insurance

The Welfare Plan will include Weekly Indemnity Insurance in accordance with Table 1. Weekly Indemnity benefits will be payable beginning with the first day of disability caused by non-occupational accident and beginning with the fourth day of disability caused by non-occupational sickness. Benefits will also be payable from the first day of disability due to hospitalization for surgery, provided such hospitalization extends over a continuous period of seven (7) days or more. Benefits will be payable for a maximum of fifty-two weeks during any one period of disability.

If an employee covered by the Welfare Plan suffers a disability, payment for which is in dispute with the Workers' Compensation Board, Weekly Indemnity payments under the Welfare Plan will be

paid retroactively as set forth in the Exhibit if requested by the employee and provided he has been off work for at least two weeks due to the disability without the Workers' Compensation Board having accepted the claim.

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

The Plan will provide for coverage for medical complications to mother or unborn child during pregnancy to the extent that the present limit of fifteen (15) weeks coverage under the plan will be eliminated and the revision will provide for benefits to be paid for the period up to but not including the ten (10) weeks before delivery and the six (6) weeks after delivery and for such periods beyond that time to a limit of fifty-two (52) weeks.

In other words, the weekly indemnity plan will pay benefits for such medical complications so that in combination with E.I. maternity benefits the employee will receive fifty-two (52) weeks of total benefit, if required.

Extended Health Care Plan

The Welfare Plan will provide Extended Health Care as part of the Great-West Life coverage. The co-insurance rate for hospitalization will be incorporated into the Extended Health Benefit coverage to a maximum of \$8.50/day.

The maximum amount of benefits payable for any one member or dependant will be \$100,000.

Clinical Psychologist

Effective December 1, 1998, the maximum benefit payable on fees for clinical psychologists will be increased to \$350.00 per member or dependant in any calendar year.

Foot Orthotics

\$250.00 per person per calendar year.

Hearing Aids

Coverage increased to maximum benefit payable during a three (3) year calendar period is \$600.00 per child. Payment will be made for maintenance batteries or recharging device or other such accessories.

Physiotherapist and Massage Practitioners

Increase maximum to \$300.00.

Acupuncture

Increase treatment maximum to \$150.00.

Vision Care for Employees and Dependents

Payment up to a maximum of \$150.00 (\$300.00 effective January 1, 1998 and \$350.00 effective January 1, 2000), per person in any 24 consecutive month period for charges incurred relative to the purchase of lenses and frames, or contact lenses when prescribed by a person legally qualified to make such prescription; provided, however, that if the eyeglasses are for an employee for use while working in a mill, they must be safety lenses and frames.

Dental Plan

The Welfare Plan will include a Compulsory Dental Plan in accordance with the following:

A. BENEFITS

(i) Diagnostic Services

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

Oral Examinations
Consultations
X-Rays (complete mouth X-Rays will be covered only once in a three year period).

(ii) Preventive Services

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

Cleaning and scaling
Topical application of fluoride
Space maintainers

(iii) Surgical Services

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

(iv) Restorative Services

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

(v) Prosthetic Repairs

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

(vi) Endodontics

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

(vii) Periodontics

All necessary procedures for the treatment of tissues and the bones supporting and surrounding the teeth.

(viii) Prosthetic Appliances and Crown and Bridge Procedures

(a) Crowns and Bridges

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

(ix) Orthodontics

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

The maximum lifetime benefit will be \$2,500 per person (\$3,000 effective July 1, 1998 and \$3,500 effective July 1, 2000) for all orthodontic services. The plan pays 50% of the approved schedule of fees.

B. CO-INSURANCE

In respect to Benefits (i) to (vii) the plan will provide reimbursement of 80% of eligible expenses. This amount will increase to 85% effective July 1, 1998 and 90% effective July 1, 2000.

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

Bridging

A bridging formula in the following form will be provided:

For the term of the 1997-2003 Collective Agreement, this benefit will be available to those employees who request it and who choose to retire early from active employment with a participating employer commencing at 61 and up to but not including age 65. The benefit payable under this provision will be \$20.00 per month per year of service and credited on the same basis as under the terms and conditions of the Pulp and Paper Industry Pension Plan.

