

LABOUR AGREEMENT

September 1, 2012 to August 31, 2014

BETWEEN:

Custom Paper Limited
#120 - 5900 No. 2 Road
Richmond, B.C.

(hereinafter referred to as the "Company")

Party of the first part

AND:

THE COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION
OF CANADA, LOCAL 433
#102 - 8988 Fraserton Court,
Burnaby, B.C.

(hereinafter referred to as the "Union")

Party of the second part

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ARTICLE 1 - GENERAL PURPOSE OF AGREEMENT

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 and employees to cooperate fully, individually and collectively, for the advancement of said conditions.

ARTICLE 2 - RECOGNITION

- a) The Company recognizes the Communications, Energy & Paperworkers Union of Canada and the Union (Local 433) as the only agency representing all employees as defined in this agreement for the purpose of collective bargaining.

Any employee who is now a member in good standing, or who becomes or is reinstated as a member of the Union, shall, as a condition of continued employment, maintain such membership in good standing in the Union throughout the term of this agreement. Any new employee shall, as a condition of employment, become a member of the Union on their first day of employment, and further, will be sworn into the Union within thirty (30) calendar days of their date of hire.

An employee will not be a member in good standing without being sworn into the Union.

In the event of the Local Union intending to suspend a member for non-maintenance of membership the Company shall be notified by the Local in writing at least seven (7) days before such suspension.

No employee shall be subject to any penalties against his application for membership or reinstatement, except as may be provided for in the constitution and by-laws of the National Union and the Union.

- b) Successor ship:

In the event of a change in employer status, members of Local 433 will retain all of their rights under the Collective Agreement.

- c) Check off:

The Company shall remit to the Union not less often than once each calendar month, amounts deducted from employees' wages in respect of initiation fees, regular monthly dues and duly authorized Union assessments, pursuant to an assignment executed by individual employees on the Union Membership Application card.

The Local Union hereby agrees that the Company shall be saved harmless with respect to all deductions made and paid to the said Union in respect of provisions herein.

ARTICLE 3 - TERM OF AGREEMENT

Section 1

This Agreement shall be for the period from and including September 1, **2012** to and including August 31, **2014** and from year to year thereafter subject to the right of either party to the Agreement, within four (4) months immediately preceding the date of the expiry of this Agreement, by written notice, to require the other party to the Agreement to commence collective bargaining.

If notice should not be given by either party ninety (90) days or more before the expiry of the agreement, then both parties are deemed to have given notice ninety days before the expiry.

Section 2

Should either party give written notice aforesaid, this Agreement shall thereafter continue in full force and effect and neither party shall make any changes in the terms of the said Agreement or increase or decrease the rate of pay of any employee for whom collective bargaining is being conducted or alter any other term or condition of employment until:

- (1) the Union shall give notice to strike (or until the Union goes on strike) or
- (2) the employer shall give notice of lockout (or the employer shall lock out its' employees) or
- (3) the parties shall conclude a renewal or revision of this Agreement or enter into a new Collective Agreement

whichever is the earliest.

Section 3

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

Section 4 - No Interruption of Work

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

ARTICLE 4 - HOLIDAYS

Section 1

The following shall be recognized as Statutory Holidays:

1. New Year's Day	6. Labour Day
2. Good Friday	7. Thanksgiving
3. Victoria Day	8. Remembrance Day
4. Canada Day	9. Christmas Day
5. B.C. Day	10. Boxing Day
	11. An eleventh (11th) paid holiday shall be observed on the day immediately prior to or immediately following the Christmas, Boxing Day or New Year's holiday. The Company shall notify the plant employees as to which day is to be observed by December 1 of each year.

And any other holiday if declared by the Federal or Provincial Government

For each above mentioned holiday, the employee shall receive eight (8) hours pay at his or her regular hourly rate of pay at straight time rate when no work is performed.

Section 2

In order to discourage absenteeism, the employee, when required, shall work the scheduled day before the holiday and the day scheduled after the holiday. Employees failing to comply with this rule will not receive the holiday pay.

Section 3

An employee absent from work on the last work day preceding and / or the next work day subsequent to the holiday as a result of sickness or compensatory accident shall receive their holiday pay, providing they furnish to the Company, at the Company's request, a doctor's certificate certifying that the sickness or compensatory accident prevented the employee's presence on either or both of those days. However an employee who is absent as indicated and who is in receipt of Weekly Indemnity Benefits, or Workers' Compensation Benefit covering the day on which a holiday occurs shall be paid the difference only between the benefit scale received and eight (8) hours at the straight time rate of his job, providing the employee returns to work.

Section 4

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, the employee shall be granted payment for a holiday or holidays if 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 during the thirty (30) days immediately following such holiday.

Section 5

When employees are on vacation and a holiday occurs, holiday pay shall be added to their vacation pay, and arrangements be made to extend the vacation period.

Section 6

In the event that any holiday falls on a Saturday or a Sunday, the following Monday and / or previous Friday will be observed, and the specified hours correspondingly changed.

Holidays falling on Tuesday, Wednesday, or Thursday will not be moved to another day.

Section 7

In order to receive pay for a statutory holiday or holidays, the employee must have been on the payroll for not less than thirty (30) days immediately preceding such holiday or holidays. The new employee must have worked a minimum of eighty (80) hours during the thirty (30) day qualifying period.

Section 8

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

ARTICLE 5 - HOURS OF WORK

The regular work week shall be forty (40) hours per week, Monday to Friday. The hours of work shall be:

Days	7:00 A.M. to 3:30 P.M.
Afternoons	3:30 P.M. to 12:00 P.M.

Any variations from the above stated shall be by mutual agreement only.

Individual employees may request a change in their starting times, so long as they still work a complete shift. Business conditions permitting, permission to grant such requests will not be unreasonably withheld. Requests must be for a minimum of five (5) consecutive work days.

An employee absent from work for reasons other than vacations shall notify the plant before returning to work.

Employees will be given a minimum of three (3) full calendar days notice before any change of shift. Notice must be given on an employees' regular work day. This will not prevent the Company from requesting an employee change their shift with less than three (3) days notice, but where sufficient notice is not given, it will be up to the employee as to whether or not they agree to change shifts.

