

Letter of Understanding Between

NorskeCanada Limited, Elk Falls Division
(the Company)

and

Communication, Energy and Paperworkers Union, Local 630
(the Union)

Regarding

Hourly Relief Supervisors for Paper Operations

The parties agree that the following job posting provisions and ongoing conditions shall apply when Relief Supervision for Paper Operations is required from bargaining unit members of the Union:

1. Two (2) Relief Supervisory positions per crew will be posted and maintained on a continuous basis. Whenever a permanent vacancy occurs in the Relief Supervisory position, that position shall be posted.
2. Selection to fill the Relief Supervisory position through the posting procedure will be in accordance with the principles of seniority as outlined in Article XXI - Seniority, Section 1: Principles. The senior qualified applicant in the paper machine line of progression who applies for the relief supervisory position will be awarded the posting. Applicants for the posting shall be fully trained to the PM2 Machine Tender position as a minimum qualification.
3. The intent of the parties is to maintain at least one (1) Salaried Supervisor on shift with the Relief Supervisor. In order to keep the Relief Supervisors' skills and knowledge current, and to respond to unplanned absences, from time to time both Salaried Supervisors may be granted time off at the same time and their positions filled by the two Relief Supervisors.
4. Relief Supervisors will be expected to perform all the duties of the Salaried Supervisor with the exception of discipline.
5. To assist the Relief Supervisors in the performance of their duties, the Company shall provide necessary training. Relief Supervisors will participate in, and successfully complete, a supervisory training course to the same level as a Salaried Supervisor. It is agreed that a minimum of 4 weeks training shall be provided to all successful applicants.
6. Relief Supervisors will have their performance reviewed twice per year, with

feedback being given. In the event the employee's performance requires improvement, the employee will be provided with the opportunity to improve, possibly by participating in additional training to meet that need.

7. In the event it is necessary to remove the employee from the Relief Supervisor posting, the Company shall review the issue with the Union Standing Committee prior to removing the employee from the posting.
8. When bargaining unit members are undergoing training for the Relief Supervisor position, or performing the job duties, they shall receive a rate of pay that is ten percent (10%) above the PM5 Machine Tender rate.
9. If a Salaried Supervisor provides at least 14 days advance notice of a request to take time off, and a Relief Supervisor has been scheduled to replace him, that arrangement will not be changed by a time off request from another bargaining unit employee.
10. In the event that a Salaried Supervisor is assigned to a project or has an illness or injury that will result in him being unavailable for his normal duties for more than 60 days, the Company and the Union will meet to discuss procedures that would allow the senior Relief Supervisor to fill this vacancy. The Union will decide whether their crew move policy will be implemented.
11. It is agreed that this Letter of Understanding shall be binding upon the parties for the term of the Collective Agreement and shall be considered renewed unless either party gives notice during renewal of the Collective Agreement.
12. The parties will meet as required to discuss any issues that arise out of the ongoing operation of this agreement and recommend changes as appropriate.

Dated this _____ day of October, 2003.

For the Company:

For the Union:

George Milosevich
Director, Paper Operations

Dale Cerny
President