Payments under this provision will cease at the end of the month immediately preceding the month in which the employee who selects to retire early under this provision attains age 65 or dies, whichever occurs first. Should an employee return to work after commencement of this provision, the payment will be handled on the same basis as the pension benefit is handled under the terms of Section 18 of the Plan Text.

Pm-Retirement Counselling

The company will arrange for pre-retirement counselling.

Long Term Disability

The Welfare Plan will include a Long Term Disability Plan which will provide the following:

- (i) On expiry of weekly indemnity benefits following 52 weeks payment, and if the employee continues to be disabled, the Plan will provide a benefit of 50% of the employee's regular weekly earnings calculated at 40 times the hourly job rate used in determining his/her final weekly indemnity payment. In no event will payment be made under the Long Term Disability Plan for a period with respect to which an employee receives weekly indemnity benefits.

(ii) Integration with other Disability Income

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

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

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

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

- (iii) There will be a minimum of sixty (60) months of benefit payment for persons with 60 or less months of service. Additional benefits will be paid on the basis of one (1) month for each two months of continuous service beyond the 60 months service with the member pulp and paper company up to the date of onset of disability. In any event, benefit payment will not be paid beyond age 65 and in all cases, will cease on recovery.

- (iv) Premium costs will be borne 70% by the Employer and 30% by the Employee.
- (v) For employees who commence receipt of disability benefits under the LTD plan on or after September 1, 1988, the premium waiver provisions for Group Life will end at the earlier of retirement or termination of LTD disability benefits.
- (vi) Those employees who are now either on WI or LTD until they reach age 60 (or sometime later should their service carry them further), at that point could elect to either retire early or go on disability pension benefit until age 65, at which time they would retire.

For new claims that commence after September 1, 1988, the individual would stay on LTD to age 60 (or sometime later as a result of their service). At the point when he runs out of LTD benefit, he would retire.

Letter of Understanding - Long Term Disability Adjustment

Effective July 1, 1997, an employee who is under 60 years of age and has previously reached his/her 5 year anniversary on long term disability, will have his/her future disability benefit recalculated using the greater of his/her existing long term disability benefit or a recalculation using the base rate effective on July 1, 1997.

An employee who reaches a subsequent 5 year anniversary (i.e. 10 years, 15 years, 20 years, etc.) on long term disability and is under 60 years of age, will have his/her future disability benefit recalculated using the greater of his/her existing long term disability benefit or a recalculation using the base rate that is in place on that date.

The recalculated weekly benefit when combined with all other disability income, to which the disabled employee is receiving, will not exceed 70% of 40 hours multiplied by the base rate in effect at the time of the recalculation.

Surviving Spouse and Dependent Coverage

Where a surviving spouse and dependents of a deceased employee are not covered by such plans by reason of their own employment, the Company will extend the coverage under Medical-Surgical Plan, the Extended Health Benefit Plan and the Dental Plan for a period of six (6) months following the death.

TABLE NO. 1
INSURANCE COVERAGE LEVELS

The schedule of benefits under Weekly Indemnity Insurance are set forth below.

Hourly Job Rate*

Effective July 1, 1998 - \$21.50 but less than \$24.00	- \$585.00
- \$24.00 or over	- 590.00
Effective July 1, 1999 - \$24.00 but less than \$24.25	- \$590.00
- \$24.25 or over	595.00
Effective July 1, 2000 - \$24.25 but less than \$24.50	- \$595.00
- \$24.50 but less than \$24.75	- 600.00
- \$24.75 or over	- 605.00
Effective July 1, 2001 - \$24.75 but less than \$25.00	- \$605.00
- \$25.00 but less than 25.25	- 610.00
- \$25.25 or over	- 615.00
Effective July 1, 2002 - \$25.25 but less than \$25.50	- \$615.00
- \$25.50 but less than \$25.75	- 620.00
- \$25.75 or over	- 625.00

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

E.I. rebate is for the account of the Company.