Shift Differential:

- (a) A differential equal to 4.5% of the Coordinator's hourly rate of pay shall be paid for all hours actually worked, whether at straight time or overtime, between the hours of 3:30 P.M. and 12:00 midnight or between the hours nearest to 3:30 P.M. and 12:00 midnight which are the scheduled hours of starting and stopping the regular afternoon shift.

However, when such hours are worked as part of a regular day shift no differential shall be paid. Also when such hours are worked as overtime, no differential shall be paid.

- (b) Such differential shall be paid in addition to an employee's regular rate of compensation, but is not to be added to the wage rates for the purpose of calculating overtime.

ARTICLE 6 - OVERTIME

Overtime shall be paid on the following basis:

Time and one-half for the first four (4) hours worked in excess of eight (8) hours in any one day, and double time thereafter.

Time and one-half for work performed on Saturdays.

Double time for all hours worked on Sundays and Statutory Holidays.

Employees will work overtime on a voluntary basis. Overtime allocation will be according to the following:

- (a) Overtime will first be offered within the department where the overtime is occurring, by seniority.
- (b) If there are no volunteers for the overtime within the department, it may then be offered to those qualified to perform the work outside of the department and will again be offered by seniority.

ARTICLE 7 - BANKED OVERTIME

1. The Company agrees to establish a banked overtime plan. The purpose of the banked overtime plan is to allow employees to take time off. Employees who wish to participate in this plan will sign a form authorizing such participation (an example of this form is shown below).
2. Employees will indicate whether they wish to:
 - (a) Bank the total overtime worked (i.e. - bank 1 1/2 hours for each hour worked), or
 - (b) Bank the premium time only (i.e. - bank 1/2 hour for each hour worked).

3. Once an employee has elected to participate in the plan and has selected either option (a) or (b) above, they can cancel at any time, but once canceled, they cannot rejoin the plan until the next calendar year.
4. There will be a maximum of eighty (80) hours in the bank. Once the maximum is reached, the employee will receive normal overtime payment.
5. Banked hours will be taken off at times agreed to between the employee and the Company.
6. Regular vacation scheduling will take preference over banked time off.

Banked Overtime Authorization Form

I, _____ hereby authorize the Company to enroll me in the Overtime Banking Plan.

(a) I elect to have all my overtime hours banked to a maximum of eighty (80) hours.

(b) I elect to have the premium portion only of my overtime hours banked to a maximum of eighty (80) hours.

I have chosen option: _____

Signed: _____

Date: _____

ARTICLE 8 – WAGE SCHEDULE

For employees hired on or before May 16, 1995 the wage schedule is to read:

Effective Date	Sep 1, 2011	Sep 1, 2012	Sep 1, 2013
General Work			
0-3 months	13.74	13.91	14.15
4-6 months	15.61	15.81	16.09
7-9 months	17.60	17.82	18.13
Over 9 months	21.09	21.35	21.72
Order Picker (Upstairs)			
0-3 months	13.74	13.91	14.15
4-6 months	15.61	15.81	16.09
7-9 months	17.60	17.82	18.13
Over 9 months	21.09	21.35	21.72
Machine Roll or Forklift Operator			
0-3 months	16.21	16.41	16.70
4-6 months	17.01	17.22	17.52
7-9 months	18.07	18.30	18.62
10-12 months	19.22	19.46	19.80
Over 12 months	22.85	23.14	23.54
Receiver / Order Picker			
0-3 months	16.21	16.41	16.70
4-6 months	17.01	17.22	17.52
7-9 months	18.07	18.30	18.62
10-12 months	19.22	19.46	19.80
Over 12 months	22.85	23.14	23.54
Relief Shipper / Order Picker			
0-3 months	13.74	13.91	14.15
4-6 months	15.61	15.81	16.09
7-9 months	17.60	17.82	18.13
Over 9 months	21.09	21.35	21.72
Shipper			
	23.00	23.29	23.70
Coordinator			
	24.17	24.47	24.90

Notes:

1. Training steps are on an accumulative basis
2. The "Relief Shipper / Order Picker" will be a posted position. The person who occupies the "Relieft Shipper / Order Picker" position will progress to the "Shipper" position in the event of a permanent vacancy.
3. When the Shipper is away, the Relieft Shipper will take on the Shipper's duties and be paid the Shipper's rate of pay.

ARTICLE 8 – WAGE SCHEDULE

For employees hired after May 16, 1995 the schedule is to read:

Effective Date	Sep 1, 2011	Sep 1, 2012	Sep 1, 2013
General Work			
0 - 4 months	13.74	13.91	14.15
5 - 8 months	14.66	14.84	15.10
9 - 12 months	15.57	15.76	16.04
13 - 16 months	16.49	16.70	16.99
17 - 20 months	17.39	17.61	17.92
21 - 24 months	18.31	18.54	18.86
Over 24 months	21.09	21.35	21.72
Order Picker (Upstairs)			
0 - 4 months	13.74	13.91	14.15
5 - 8 months	14.66	14.84	15.10
9 - 12 months	15.57	15.76	16.04
13 - 16 months	16.49	16.70	16.99
17 - 20 months	17.39	17.61	17.92
21 - 24 months	18.31	18.54	18.86
Over 24 months	21.09	21.35	21.72
Machine Roll or Forklift Operator			
0 - 4 months	16.21	16.41	16.70
5 - 8 months	16.99	17.20	17.50
9 - 12 months	17.78	18.00	18.32
13 - 16 months	18.59	18.82	19.15
17 - 20 months	19.38	19.62	19.96
21 - 24 months	20.16	20.41	20.77
Over 24 months	22.85	23.14	23.55
Receiver / Order Picker			
0 - 4 months	16.21	16.41	16.70
5 - 8 months	16.99	17.20	17.50
9 - 12 months	17.78	18.00	18.32
13 - 16 months	18.59	18.82	19.15
17 - 20 months	19.38	19.62	19.96
21 - 24 months	20.16	20.41	20.77
Over 24 months	22.85	23.14	23.55

Effective Date	Sep 1, 2011	Sep 1, 2012	Sep 1, 2013
Relief Shipper / Order Picker			
0 - 4 months	13.74	13.91	14.15
5 - 8 months	14.66	14.84	15.10
9 - 12 months	15.57	15.76	16.04
13 - 16 months	16.49	16.70	16.99
17 - 20 months	17.39	17.61	17.92
21 - 24 months	18.31	18.54	18.86
Over 24 months	21.09	21.35	21.72
Shipper	23.00	23.29	23.70
Coordinator	24.17	24.47	24.90

Notes:

1. Training steps are on an accumulative basis.
2. The "Relief Shipper / Order Picker" will be a posted position. The person who occupies the "Relief Shipper/Order Picker" position will progress to the "Shipper" position in the event of a permanent vacancy.
3. When the Shipper is away, the Relief Shipper will take on the Shipper's duties and be paid the Shipper's rate of pay.

