

## **MEMORANDUM OF AGREEMENT**

**BETWEEN WESTERN FOREST PRODUCTS INC.  
(herein known as the "Company")**

**OF THE FIRST PART**

**AND:**

**UNITED STEELWORKERS Locals 1-85, 1-1937  
and the COUNCIL OF USW LOCALS CERTIFIED for  
SOME DIVISIONS OF WESTERN FOREST PRODUCTS INC.  
(herein known as the "Union")  
OF THE SECOND PART**

It is agreed that acceptance of the terms of this Memorandum will be recommended by both parties to their respective principals for final settlement of the 2010 – 2014 Collective Agreement.

Subject to the foregoing the Parties hereby agree:

### **TERM OF AGREEMENT**

THAT a Collective Agreement is entered into (hereinafter called the "2010 – 2014" Agreement") in the terms of the Collective Agreement described as the "2007 – 2010" Collective Agreement (including Supplements), save for the amendments herein set out, and shall be effective from and after the 15<sup>th</sup> day of June, 2010 to midnight the 14<sup>th</sup> day of June, 2014.

### **ARTICLE II – EMPLOYER'S RIGHTS**

#### **Section 3: Non Bargaining Unit Employees**

Employees outside the bargaining unit will not perform work that is normally done by employees in the bargaining unit. However, nothing in this Agreement shall be construed as prohibiting foremen from doing work for purposes of employee instruction and evaluation, and equipment assessment, provided in so doing a lay-off of bargaining unit employees does not result, or in the case of an emergency when regular employees are not available, provided that every reasonable effort is made to find a replacement.

## **ARTICLE III – UNION SECURITY**

See attached letter

## **ARTICLE X – Wages Signing Bonus**

If the Offer for Settlement is ratified, employees whose names appear on the seniority list on the date of ratification will be provided with a \$500 signing bonus.

## **ARTICLE X - Wages General Wage Adjustments**

June 15, 2010 – 0%  
June 15, 2011 – 0%  
June 15, 2012 – 2%  
June 15, 2013 – 2%

## **ARTICLE X – Wages Job Specific Wage Adjustments**

Certified Tradespeople: Effective June 15, 2010, a \$1.00/hr increase in the current wage rate for all certified Tradespeople.

Certified Logging Tradespeople (Groups 1 & 2 only): Effective June 15, 2010, certified Tradespeople assigned to work afternoon shift or graveyard shift will be paid a premium of \$1.00/hr over and above the current shift premium.

Landing Bucker: Effective the date of ratification, the “Landing Bucker” position is moved from Group 13 to Group 11. Employees currently performing the Landing Bucker position on a regular basis, or who hold a posting, will be grandfathered and will maintain their existing hourly rate and will receive future wage adjustments accordingly. Certified Fallers who successfully bid into the “Landing Bucker” position will be paid in accordance with Group 13. On the date of ratification employees, other than those listed above, who successfully bid into the “Landing Bucker” position will be paid in accordance with Group 11.

Graders & Grader-Tallymen: Effective June 15, 2010, all current employees holding lumber grading certificates will receive \$0.25 per hour. Those employees performing lumber grading jobs will receive an additional \$0.25 per hour.

**ARTICLE XVI – Travel Time**  
**As per attached Letter of Understanding**

**ARTICLE XVII – Health & Welfare**  
**Pharmacare Formulary**

For the term on this collective agreement only, the following will apply:

1. Effective October 1, 2010, the PharmaCare Formulary will no longer be applicable.
2. Effective October 1, 2010, a \$5 per prescription deductible for drugs will be implemented.