Weekly Indemnity - Attempted Suicide

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

Weekly Indemnity - Waiting Period

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

Group Term Life and A.D.&D.

<u>Effective</u>	<u>Group Term Life</u>	<u>AD&D</u>
July 1, 1997	\$68,000	\$68,000
July 1, 1998	\$71,000	\$71,000
July 1, 1999	\$74,000	\$74,000
July 1, 2000	\$76,000	\$76,000
July 1, 2001	\$78,000	\$78,000
July 1, 2002	\$80,000	\$80,000

Coverage for accidental death and dismemberment insurance to provide coverage for quadriplegia, paraplegia and hemiplegia at 200%.

Out-Of-Province Travel Plan

The following new benefit was established effective September 1, 1988 and will contain the following provisions:

“When in the opinion of the attending physician and attending specialist a medical procedure is required that is not available in B.C., and is one for which the medical Services Plan of B.C. will

accept financial responsibility, the cost of travel and accommodation to the limits specified below will be paid for by the Plan. Where the attending physician specified that an attendant is required, the travel and accommodation expenses for such person will be paid to the limit specified.

The maximum limit under any claim will be the return economy airfare or equivalent for patient and attendant, plus accommodation expenses up to a maximum of \$1,500. Receipts will be required and forwarded on the claim form prescribed by the Carrier."

This benefit will not stack on top of or duplicate existing provisions under local Medical Travel Benefit or government plans.

LEAVE OF ABSENCE FOR STEAM PLANT TRAINING

1. Upon successful completion of the Department of Education Correspondence Course for a Fourth Class Stationary Steam Engineering Certificate, or possessing equivalent qualifications acceptable to the Vocational School authorities, employees shall be granted three (3) weeks' leave of absence with pay to attend the Vancouver Vocational School to complete the course and write the examination for the Fourth Class Stationary Steam Engineering Certificate.

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

2. Upon successful completion of the Department of Education Correspondence Course for a Third Class Stationary Steam Engineering Certificate, or possessing equivalent qualifications acceptable to the Vocational School authorities, employees shall be granted six (6) weeks' leave of absence with pay to attend the Vancouver Vocational School to complete the course and write the examination for the Third Class Stationary Steam Engineering Certificate.

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

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

The Company will bear cost of Examination, and will pay 50% of the tuition fees on enrolment and the remaining 50% on successful completion.

SAFETY RULES AND REGULATIONS

1. All W.C.B. regulations are to be strictly adhered to.
All Job Safety Breakdowns are to be strictly adhered to.
2. All injuries must be reported to the Company as soon as they occur.
3. Proper wearing apparel must be worn at all times with no loose clothing, rings or watches to be worn.
4. Wearing of safety shoes is mandatory at all times while working in the Plant.
5. Proper personal protective equipment is to be used as designated.
6. Machines must be shut down and locked out before cleaning or adjusting.
7. Report all unsafe conditions to the Departmental Foreman or Safety Counsellor immediately.
8. The use of air hoses for cleaning clothing, body parts, etc. is positively prohibited.
9. All stock is to be piled straight and secure. Loads SHOULD NOT exceed a height of seven feet (214 cm.) from the floor.
- 10 Any spilled liquid such as oil, ink, cleaning fluids, adhesives, etc. must be cleaned up immediately.
11. Except where proper safety conditions exist (step plates), walking on roller systems is strictly prohibited.
12. Forklift and Clamp Trucks are not to be used without proper authorization.

13. Aisleways, stairways and fire exits must be kept clear of obstructions.
14. Damaged dollies and pallets are to be taken to their repair areas.
15. Pallets are to be stacked so that they are not interlocked. Pallets are not to be left leaning against loads, etc.
16. Loaded and empty dollies must be under control while in motion,
17. No more than five dollies are to be towed together at one time.
18. All tools are to be kept in good repair and stored when not in use.
19. All Rigi-Mac loads are to be tied down securely.
20. Practical jokes, running and horseplay are forbidden.
21. The eating of lunches and drinking of beverages in the plant washrooms and locker rooms is prohibited.
22. Housekeeping is everyone's responsibility and must be treated as such.