ARTICLE 9 - STARTING AND STOPPING WORK

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 an employee'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 or she shall be at their 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.

ARTICLE 10 - DISCIPLINARY ACTION

The Company shall have the right to discipline or discharge employees for just cause.

ARTICLE 11 - BULLETIN BOARDS

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

ARTICLE 12 - SENIORITY

Section 1:

In promotions or layoffs, or recall from layoffs, other things being equal, the principles of seniority will govern. However, before final decision is made, management will confer with the Standing Committee of the Union.

In cases where time does not permit such prior consultation, the management shall, whenever practical, take temporary action only until a meeting can be arranged.

Section 2:

Any employee will be considered probationary until he or she has completed thirty (30) accumulative working days with the Company.

This period may be extended by mutual agreement between the Company and the Union.

Section 3:

Where an occupational classification becomes vacant, such vacancy shall be posted on the bulletin boards for a period of three (3) working days in order that all employees may bid.

An employee accepted for a job as a result of posting shall be considered probationary for the first ninety (90) days. During this period the Company might deem it necessary to transfer the employee back to their former job or the employee may elect to do so of their own volition. In either case the employee will be returned to their former job with no loss of seniority rights.

Section 4: Hourly Employees Transferred to Staff

Any employee promoted to a supervisory or staff position which removes him from the bargaining unit shall retain his company and department seniority within the bargaining unit for a period of three (3) months only, during which time he shall maintain his Union membership.

Section 5:

In cases of disagreement the grievance procedure as laid down in Articles 13 and 14 of this Agreement shall apply.

Section 6: Layoff and Recall

- (a) If a reduction in the workforce is necessary, the following procedure will be adopted:

The employee with the least amount of seniority in a job subject to a reduction will be the first laid off from that job, but may displace an employee in the same or lower rated job category provided that the employee has sufficient ability to perform the job and has greater seniority. An employee who is displaced from their job as a result of such bump back procedure may likewise move back and displace employees having less seniority in the same or lower rated job category, providing that the employee has sufficient ability.

Where necessary, up to four (4) days training will be given to provide an employee with the sufficient ability in order that they will not be laid off out of seniority provided that:

- i) The employee will be able to attain the sufficient ability within the four (4) day training period, and,
 - ii) The number of employees working in a job category being bumped into, is greater than the number of employees who propose to bump into said job category (note - the intent of subsection (a) (ii) is to prevent the situation where an employee being bumped must train the bumping employee to take their job).
- (b) Recall will be based on seniority as follows:
- The senior employee laid off will be the first recalled, provided the senior employee has sufficient ability to perform the work and provided that the employee may not be recalled to a higher rated job category than the highest rated job category in which the employee worked prior to their layoff.
- (c) Any employee who requests and receives his vacation pay for the current period of his employment shall be terminated. Such request shall be in writing and be co-signed by the Union Plant Committee.
- (d) An employee with less than twelve (12) months of service shall retain seniority for four (4) months from the date of layoff.

An employee with one (1) or more years of service shall retain seniority for one (1) year from the date of layoff, plus one (1) additional month for each year of service up to an additional six (6) months.

- (e) If an employee, not terminated, is recalled then:
 - (1) His previous period of employment will be included for purposes of seniority;
 - (2) He will be eligible for the next Statutory Holiday as listed in Article 4 of this Agreement, provided he qualified under Article 4 of this Agreement;
 - (3) The starting date of his previous period of employment will be used in determining vacation eligibility, provided he has worked two-thirds of the hours available during the period of his actual employment;
- (f) Laid off employees shall retain their M.S.P., E.H.B., Dental, Group Life, and A.D. & D. coverage on the following basis:
 - i) An employee with one (1) or more year's accumulated service will have the above coverage continued for six (6) months while on lay-off.
 - ii) These coverages shall be continued at the employees' option provided he pays in advance his share of premiums as called for in Article 22 - Health & Welfare coverages and Article 23 - Dental Plan.
 - iii) It is understood that if an employee has these coverages as a result of working elsewhere during layoff, these shall cease to be in force.
- (g) Laid off personnel must keep the Company advised of their up to date address and telephone number. The employee shall return to work as notified. Failure to report shall result in termination, unless the employee is unavoidably prevented from reporting for bona-fide reasons.

ARTICLE 13 - ADJUSTMENT OF COMPLAINTS

A grievance committee shall be elected to consist of one (1) to two (2) employees elected by the Union members employed in the operation covered by this Agreement. Meetings of the Grievance Committee shall, except in the cases of emergency and, whenever possible, be held out of working hours. In the event that a grievance shall arise, it shall be dealt with in the following manner:

- (a) The employee involved shall first take up the matter with the Union / Shop Steward and the Plant Manager directly in charge of the work;
- (b) If a satisfactory settlement is not reached, the Committee shall take up the grievance in writing within thirty (30) days, with the Plant Superintendent or Manager;
- (c) If the grievance is not then satisfactorily solved, it shall, within thirty (30) days, be referred to the Business Agent of the Local Union and / or an officer of the National Union and the Management;

- (d) If a satisfactory settlement is not then reached, it shall be dealt with by arbitration hereinafter provided.

ARTICLE 14 - ARBITRATION PROCEDURES

The Company and the Union will endeavour to agree upon the selection of the Arbitrator. In the event the Company and the Union are unable to agree upon the selection of the Arbitrator, they will apply within the thirty (30) day period, to have the Arbitrator appointed under the Arbitration provisions of the Labour Code of British Columbia.

