

LOCAL AGREEMENT

2005-2010

BETWEEN

NEUCEL SPECIALTY CELLULOSE LTD.

- AND -

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

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The following are the Local Agreements of a continuing nature that form part of the collective agreement and are in effect for the term of the 2005-2010 collective agreement.

1. **AVERAGING PERIOD**

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

2. **BOOM TOWING ASSIGNMENTS**

A deckhand will be provided for towing assignments from Yard #2.

3. **WAGE RATES DURING SHUTDOWNS**

- a) Operating personnel volunteering for work during a shutdown who are then scheduled to work at their regular jobs will be paid their regular job rate.
- b) Operating personnel volunteering for work during a shutdown who are then scheduled to work with mechanics will be paid \$.05 above base rate.

4. **CALL OUTS**

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

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

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

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

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

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

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

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

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

6. JOB POSTINGS

- a) Permanent vacancies in "entry-jobs" will be posted on the official mill bulletin boards for a minimum of eight days prior to the filling of any vacancy, with the exception of apprenticeship openings which will be posted for a minimum of 20 days.
- b) Job postings shall note any limitations, qualification or requirements applying to applicants for the job.
- c) The senior qualified employee, subject to b) above will be selected for posted job vacancies.

"Qualified" means the ability of an employee to satisfactorily discharge the duties and responsibilities of the job involved based on his qualifications and his past performance, and as to entry on the bottom rung of a progression ladder, means, in addition, his ability to progress through the ladder. Where there is any inconsistency between the main Collective Agreement and this local Agreement the main Collective Agreement shall prevail.

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

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

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

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

8. **SHIFT SCHEDULES**

- a) Shift schedules will be posted by 4:00 p.m. on the Wednesday prior to the new week.
- b) When tour workers are being recalled to work following a shutdown, all four regular operators in each position will be considered to have returned to work once the first operator in a position has returned to work. This procedure applies to all tour workers.

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

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

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

9. **SYSTEM OF RELIEF**

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

10. **CLOTHING SUPPLIES**

a) **COVERALLS**

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

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

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

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

b) **PROTECTIVE CLOTHING**

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

c) **RAIN GEAR**

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

d) **SAFETY FOOTWEAR**

- i) The Company will pay sixty-five percent (65%) of the price of safety footwear and caulk boots. Leather caulks will be limited to two pair per year.
 - ii) A last, hammer, and caulks will be made available in the Boom Shack locker room.
- e) **GLOVES**
- i) Appropriate gloves will be supplied at to employees as needed for the performance of their job upon supervisor approval. Additional pairs of gloves may be obtained at cost from the Supply Store.
 - ii) Special gloves, helmets and goggles will be provided to Welders on a tool check basis.

11. **PRESCRIPTION SAFETY GLASSES**

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

12. **MECHANICS**

- a) The Company will grant a ten minute break period during the first half shift and allow mechanics a five minute wash-up period
- b) Supervisors will assign mechanics to or from shift work and they will consider; the availability of mechanics, competency, employee wishes, departmental seniority and training.
- c) Days off for shift mechanics will be on a consecutive basis unless otherwise agreed upon by the employee and his supervisor.
- d) Maintenance employees required to report ahead of their regular shift to work on an emergency job will be paid overtime rate until the job is completed; provided that work commences prior to 6:00 a.m. and continues into the employee's regular shift at 8:00 a.m. The Company retains the right to switch employees to other work at straight time after eight hours. Shift mechanics may be returned to their regular duties at 8:00 a.m. Employees shall have the option of going home after eight hours.
- e) The seniority of apprentices will be determined as follows:
 - i) The department seniority of an apprentice shall begin on the date an apprentice commences his apprenticeship.

- ii) Journeyman job seniority of an apprentice shall begin only after completion of his indentureship. Journeyman job seniority therefore commences on the date the apprentice is recognized as a journeyman mechanic.
- iii) Job seniority will take precedence for going on or coming off tour coverage.
- f) The Company will pay "A" Mechanics rate to fourth year apprentices working on scheduled weekend coverage.
- g) The Service Crew Operator promoted to a higher paying job will be paid the higher rate of pay for the balance of that day.
- h) Maintenance Thirds working on a job after 4:30 p.m. will be offered overtime on the job.

13. **TOOLS**

- a) The Company will consider replacement of tools lost or broken in the performance of regular duties. Each case will be treated on its own merit.
- b) Mechanics and apprentices may purchase tools through the Supply Store at catalogue prices, and pay for them by payroll deduction. The Company will determine available discounts and will pass such discounts on to employees. A basic inventory of tools will be kept in the Supply Store.

14. **TEMPORARY FOREMAN**

- i. will be paid the Group Leader rate.
- ii. will carry out all duties of the Foreman he is replacing, except the issuing of written reprimands, suspension, and discharge.

15. **DEEP SEA SHIP LOADING**

- a) Deep Sea ship loading will be the regular job of the Service Crew. Employees assigned to loading will fill the specified jobs in line with department seniority.
- b) For Bulk Vessels, the Service Crew will provide the minimum crew of one loading lead hand and two crane operators per crane. Crane operators on their off hour will be utilized for other ship loading duties, including safety related duties as required.
- c) Additional loading crews will be drawn from the Service Crew, Warehousing, Finishing Room and other mill employees, in that order, as required.
- d) Truckers will be drawn from Warehousing, Finishing Room, Service Crew and others, in that order, as required.