SAFETY CREED

Occupational safety is a cooperative venture. It requires the men and women, along with management of our industry, to work together for a program of safety that will prevent accidents and occupational diseases. No safety device can take the place of care, common sense and training.

The people of Smurfit-MBI at the New Westminster Plant, have in the past, and will in the future, abide by this creed.

SAFETY IS NOT THE ONLY THING

BUT IT'S EVERYTHING

AFTERNOON SHIFT: From 7:00 p.m. to not later than 8:30 p.m.

LETTER OF UNDERSTANDING 73 - 4

SECTION 23 - SAFETY - FORKLIFT DRIVING

Persons outside of the Service and Shipping Departments who are required to drive forklifts will first be trained from within Local #16 Shipping Department. Only persons so trained will be permitted to drive forklifts.

LETTER OF UNDERSTANDING 73 - 6

DUTIES, RESPONSIBILITIES AND
AUTHORITY OF ACTING SUPERVISOR

Safety:

- (a) Safety of personnel.
- (b) Safe operation of equipment.
- (c) Safety of equipment, stock and premises.

Quality and Quantity of Production:

- (a) Responsible for quality and quantity of the product produced.
- (b) To assure that production standards are maintained or exceeded wherever possible.
- (c) To check order set ups as required.

General Supervision:

- (a) In charge of shift or departments as assigned.
- (b) To issue directions as necessary.
- (c) To see that employees conduct themselves in proper manner during working hours and while on Company premises.
- (d) To assure that Company Rules and Regulations are observed.

- (e) When problems occur contact Production Management, as necessary.
- (f) Acting supervisors are not responsible for discipline.

Plant Security:

To assure protection of the Company buildings, grounds, equipment and stocks from fire, theft and damage; to make sure all equipment is properly shut down at shift end and the plant is securely locked up.

LETTER OF UNDERSTANDING 73 - 7

PHONING-IN

Employees shall contact the Plant Switchboard or Personnel Office by telephone (collect calls if long distance) before 2:00 p.m. New Westminster time on the last Friday of their vacation period to confirm their shift schedule.

LETTER OF UNDERSTANDING 73 - 11

MUTUAL UNDERSTANDING

Employees will be given opportunity to arrange mutual exchange of time at either end of their shift. This arrangement will be subject to the following conditions:

- Supervisor must authorize.
- Maximum allowance will be 2 hours for any one shift.
- Minimum allowance will be 10 minutes for any one shift.
- Trade arrangement must be restricted between employees in the same job category.
- The employee will remain on the job until the replacement has arrived.

LETTER OF UNDERSTANDING 75 - 5 (INCLUDES 77 - 4)

PERSONAL EFFECTS

The Company will give consideration to replacing personal effects, e.g. glasses and dentures, if in the estimation of Management the damage was a result of an industrial accident and proof of damage is submitted.

The Company reserves the right to make the final decisions.

77

The Company agrees to pay for the replacement of safety lenses if they become pitted or damaged as a result of normal work practices.

LETTER OF UNDERSTANDING 75 - 6

SENIORITY - BUMPING

In cases of absenteeism, sickness or lateness, there will be a four hour moratorium covering chain bumping. This moratorium is not restricted to the first four hours of the shift.

LETTER OF UNDERSTANDING 75 - 8 (Amended in 1981)

WEEKLY INDEMNITY PLAN

The parties agree to the following in an attempt to provide closer monitoring of the plan and to bring the premium cost into an acceptable range.

- (1) A Committee comprising of two members representing the Company and two members representing the Union will be struck.

The function of the Committee will be:

- to act as liaison with carrier
 - to provide fact finding functions on individual claims
 - to review status of fund and length of waiting periods
 - to review the status of fund and if a surplus is created to ask carrier to provide premium holiday.
- (2) Parties to jointly request Carrier to name a doctor who will consult on suitability of claims through the term of this Agreement.