After the Arbitrator has been chosen, he shall meet and hear evidence of both sides and render a decision after he has concluded his hearings, said decision to be final and binding upon all parties to this Agreement.

The Arbitrator shall be restricted to interpreting and applying the provisions of this Agreement and shall have no authority to alter, modify, subtract from or supplement them in any way.

In the case of discharge, demotion or suspension, which the Arbitrator has determined to have been unjust, the Arbitrator shall order the reinstatement of the employee and shall award him back pay. In the case of back pay, should there be any doubt in the opinion of the Arbitrator, the Arbitrator may order all or part back pay as he deems fit.

The parties to this Agreement shall bear an equal proportion of the expenses and allowances of the Arbitrator and all stenographic and secretarial expenses and rent.

ARTICLE 15 - VACATIONS

Section 1: Entitlement

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

Length of Vacation	Vacation Pay, being the greater of:		
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An employee who is on the payroll on January 1st, who has been continuously employed during the qualifying period, and who has:		% of the total wages earned by the employee during the preceding vacation period.	Or hours paid at the hourly rate of employee's regular job.
A. Been employed for less than one year and does not qualify under (B) below.	1/4 day for each full week of actual work performed during the preceding vacation period provided no vacation of less than one day will be granted.	4%	Or Nil hours.
<p>B. Been employed for less than one year but has worked not less than 1500 hours during the preceding vacation period.</p> <p>OR been employed for not less than one year and who has worked for not less than 1200 hours during the preceding vacation period.</p> <p>The following hours will count as hours worked for the purpose of qualifying for a vacation: Vacation; Statutory Holidays, Jury or Witness Duty, Bereavement Leave.</p>	2 weeks.	4%	Or 80 hours.
C. Qualified for his 2nd full vacation under this Agreement.	3 weeks.	6%	Or 120 hours.
D. Qualified for his 7th full vacation under this Agreement.	4 weeks.	8%	Or 160 hours.
E. Qualified for his 15th full vacation under this Agreement.	5 weeks.	10%	Or 200 hours.

Note:

Once an employee has qualified for their first vacation entitlement under (b) above, the future vacation entitlement increases outlined in (c), (d), and (e) will be guaranteed. However, an employee must work the required 1200 hours in each vacation year to qualify for the greater vacation pay option. For clarification, an employee who works less than 1200 hours in the preceding vacation period will only be entitled to the vacation pay percentage as per (c), (d), and (e) above.

Section 2: Payment on Termination

In the event an employee's employment terminates either before he becomes entitled to a vacation with pay, or, being entitled to it, before he takes it, he shall be paid on termination 4%, 6%, 8%, or 10%, depending on which category described above the employee belongs, of his wages earned during the period of employment ending with his termination in respect of which no vacation or vacation pay to which he remains entitled has been paid or taken.

Section 3: General Rules:

- (a) The vacation period is January 1 to December 31.
- (b) Vacation with pay provided in accordance with Section 1 above for employees in category (A) may not be counted when determining whether an employee has qualified for the vacation provided under Section 1 for employees in categories (C), (D), or (E).
- (c) Except as provided in Section 3 (d) below, vacations with pay are not cumulative and must be taken during the vacation period.
- (d) A vacation with pay provided under Section 1 for employees in category (A), may be taken during the vacation period in which the entitlement thereto is established, or during the next following vacation period.
- (e) No employee may continue to work and draw vacation pay in lieu of taking the vacation. However, where the employee has suffered an illness or injury which has resulted in their being unable to work for a period of time exceeding three (3) months, and the employee's vacation pay is less because of this (see "Note" at the end of Section 1), then at the employees' option, they may take payment in lieu of vacation time.
- (f) The allocation of vacation time is to be decided by the Company. However, the Company will endeavour by discussion with the employees or the Union, to arrange vacations to suit the employee's wishes.
- (g) Employees will be given first opportunity at vacation selection by seniority, until April 30th of each year. Following April 30th, vacation will be granted on a first come first serve basis.
- (h) Time not exceeding one year, lost as the result of an accident recognized as compensable by the Workers' Compensation Board, suffered during the course of employment, shall be considered as time worked for the purpose of qualifying for vacations.

- (i) Time not exceeding one year, lost as the result of a non-occupational accident or illness exceeding two (2) months, shall be considered as time worked for the purpose of qualifying for vacation provided that at the time of the accident or illness the employee has been on the payroll for not less than one year and that he returns to his employment. It is understood that the employer may require that the employee provide a certificate from a qualified medical practitioner.
- (j) Time lost as the result of layoff shall not be considered as time worked for the purpose of qualifying for a vacation.

Section 4: Computation of Vacation Pay:

Where an employee's vacation pay for the current year is to be computed as a percentage of his "total wages earned" in the previous year, such "total wages earned" shall include the amount of vacation pay the employee received in the previous year.

ARTICLE 16 - SUPPLEMENTARY VACATION

Section 1:

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 a Supplementary Vacation with pay each five (5) years as set forth below:

Years of Completed Continuous Service	Weeks of Supplementary Vacation
After Five (5)	One (1)
After Ten (10)	One (1)
After Fifteen (15)	One (1)
After Twenty (20)	One (1)

Employees who, as of August 31, 1994, had qualified for two (2) weeks supplementary vacation after 15 years will keep this entitlement but will not be eligible for another one (1) week after twenty (20) years.

Section 2

The Supplementary Vacation must be taken prior to the employee becoming eligible for his next earned period of Supplementary Vacation as provided in Section 1 above.

Section 3:

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

Section 4:

For the purpose of determining eligibility for Supplementary Vacation, an employee's service shall be calculated from the last continuous service date of joining the Company.

Section 5:

At retirement or termination (except voluntary termination or termination for cause) an employee who has completed five (5) or more years of service shall be entitled to that portion of Supplementary Vacation pay appropriate to the number of years of service completed subsequent to his last five (5) year entitlement period.