- e) An employee taken off ship loading to do his regular work in the mill will be paid the higher of the two rates while in the mill. After completing his mill work, he will be allowed to return to the crew he left on the ship.
- f) Stowing in the hold will cease five minutes before quitting time.
- g) Loading may be carried out on a two shift basis (8-4, 4-12) with relief provided.
- h) The supper break will be one half (½) hour.
- i) Employees retained beyond 4:30 p.m. to continue ship loading at 5:00 p.m. will receive a hot meal, or a meal ticket in lieu, and one half (½) hour "Standby Allowance" at straight time rate.
- j) The Company will pay classified Service Crew Operators (Truck Drivers, Equipment Operators, Crane Operator and Group Leader) the appropriate ship loading rate when they are required to work in the yard, causing other mill employees to be scheduled for shiploading, during 8:00 a.m. to 4:30 p.m., Monday to Friday.

16. **"TRI-HEXAGON" SHIPS**

DEFINITION

A "Tri-Hexagon" ship is one which is equipped with 20 T. or larger, swivel-type cranes.

RATES AND CONDITIONS

The loading crew will be as follows:

Loading Lead Hand	1
Crane Operator	1
Hatch Tender	1
Power Lift Operator in Hold	1 (as required)
Ship Utilities	4 (more as required)

The Loading Lead Hand, Crane Operator and all Ship Utilities will be paid Bulk Vessel Loading rates, as per Exhibit "A".

A Hatch Tender trained as a Crane Operator will be paid the Crane Operator rate and may switch around with the Crane Operator.

17. **STEAM PLANT VOCATIONAL LEAVE**

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

18. **STEAM PLANT TICKET SENIORITY**

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

Comment [MSOffice1]: Effective date of January 1, 1996 removed. Relates to past agreement with another employer.

19. **STATUTORY HOLIDAYS**

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

20. **OVERTIME MEAL ALLOWANCE**

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

i) **TOURWORKERS**

A hot meal, if not declined, shall be furnished at the usual meal time by and at the expense of the Company, to any Tour Worker required to work more than ten consecutive hours. If he continues to work, a meal which shall be hot if practicable, shall be provided every four hours thereafter. When an employee has to work one extra shift, arrangements shall be made, by the Company, to provide one meal at the start of the shift and another meal or lunch four (4) hours later. The meal shall be eaten on Company time.

ii) **DAY WORKERS**

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

iii) **ALL WORKERS**

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

b) **CALL OUTS**

- i) An employee who starts work more than one hour prior to the start of his shift and continues into his regular shift, will be provided at the employee's option, either a meal or a meal ticket in lieu of a meal.
 - ii) An employee called in to work with less than four hours notice will, after working more than four consecutive hours and beyond each four hour period thereafter, be provided at the employee's option, either a meal or a meal ticket in lieu of a meal.
- c) **MISCELLANEOUS**
- i) An employee who is entitled to a meal under Article VI, Section 5 of the Labour Agreement, may elect to receive a meal ticket in lieu of a meal. The value of a meal ticket is: \$16.50
 - ii) Meal tickets will be accepted at the Quatsino Chalet, The Victorian Steak House, FP Foods, Supreme Convenience, and The Food Wagon (Ozzie's). Meal tickets may be cashed in at face value at the Accounting Office.
 - iii) Meal tickets will expire one (1) month from date of issue.

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

FOR EACH VACATION YEAR:

- a) Written vacation requests made prior to January 1, will be based on department seniority
- b) Written vacation requests made after January 1 and prior to July 30 of the vacation year will be granted on a first come, first served basis.
- c) Written requests made between August 1 and August 15 of the vacation year will be mutually scheduled on a first come, first served basis.
- d) Vacation requests not made by August 15 will be scheduled by departmental supervisors.
- e) Employees will be advised of their outstanding vacations some time in July.
- f) For an annual vacation request made after January 1, the Company will advise the employees in writing of the disposition of his request within fourteen days. A request will only be approved if the vacation requested

is within the usual allotment for the department, and is subject to any subsequent alterations in the mill's operating schedule.

- g) Employees will be allowed to split vacations.

22. VOLUNTEER FIRE DEPARTMENT

- a) Fire crew members will be paid Two hours at overtime rate of pay for attending the regularly scheduled two hour practice. If the fire crew is required beyond the two hours, fire crew members will then be paid in accordance with the Labour Agreement.
- b) The Company will provide \$200,000 Accidental Death and Dismemberment Insurance for regular members of the fire crew.
- c) The Company will supply coveralls for fire practice and will replace other clothing damaged while fighting a fire.

23. LIGHT DUTY

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

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

24. EHB TRAVEL AND ACCOMMODATION PLAN

The Company will provide a Medical Travel and Accommodation Plan as an addendum to the Extended Health Benefit plan. Premium costs will be shared

on a 50/50 basis by the Company and the employees. Benefits will be as agreed, and will be described by letter. The Company will provide the Union with a copy of the current insurance contract. Descriptive brochures will be available for employees.

25. **MISCELLANEOUS PROVISIONS**

The Company will maintain:

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

26. The 2005-2010 Contract will be available on the Employees section of the [www.neucel](http://www.neucel.com) website. .

27. **DISCRETIONARY COMPANY BONUS POOL**

- a) The Company will establish a bonus pool for all company employees which represents percentage of the annual profitability of the firm after allowing for an adequate capital charge. All employees will be eligible after 6 month of service. 100% of the pool will be paid out each year.
- b) The distribution of the bonus pool will be based on the contributions of the individual employees over the course of the year consistent with performance measures agreed to at the beginning of each fiscal year.
- c) The company does not anticipate that there will be any net cash profits in 2006 and 2007 but in 2008, 2009 and 2010 the company's current expectation is that the bonus pool will be between \$2 million and \$5 million per annum.

Signed and agreed at Port Alice, British Columbia, this _____ day of _____, 2006.

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

For Neucel Specialty Cellulose

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