LETTER OF UNDERSTANDING 75-9 (Amended in 1981)

PREMIUM PAY FOR STATIONARY STEAM TICKET

The Company will pay a premium of \$.25 per hour to a production employee who holds a fourth class or better Stationary Steam Engineer's ticket.

If more than one production employee holds such a ticket, the premium will be paid to the employee with the greater plant seniority.

The employee receiving such a premium will be expected to relieve in the steam plant if necessary.

LETTER OF UNDERSTANDING 75 - 10 (INCLUDES 77 - 8)

3RD CLASS STEAM ENGINEERING TRAINING BONUS

When the regular 4th Class Steam Engineers take classes after working their regular 8 hour shift in order to obtain their 3rd Class Steam Engineering Ticket, a training bonus will be payable when the 3rd Class Ticket is obtained. The bonus will be equal to 40 hours pay at the 4th Class Engineer's straight time day shift rate.

77 - 8

The Engineering Training Bonus will be increased to eighty (80) hours pay at the 4th Class Engineers straight time day shift rate effective November 15, 1977.

LETTER OF UNDERSTANDING 77 - 2

SPACE FOR UNION FILES

Space to accommodate a file cabinet will be provided in the Rubber Die Cutting Room. The Union may request the use of either the first aid room or the plant meeting room for purposes of interviewing an aggrieved employee.

LETTER OF UNDERSTANDING 77 - 5

METRIC TOOLS

Metric tools will be made available as they are required but will remain the property of the Company.

LETTER OF UNDERSTANDING 77 - 6

COMMON-LAW SPOUSE

An employee's common-law spouse (who meets the legal definition of common-law spouse) will be recognized as a legal spouse with respect to the Welfare Plan and bereavement leave.

LETTER OF UNDERSTANDING 77 - 9

CHECKER DRIVER RATE

The Senior Lift Truck Operator on the Afternoon Shift will receive the Checker Driver rate.

For four (4) hours of his eight (8) hour shift he will be paid Assistant Shipper rate rather than Checker Driver rate.

LETTER OF UNDERSTANDING 77 - 10

EXTENDED HEALTH BENEFIT PLAN

The Extended Health Benefit Plan in effect at this Division includes coverage for:

- ambulance
- prescription drugs
- special nursing
- semi-private and private room hospital accommodation

A complete description of benefits and a supply of claim forms are available from the Personnel Office.

Great-West Life will reimburse 80 per cent of all eligible expenses in excess of an overall \$25.00 deductible per person or family each calendar year. After \$1,000 has been paid out for an individual in a calendar year, future expenses within that year will be paid at 100%.

LETTER OF UNDERSTANDING 79 -1 (amended in 1988)

COVERALLS

Coveralls will be provided for:

- All rated employees in the Corrugator and Press Department Line of Progression.
- Mechanics and three regular Steam Engineers.
- Utility Cleanup with machine.
- Post Gluer Operator
- Balerman

Two changes of coveralls per week will be provided to mechanics and Stationary Engineers.

Each of the above employees will be assigned a locked compartment dispenser and shall be responsible for their key and three (3) sets of coveralls.

Laundrying of one pair of coveralls per week will be at the Company's expense.

Employees assume full responsibility for return of coveralls issued.

In the event of worn or damaged coveralls, the laundry service will repair or replace coveralls as needed.

Additional coveralls will be kept in the Personnel Office to be given, subject to their foreman's approval, to employees who are required to do temporary dirty jobs. These coveralls will be signed out by the employees and they shall be responsible for returning said coveralls at the completion of the temporary job.

LETTER OF UNDERSTANDING 79 - 3

In the event food dispensing machines are installed, the employee entitled to a meal will be given the cash equivalent in coins suitable for the machine. Prior to the installation of the machines, or in the event the machines are not installed, the employee may take a meal ticket in lieu of the meal. This meal ticket will be redeemable for cash equivalent to the value of the meal as specified in subsection (c) Section IO.