ARTICLE 17 - 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 (2) 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 (4) hours pay except in cases of accident, breakdown, interruption of power, or acts of God. In cases of accident, breakdown, interruption of power or acts of God, the employee shall receive a minimum of two (2) hours pay.
- (c) In any case where an employee cannot perform their work because they are the only employee left on shift (eg. - another employee(s) gets injured, goes home sick, etc.) the employee will receive the greater of either four (4) hours pay or the pay for their time at work plus two (2) hours, with the maximum payment being the pay for the full shift.
- (d) 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 for the balance of the shift.

ARTICLE 18 - BEREAVEMENT LEAVE**Section 1:**

When death occurs to a member of a regular full time employee's immediate family, the employee will be granted an appropriate leave of absence and shall be compensated at his regular straight time hourly rate for hours lost from his regular schedule for a maximum of three (3) days. Such leave is not to be deferred nor used for any other purpose.

Section 2:

Members of the employee's immediate family are defined as the employee's spouse, common-law spouse, mother, father, brothers, sisters, children including step-children, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparents, sons-in-law, daughters-in-law, and grandchildren.

Section 3:

Compensable hours under the terms of this 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.

ARTICLE 19 - JURY DUTY**Section 1:**

Any regular employee who is required to report for Jury Duty or Crown Witness Duty or Coroner's Inquest on a day on which he would normally have worked, will be reimbursed by the Company for the difference between the pay received for Jury or Witness duty and his regular straight time hourly rate of pay for his regularly scheduled hours of work. It is understood that such reimbursement shall not be for hours in excess of eight (8) per day or forty (40) per week, less pay received for Jury or Witness Duty. The employee will be required to furnish proof of Jury or Witness Duty pay received.

Section 2:

Hours paid for Jury or Witness Duty 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.

ARTICLE 20 - LEAVE OF ABSENCE

Granting of leave is a matter between the employee and the Plant Management.

The Company will consider length of service and will endeavour to arrange leave of absence to suit the employee's wishes. Employees with ten or more years of service will be given special consideration.

Where an employee is granted a leave of absence of four (4) weeks or more, the Company will notify the Plant Committee in writing.

ARTICLE 21 - SAFETY**Section 1:**

Employees and the signatory Company are to comply with established safety rules, as amended by the Joint Safety Committee from time to time. Employees will not be expected to operate with unsafe equipment or under unsafe working conditions. Employees are expected to report immediately any unsafe equipment.

Section 2:

The Local Union and the Company shall cooperate in selecting one or more Safety Committees, which will meet at least once a month to consider all safety problems.

Section 3:

The signatory Union undertakes to promote safety education among its' members in an effort to overcome accidents.

Section 4:

The Company is to reimburse each employee for the cost of safety shoes (or boots) up to a maximum of two times the Coordinator's hourly rate of pay, once per calendar year upon satisfactory proof of purchase of C.S.A. approved footwear and will qualify for the above payment after three (3) months employment. Employees may combine this allowance over two (2) calendar years, in which case they would have an allowance of four times the Coordinator's hourly rate of pay.

ARTICLE 22 - CLARIFICATION OF WORK PERFORMED BY NON-BARGAINING UNIT PERSONNEL

Non bargaining unit employees will not perform work normally done by bargaining unit employees.

When the situation arises that all qualified bargaining unit employees have left the plant for the day, and there are non bargaining unit employees still at the office, then in this instance only the non bargaining unit employees may pick a customer order that needs to be filled (i.e. - "needs to be filled" means when a customer comes in after plant hours to get an order filled).

The occasions listed above of non bargaining unit personnel performing bargaining unit work must be temporary in nature and must not result in the displacement, layoff, or exclusion of employees.

ARTICLE 23 - HEALTH & WELFARE COVERAGES

- (a) Employees shall have Medical Services Plan and Extended Health Benefit coverage effective the first day of the month following thirty (30) days employment.

The Extended Health coverage will cover the co-insurance rate for hospitalization.

- (b) On the first of the month following three (3) months accumulated employment, employees will be covered by a Welfare Plan, consisting of a Weekly Indemnity and a Long Term Disability Plan. Benefits will be payable beginning with the first day of disability caused by non-occupational accident and beginning with the fourth day of disability caused by non-occupational sickness, except that in those cases of non-occupational sickness which results in the claimant being hospitalized, and in those cases where surgery is performed which necessitates loss of time from work, (except prearranged hospitalization) the said weekly indemnity benefits will be payable beginning with the first day of sickness. Benefits will be payable for a maximum of seventeen (17) weeks during any one period of disability.

- (c) **Long Term Disability:**

Upon the expiration of Weekly Indemnity Benefits employees will be entitled to benefits under the Long Term Disability Plan. The Plan will provide benefits for a maximum period of five (5) years.

(i) Definition of Disability:

Disabled and Disability means the complete inability due to injury, disease, illness, pregnancy or mental disorder to perform the substantial duties of ones regular occupation during the first 24 months of payment. Thereafter, it means the complete inability to engage in any and every gainful occupation for which one is reasonably fitted by education, training or experience, without consideration to the availability of such occupation.

(ii) Rehabilitation:

The Insurance Company is prepared to work with the disabled person and his or her physician and employer in setting up a rehabilitative program. If the disabled person works as part of this program, the monthly benefit will continue to be paid. However, benefit payments will be reduced by 50% of any monthly income from this work. If one engages in any business or occupation except in a rehabilitation program approved by the Carrier, claimant will be deemed to no longer be disabled.

(iii) Integration:

Government sponsored or employer sponsored disability income may be received in addition to Long Term Disability Benefit payments, provided that the maximum combined income from all such sources does not exceed 75% of pre-disability earnings.

Private or individual disability plan benefits of the disabled employee will not reduce the benefit from this Plan.

(d) Vision Care of Employees and Dependents:

Following 12 months accumulated employment, payment will be made up to a maximum of \$400.00 per person in any 24 month consecutive period for charges incurred relative to the purchase of lenses, frames and contact lenses when prescribed by a person legally qualified to make such prescription. This amount will be increased to \$450.00 effective September 1 2011

It is understood that this is a benefit to employees and dependents; the primary purpose is to provide only prescription eye care support.

The employees are to provide the original receipts or copies of the original receipts for reimbursement

(e) Dependents Coverage:

When 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 three (3) months, commencing on the first of the month in which death occurs. However, the coverage will be extended only to the spouse and dependents who are carried as such on the employee's plans at the time of death.

(f) Disputed Workers' Compensation Claims:

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

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

Group Term Life Insurance:

The plan will include Group Term Life Insurance in the amount of \$60,000. Effective September 1, 2011 this amount will increase to \$70,000. The coverage shall be on a 24 hour basis

Accidental Death & Dismemberment Insurance:

The plan shall include Accidental Death and Dismemberment Insurance in the amount of \$60,000. Effective September 1, 2011 this amount will increase to \$70,000. The coverage shall be on a 24 hour basis

A.D. & D. provision shall include:

Loss	Percentage of Amount Insured
Quadriplegia (total paralysis of both upper and lower limbs)	100%
Paraplegia (total paralysis of both lower limbs)	75%
Hemiplegic (total paralysis of lower and upper limbs on one side of the body)	50%

Weekly Indemnity Coverage:

The plan shall include Weekly Indemnity coverage in the following amounts:

- i) For employees hired after August 31, 1997 - 70% of gross weekly pay.
- ii) For employees hired on or before August 31, 1997 - either 70% of gross weekly pay or \$445 per week, whichever is greater.

Note: Once the wage rate of all employees hired on or before August 31, 1997 reaches the point where 70% of their gross weekly pay is either equal to or greater than \$445 per week, then the \$445 per week calculation will no longer be used.

Income tax at the rate of 15% shall be deducted at source from weekly indemnity payments.

Long Term Disability Coverage:

The plan shall include Long Term Disability Coverage in the following amounts:

- i) For employees hired after August 31, 1997 - 66 2/3% of gross monthly pay.
- ii) For employees hired on or before August 31, 1997 - either 66 2/3% of gross monthly pay or \$1,420 per month, whichever is greater.

Note: Once the wage rate of all employees hired on or before August 31, 1997 reaches the point where 66 2/3% of their gross monthly pay is either equal to or greater than \$1,420 per month, then the \$1,420 per month calculation will no longer be used.

All plans and coverages listed above shall be provided at no cost to the employee.

The Company shall pay one half the costs of medical certificates required by the Weekly Indemnity Carrier and the Long Term Disability Carrier to the employee upon presentation of the appropriate receipt, on the understanding that after the first form required for either a Weekly Indemnity or Longer Disability claim, the employee will contact the Company before getting another form filled out. The Company will then have three (3) working days in which to try and resolve the situation with the insurance carrier. After three (3) days the employee may have the form filled out and one half the cost will be paid by the Company again, upon presentation of the appropriate receipt.

ARTICLE 24 - DENTAL PLAN

The following Dental Care Benefits for Employees and Dependents shall form part of the Agreement, with the exception that employees and their spouses are not covered for orthodontic treatment:

Description of Benefits:

Class I: Covered Dental Expenses in any calendar year: the plan pays 85% of such expenses. Effective September 1, 2005, the 85% will be increased to 90%.

Class II: Covered Dental Expenses in any calendar year: the plan pays 50% of such expenses.

Effective September 1 2010 the maximum lifetime benefit for expenses incurred in connection with orthodontic treatment i
Will be increased to \$1500.00

The maximum benefit for all other Covered Dental Expenses incurred in any calendar year is \$1,650.00.

Included under the plan are the charges which the employee is required to pay for the following services and supplies up to the amount specified in the current Provincial Dental Tariff:

Class I Covered Expenses:

- * Oral Examination, but not more than one examination in any period of six consecutive months.
- * Dental x-rays as required by the attending dentist with full mouth x-rays not more often than once every thirty-six (36) month period.
- * Cleaning and scaling of teeth.
- * Topical application of sodium or stannous fluoride.
- * Space maintainers when placed primarily to maintain space and not for orthodontic purposes.
- * Extraction and other surgical procedures including excision of impacted teeth, and anesthetics administered in connection with such surgery or other covered services.
- * All necessary procedures for filling teeth with amalgam, synthetic porcelain and stainless steel crowns. Gold may be used only where no other material is adequate and with prior approval of the insurance company. Restoration services will include, where necessary:
 - * Gold inlays or onlays will be provided as a filling material only when teeth, in the professional opinion of the dentist cannot be restored with amalgam, synthetic porcelain or stainless steel crowns. Gold foil will be provided only in cases of repair to pre-existing gold restorations.
 - * Repairs to or re-cementing of crown, inlays, bridgework or dentures or relining of dentures.
- * Necessary procedure for treatment of pulpally involved teeth including root canal therapy.
- * Treatment for diseases of the gums and soft tissues of the mouth.

Services and supplies, in the case of each dental expense, must have been rendered and dispensed by a legally qualified dentist except that:

- (i) Cleaning or scaling of teeth may be performed by a licensed dental hygienist if such treatment is rendered under the supervision and direction of such dentists, and
- (ii) Installation, adjustments, repairs and relining of complete dentures may be made by a dental mechanic or denturist legally practicing within the scope of his license, but any charges in excess of the amount specified for such services and supplies in the dental mechanics' or denturist tariff of the province where such services and supplies are received will be disregarded.

If alternate services may be performed for the treatment of a dental condition, the amount included as a Covered Expense will be the amount specified for the least expensive service or supply which, as determined by the insurance company, will produce a professionally adequate result.

Class II Covered Expenses:

- * The initial installation (and adjustment for the immediately following six months) of partial or full removable dentures.
- * The replacement of, or addition to an existing denture or fixed bridgework providing the existing denture or bridgework cannot be made serviceable. However, the existing prosthetic must have been installed five years prior to replacement.
- * The initial installation of crowns and fixed bridgework.
- * Orthodontic treatment for correction of malocclusion.