LETTER OF UNDERSTANDING 81 - 1

VACATION PAY - OPTION

Vacation pay shall be paid employees upon request within fourteen (14) days after May 1st. Said employees are to indicate their preference for this option by May 1 st. It is understood vacation pay adjustments, if any, will be made at the time the employee takes his vacation.

LETTER OF UNDERSTANDING 81 - 2

PAY DAYS

Pay deposits will be made on Thursday of pay week. It is understood that in the event of an emergency this may not be possible.

LETTER OF UNDERSTANDING 81 - 4

The Company will pay the Union Safety Chairperson two (2) hours at his regular straight time rate when he attends the monthly Plant Safety Meeting outside of his working hours.

LETTER OF UNDERSTANDING 83 - 1

The provision of Exhibit C relating to Leave of Absence will apply as follows:

- When Management requires a Steam Engineer Trainee, Management will post and select one employee (selection will be on the basis of aptitude testing, seniority considered) who will enroll in the Department of Education Correspondence course for a 4th Class ticket. If the trainee maintains reasonable progress, Management will arrange for the employee to obtain the necessary work experience to obtain his 4th Class ticket. This employee will have layoff protection provided he progresses on schedule through the training program and obtains his 4th Class Ticket.

If the trainee fails to maintain the progress towards completion of the correspondence course as noted above, he will be removed from this trainee program.

LETTER OF UNDERSTANDING 83 - 2

WEEKEND OVERTIME RATES

Employees who volunteer for weekend overtime and do not report will be bypassed on the next weekend they would be eligible to work.

The Union will co-operate with Management in dealing with employees who repeatedly volunteer for overtime and then fail to report.

LETTER OF UNDERSTANDING 83 - 3

INDUSTRIAL FIRST AID TRAINING

Employees will be provided with one day off with pay, at their regular straight time rate, to facilitate attendance at examinations.

The Company will rearrange shift schedules, as required, to enable employees to attend all lectures for first aid courses. The Company will pay for tuition fees and texts for all employees **authorized** to take first aid training on the following basis:

50% of cost upon initial enrollment;
50% of cost upon successful completion.

The Company will provide a cash award for successful completion of the first aid course according to the following scale:

Level	II	-	\$ 60.00
Level	III	-	\$100.00

The Company will pay the First Aid Certificate bonus to a maximum of seven (7) ticket holders at the Plant, whether or not they have the designated responsibility for first aid during their shift. Excluding incumbents as of November 15, 1975, payment of First Aid premium will be subject to scheduling of all shifts in designated positions in order to ensure first aid coverage on all shifts.

The seven senior first-aid certificate holders mentioned above shall be given the option of attending full time first-aid classes when renewing their certificates. The needs at the plant will determine scheduling to classes. To receive pay the employee must provide a copy of their attendance record and must successfully complete the exam.

In layoffs, the six most senior active plant employees holding First Aid tickets will be protected from layoff. They will be assigned to provide required coverage.

LETTER OF UNDERSTANDING 83 - 4

VACATION ENTITLEMENT

As per August 10, 1976 understanding.

1. An employee must work 1400 hours in one vacation year in order to qualify for a full vacation.
2. Once an employee has qualified for one full vacation he or she does not have to re-qualify in future years by working 1400 hours.
3. The employee must only work during the vacation year (for perhaps as short a period as one day) and he or she then qualifies for a full vacation for the subsequent year.
4. If the employee does not work for any period during a vacation year, he or she is not entitled to any vacation for the subsequent year.
5. The above, of course, does not apply for employees whose employment is terminated. In such cases, the % calculation of gross earnings apply.
6. Sub-section (C) 1, 1973-75 Labour Agreement applies only for qualifying for the first full vacation.

During the course of the 1983-86 Labour negotiations, the following agreement was arrived at by the parties.

In the event that any of the female employees specified as Slitter Salvage department incumbents as of January 8, 1975, elect in any given year to opt for the voluntary layoff provision of January 8, 1975, sanctioned by the Human Rights Commission, such employees must work 1400 hours in that vacation year to qualify for their full vacation entitlement. It was agreed that these employees are excluded from the provisions of items #2 and #3 above. Only items #1, #4, #5 and #6 apply to these employees.

LETTER OF UNDERSTANDING 86 - 1

In the event the Company decides to train a mechanic, discussions will be held with the Union to consider training specified under the Provincial Apprenticeship Training Branch.

LETTER OF UNDERSTANDING 88 - 1

It is agreed that any rated employees in the Corrugator department, while employed on the Corrugator, who are scheduled to work the Corrugator shifts differing from those outlined by one hour or more in Section 8 (a) shall receive as their hourly rate of pay for the entire shift, the highest job rate for which they are employed for any portion thereof in excess of one half hour.

LETTER OF UNDERSTANDING 88 - 2

When directed by a foreman to do work in the Engineering Department other than starch mixing, Relief Engineers shall be paid the rate of a 4th Class Engineer for a minimum of four (4) hours or the actual hours worked on that shift whichever is the greater.

LETTER OF UNDERSTANDING 88 - 3

If an employee is to relieve for vacations for employees outside the bargaining unit during the prime time vacation period, such employee shall be removed from the departmental vacation list.

LETTER OF UNDERSTANDING 88 - 4

Press Department Lines of Progression

During the course of the 1992/1994 labour negotiations, the following agreement was arrived at by the parties:

1. Lines of Progression within the Press Department shall consist of the following:
 - a) A Flexo line of progression consisting of Flexo Folder-Gluer Operators and Flexo Folder-Gluer 1st Helpers and 2nd Helpers.
 - b) A Die Press line of progression consisting of Rotary Die Press Operators and Rotary Die Press 1st Helpers.
 - c) A Rotaflexo line of progression consisting of Rotaflexo Operators and Rotaflexo 1st Helpers.
 - d) A Flatbed line of progression consisting of Flatbed Operators and Flatbed 1st Helpers.
2. Movement within each line of progression shall be as is currently in effect in other lines of progression within the plant.
3. There will be three Press opted labour pools namely the Flexo, Die-Cutter and Rotaflexo labour pools. The senior person in the Rotaflexo opted labour pool that is not being utilized as a Slotterman/Operator will become a Utility person for the 042, 070, 087 machines and be paid the Utility rate.

4. Relief Slottermen would come from the Flexo and Die Cutter Department labour pools respectively when required.
5. If there is no work available for Operators or Slottermen, they would go back to their individual labour pools as outlined in #1 above in line with their seniority.
6. In the event of the permanent elimination of any of the positions within the above mentioned four lines of progression, displaced employees may exercise their seniority to secure another position within these lines of progression. This provision applies only to employees currently rated in these positions.

LETTER OF UNDERSTANDING 94-1

Rated employees posting to other rated positions will have a 30 worked day trial period .

LETTER OF UNDERSTANDING 94-2

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

Attendants who elect to have a flu shot are to submit the receipt for the expense to Personnel for authorization. Reimbursement will be made through payroll. This agreement is in effect for the term of the current Collective Agreement.

LETTER OF UNDERSTANDING 94-4

The Company will provide MSP and current (retiree plan) Extended Health Benefits for the retirees of MBI, New Westminster, B.C. who are receiving a pension. Coverage will be for retiree and dependents.

LETTER OF UNDERSTANDING 94-5

During the summer relief period from May 1 to September 15 each year, students hired to provide vacation relief will not accumulate seniority under any provision of the Labour Agreement relative to other hourly employees. The summer students will have seniority rights relative to other summer students for the purpose of the assignment of work and layoff based on their qualifications.

Students will be paid at a rate of \$2.25 less than the classified rate for the job performed. Summer students must be terminated from their employment by September 15th of each year.

The Union will be notified of the students who are hired as a summer student under this Agreement.

Consideration for summer positions will be given to sons and daughters of New Westminster employees.

94-6TER OF UNDERSTANDING

If an employee is unable to report for work because of a locked gate/door, this will constitute reporting for work under Section 12.