No Benefits Are Payable For:

- * Procedures included under any other medical plan.
- * Dentures, crowns or bridges ordered while insured but delivered to the individual more than 30 days after termination of insurance.
- * Replacement of lost or stolen prosthetic device.
- * Personalization or characterization of dentures.
- * Services or supplies partially or wholly cosmetic in nature, except covered expenses necessary for the prompt repair of a non-occupational injury.
- * Supplies prescribed or recommended before insurance became effective.
- * Charges for completion of claim forms.
- * Charges for oral hygiene, nutritional counseling or protective athletic appliances.
- * Charges for appointments broken without notice.
- * Congenial malformations.
- * Third party liability.
- * Hospital charges for board and room and other necessary services and supplies with injuries or disease of a dental nature.

Predetermination of Benefits:

If dental expenses in connection with a course of treatment planned by a dentist for a covered family member will exceed \$200, the proposed course of treatment should be filed with and approved by the insurance company prior to the commencement of treatment. Failure to file and obtain approval may result in benefits for the course of treatment in a lesser amount than would otherwise have been payable, because of the difficulty of determining the necessity for the types of services involved after they have been rendered. After reviewing the proposed course of treatment, the insurance company will notify both the employee and the dentist of the estimated payment.

General Provisions:**Dependents**

For the purpose of dependents' coverage provided under the plan, eligible dependents include the wife or husband and unmarried children from birth to their 21st birthday. Also unmarried children 21 years of age and over who are regularly attending school and depend solely upon the employee for support are eligible as dependents until their 25th birthday.

However, if a dependent, other than a newborn child, is confined at home, in a hospital, or elsewhere because of injury or disease on the date insurance would otherwise become effective, or if a dependent other than a newborn child, has been confined in a hospital within thirty-one (31) days prior to that date, coverage will be postponed until the end of a thirty-one (31) day period during which there has been no confinement.

Coverage may commence earlier, however, upon submission of satisfactory evidence of insurability.

Changes to Report

After the insurance becomes effective, it is necessary to notify the employer of any change in the number of dependents which will result in a change from one to another of the following classifications:

- (1) Employee without dependents
- (2) Employee with dependents

This information is necessary so that the Insurance Company can adjust the coverage accordingly. If the employee is contributing toward the cost of dependents' insurance, such change must be reported within 31 days after the change and the insurance will be adjusted, effective the date of the report, but if the request for change is not made within 31 days, satisfactory evidence of insurability, at the employee's expense, will be required to include a dependent.

Continuation of Dental Care For Certain Incapacitated Children

This provision applies if an employee's child is incapable of earning his own living because of mental retardation or physical handicap, and is chiefly dependent on him for support, and is covered under the plan, on the date such benefits would otherwise terminate because the child attained the limiting age.

Benefits for such a child may be continued beyond the limiting ages, providing proof of incapacity is submitted to the insurance company within thirty-one (31) days after the child has reached the limiting age, and thereafter as requested.

Costs

Monthly premium costs of the Dental Plan shall be shared:

Company - 90%

Employee - 10%

ARTICLE 25 - MATERNITY LEAVE

Employees shall be entitled to Maternity Leave as provided in the Employment Standards Act. Time spent on Maternity Leave shall be considered as time worked for the purpose of qualifying for a vacation provided at the time of the leave the employee has been on the payroll for not less than one (1) year and returns to employment.

ARTICLE 26 - PERMANENT TOTAL OR PARTIAL PLANT CLOSURE

- (a) An employee terminated or laid off as a result of permanent total or partial closure of the plant shall be given a minimum of sixty (60) days notice of closure. A partial plant closure is not intended to be layoffs due to a lack of business or seasonal buying swings of customers.
- (b) Such employee shall be entitled to a severance allowance of two (2) weeks pay for each year of employment during his last period of continuous employment computed on the basis of forty (40) straight time hours at the employee's regular rate, the maximum severance allowance payable being thirty (30) weeks pay. Partial years of service will be pro-rated in determining severance entitlement.

ARTICLE 27 - PENSION PLAN

The Company will make contributions to the Registered Retirement Savings Plan for all employees, upon completion of one years employment, at the following rates for each hour worked:

Effective September 1, 2010	\$3.00 per hour
Effective September 1, 2011	\$3.05 per hour

Effective September 1, 2001, the Company will also make payments to each employee's pension, at the above listed rates, for any vacation entitlement (including supplementary vacation) over three (3) weeks.

Effective September 1, 2003, the Company will also make payments to each employee's pension, at the above listed rates, for any vacation entitlement (including supplementary vacation) over two (2) weeks.

Effective January 1, 2014, the Company will also make payments to each employee's pension, at the above listed rates, for any vacation entitlement (including supplementary vacation)

The Company contributions are intended to provide a retirement income and no withdrawals are permitted unless the employee retires or terminates.

Employees shall be required to retire from employment with the Company at age 65.

IN WITNESS THEREOF, WE, the undersigned, have, as the accredited representatives of the respective parties to this Memorandum of Agreement, hereunto set our signatures;

Dated the 28th day of August, 2012.

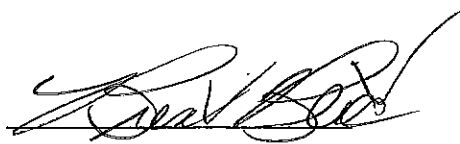
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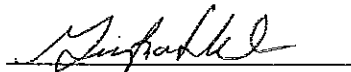
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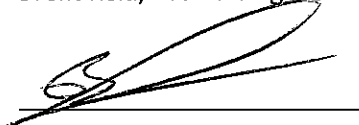
Craig Batcheller, President



Brent Reid, Business Agent



Gary Batcheller



Brian McDonald, Plant Committee

LETTERS OF UNDERSTANDING #1, #2, #3, #4, #5

These Letters of Understanding are attached to and form a part of the Agreement.

LETTER OF UNDERSTANDING #1:

Employees not working the hours stipulated in Article 5 shall work the following:

Monday to Thursday:

Days 7:00 A.M. to 4:00 P.M.

Afternoons 4:00 P.M. to 1:00 A.M.

Friday:

Days 7:00 A.M. to 1:00 P.M.

Afternoons 1:00 P.M. to 7:00 P.M.

With the exception of the Friday short shift, there shall be an unpaid thirty (30) minute lunch break, one (1) fifteen (15) minute and one (1) ten (10) minute paid rest period during each shift. On Friday there shall be one (1) twenty (20) minute paid rest period.