LETTER OF UNDERSTANDING 98-1

The opted labour pools will be opened for posting March 1 st and October 1 st each year.

LETTER OF UNDERSTANDING 98-2

Any employee selected for job transfer will have a thirty (30) day trial period. Seniority will be retained in the previous department during this trial period and the employee may elect to transfer back any time during this period to his previous job.

LETTER OF UNDERSTANDING 98-3

The intent of this agreement is to establish procedures for the processing of freezing and unfreezing applications and to establish guidelines for the decision making requests.

1. Job freezing should occur for only good and valid reasons. An employee will be required to submit in writing a Letter of Application to the Standing Committee identifying the reasons for the requested freezing (or unfreezing).
2. Junior employees who move around the frozen employee on a permanent basis will remain ahead in the Line of Progression. In the case of lay-off, the junior employee promoted will move around the frozen employee (back down the line).
3. An employee frozen under the agreement will not move up for relief.
4. Junior employees who have been promoted over a frozen employee will not be affected if that employee is no longer frozen.

LETTER OF UNDERSTANDING 98-4

The Company will pay medical certification fees by compensating an employee for the fee charged by a physician up to a maximum of thirty dollars for the completion of a medical certificate of illness or injury, if such certificate is required to support an employee's claim for benefits under the Weekly Indemnity Plan. Payment will be initiated upon production of a formal receipt from the attending physician.

LETTER OF UNDERSTANDING 98-5

The parties have agreed to the following Letter of Understanding regarding the Pension Plan:

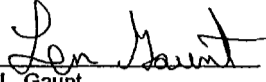
“The Company and the Union agree to establish a joint study group which will review the cost of the Industry Pension Plan and recommend alternatives to reduce present cost levels prior to negotiations of the next collective agreement. The alternative will not in any way jeopardize the current level or security of benefits.”

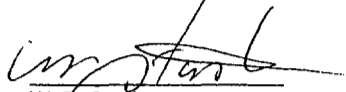
This does not signify any intent to opt out of the present industry Pension Plan.

IN WITNESS WHEREOF, we the undersigned, have as the accredited representatives of the respective parties to this Agreement, hereunto set our signatures this

8th day of October, 1999.

PULP, PAPER AND
WOODWORKERS OF CANADA,
UNION LOCAL #16


L. Gaunt
President, PPWC, Local 16



W. R. Staples

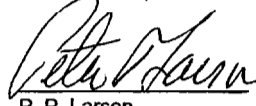

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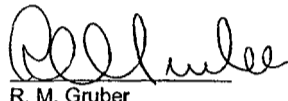

R. Leger

MacMILLAN BATHURST
NEW WESTMINSTER
PLANT


A. S. Orchard
Production Manager


R. Kirk
Personnel Supervisor


P. P. Larson
General Manager


R. M. Gruber
Vice-President,
Human Resources

1997

<p>JANUARY</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>S</td><td>M</td><td>T</td><td>W</td><td>T</td><td>F</td><td>S</td></tr> <tr><td></td><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr> <tr><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td><td>11</td></tr> <tr><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td><td>17</td><td>18</td></tr> <tr><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td><td>24</td><td>25</td></tr> <tr><td>26</td><td>27</td><td>28</td><td>29</td><td>30</td><td>31</td><td></td></tr> </table>	S	M	T	W	T	F	S				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		<p>FEBRUARY</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>S</td><td>M</td><td>T</td><td>W</td><td>T</td><td>F</td><td>S</td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td>1</td></tr> <tr><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr> <tr><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td></tr> <tr><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td></tr> <tr><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td></td></tr> </table>	S	M	T	W	T	F	S							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		<p>MARCH</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>S</td><td>M</td><td>T</td><td>W</td><td>T</td><td>F</td><td>S</td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td>1</td></tr> <tr><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr> <tr><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td></tr> <tr><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td></tr> <tr><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td></tr> <tr><td>30</td><td>31</td><td></td><td></td><td></td><td></td><td></td></tr> </table>	S	M	T	W	T	F	S							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31					
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