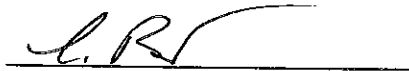
Work performed after the stipulated Friday hours shall be paid at the rate of time and one-half for the first four hours and double time thereafter.

Employees working the hours stipulated in Article 5 may change to the hours in this letter or vice-versa by mutual agreement only.

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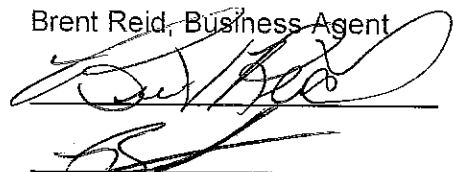
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CANADA, LOCAL #433

Craig Batcheller, President



Gary Batcheller

Brent Reid, Business Agent



Brian McDonald, Plant Committee

Dated the 28th day of August, 2012.

LETTER OF UNDERSTANDING #2

Notwithstanding the provisions of Article 22 of the Collective Agreement, the Union recognizes that Craig and Lana Batcheller may, at times, for the practical and efficient operation of the plant, be required to perform work that would be considered to be bargaining unit work.


It is also agreed that no bargaining unit work will be performed by either Craig or Lana Batcheller if any qualified bargaining unit employee is on layoff and is available to come in and perform the work.

It is further agreed that the occasions of Craig or Lana Batcheller performing bargaining unit work must be temporary in nature and must not result in the displacement, layoff, or exclusion of employees

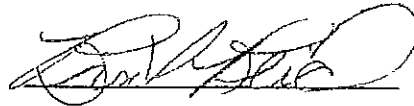
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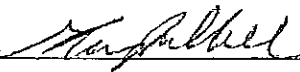
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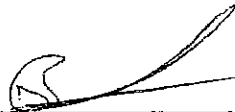
Craig Batcheller, President



Brent Reid, Business Agent



Gary Batcheller



Brian McDonald,

PlantCommittee

The Communications, Energy & Paperworkers Union of Canada hereby sanctions and approves this Agreement and recognizes that the said Agreement is made between the Union and the Company and hereby agrees to carry out all of the duties imposed upon the National Union by the Company and the Union.

LETTER OF UNDERSTANDING #3

When an employee either posts or moves from one position in the Collective Agreement to another they will maintain the time they had in the previous progression level and will apply that to their new progression level. As an example, if an employee was at the 19 month level in General Work, and posted into the Order Picker (Upstairs) position, they would post in at the 19 month level of the Order Picker (Upstairs) position.

For the Coordinator position, when an employee posts into this position they will receive the rate of the job.

For the Shipper position, when the Shipper is away and the Relief Shipper / Order Picker is performing those duties, the Relief Shipper / Order Picker will receive the Shipper's rate of pay. When the Shipper permanently leaves their position, the Relief Shipper / Order Picker will move up to the Shippers position and will receive the Shipper rate of pay, no matter where they were in their Relief Shipper / Order Picker progression.

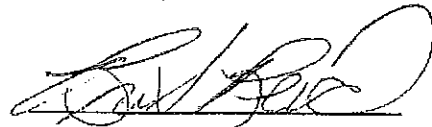
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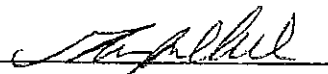
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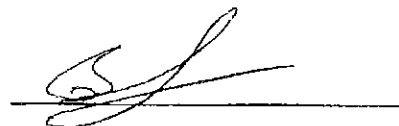
Craig Batcheller, President



Brent Reid, Business Agent



Gary Batcheller



Brian McDonald,

PlantCommittee

The Communications, Energy & Paperworkers Union of Canada hereby sanctions and approves this Agreement and recognizes that the said Agreement is made between the Union and the Company and hereby agrees to carry out all of the duties imposed upon the National Union by the Company and the Union.

Letter of Understanding # 4

CUSTOM PAPER and CEP LOCAL 433

This letter will confirm the company's commitment to remit \$20.00 per employee to a plant maxim of \$5000.00 per year to the CEP Humanity Fund, a registered charity, for each year of the collective agreement dated September 1 2010 forward.

This commitment is contingent on proof of matching contributions by CEP Local 433 being made.

Such contribution will be made in a lump sum once the conditions above have been satisfied each year of the Collective Agreement

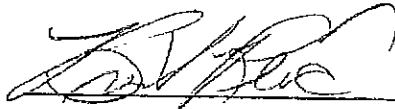
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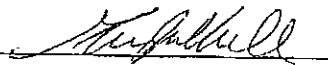
PAPERWORKERS UNION OF
CANADA, LOCAL #433



Craig Batcheller, President



Brent Reid, Business Agent



Gary Batcheller



Brian McDonald,

PlantCommittee

The Communications, Energy & Paperworkers Union of Canada hereby sanctions and approves this Agreement and recognizes that the said Agreement is made between the Union and the Company and hereby agrees to carry out all of the duties imposed upon the National Union by the Company and the Union.

June 12 2012

Letter of Understanding # 5

Benefits Trust

CUSTOM PAPER and CEP LOCAL 433

The Company commits to enter into a process that will attempt to provide increased benefits to the existing health and welfare plan at no, or minimal cost increase. The Company agrees to provide all relevant information requested, but not limited to, a copy of the newest renewal agreement, and the carrier contract. A committee will be struck from the plant consisting of one plant member, the Union Business agent and two members from the Company. The committee will access Dave Porteous of the Canadian Benefits Trust for assistance.

Should no acceptable agreement be reached in the committee by October 1 2012, the Company will increase the life time maximum for orthodontics to \$1700.00 on September 1 2013.

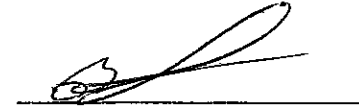
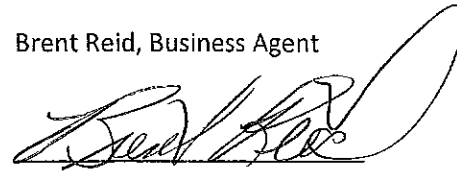
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Craig Batcheller, President

Brent Reid, Business Agent



Gary Batcheller

Brian McDonald, Plant Committee