**ARTICLE XVII – Health & Welfare**  
**Life Insurance Coverage**

Amend as follows:

To provide for Group Life Insurance in the amount of:

\$110,000.00 effective October 31, 2012  
\$120,000.00 effective October 31, 2013

To provide for Accidental Death & Dismemberment Insurance in the amount of:

\$110,000.00 effective October 31, 2012  
\$120,000.00 effective October 31, 2013

**ARTICLE XVII – Health & Welfare**  
**Surgical (Compression) Stockings**

Add to EHB coverage:

Surgical stockings with a compression rating of 30 or higher will be covered to a limit of \$250 per calendar year.

**ARTICLE XVII – Health & Welfare**

**Section 4: General Principles**

Any new employee who has not worked in covered employment in the last eighteen (18) months will be eligible for coverage once he has completed thirty working days in a ninety-day period. Once achieved, benefits will commence on the first of the month following the completion of the aforementioned thirty working days.

## **ARTICLE XVIII - Long Term Disability**

Amend as follows:

Effective September 01, 2010, contributions from both the Company and the Employee will be one dollar and twenty cents (\$1.20) per hour, per employee per hour worked, of which the Company will contribute sixty cents (\$0.60) per hour, and the Employees will contribute sixty cents (\$0.60) per hour.

## **ARTICLE XX – SENIORITY**

### **Section 7: Hiring Preference**

- (a) When hiring new employees the following order of preference will apply, competency considered, from among those completed applications on file:
  - (i) Former employees of the operation who have lost their seniority retention as a result of the last layoff in the operation;
  - (ii) Regular employees from other operations of the Company who are on a layoff that exceeds sixty (60) consecutive days, in accordance with their Company seniority in WFP-USW certified operations;
  - (iii) A pool consisting of former employees who have been terminated as a result of a permanent closure of a WFP-USW certified operation.

NOTE: In the application of (ii) and (iii) above, applicants will be selected firstly from operations of the Company within the Local Union, and secondly from operations of the Company in other Locals.

- (b) If there is an announced closure that is either permanent or in excess of sixty (60) consecutive days, the provisions of Clause (a)(ii) will apply on the date the employees are terminated or laid off.
- (c) Where a temporary curtailment or closure reaches sixty (60) consecutive days in duration, the Company and the Local Union may mutually agree to an extension of the sixty (60) consecutive day period, otherwise Clause (a)(ii) will apply at that point.
- (d) Seasonal shutdowns in logging operations will not be covered by the provisions of this Section.
- (e) An employee who qualifies for preferential hiring and wishes to exercise his right to preferential hiring, must make application to the Company within six (6) months of his layoff or termination date. If such employee has not been hired within six (6) months of the date of his application, he must reactivate his application.

The Company will implement a reasonable and effective system for the laid-off employee to make and update a preferential hiring application. The Company will accept E-mailed and mailed applications.

- (f) Employees called back to their jobs, from a preferential hiring job, and subsequently laid off, within two (2) weeks, will not have to again repeat the sixty (60) consecutive days waiting period to qualify for preferential hiring at that time.
- (g) (i) An employee who has been hired under the provisions of Clause (a)(ii), and is working at that operation, must return to his regular job at his originating operation when recalled or terminate his employment from the originating operation.  
  
(ii) An employee who returns to his originating operation has terminated his employment from the operation which extended preferential hiring.  
  
(iii) Local Union and the Management of the originating operation may mutually agree to waive the provisions of (i) above, for a period of recall not to exceed thirty (30) consecutive days.
- (h) An employee who has been hired under the provisions of this Section and is working at that operation, loses his entitlement to all other preferential hiring rights until he is laid off. New applications must then be completed and filed pursuant to the terms of this Agreement.
- (i) Employees hired in accordance with Clause (a)(ii) at other WFP-USW operations shall retain seniority for vacation and Statutory Holiday purposes.
- (j) Employees who have received a severance from a company operation may use their seniority for hiring preference selection purposes only.

## **ARTICLE XXVIII – EDUCATION FUND**

1. The Company will contribute to the Fund three cents (3¢) per hour per Employee per hour worked. Effective June 15, 2013, the contributions will be increased to five cents (5¢) per hour worked per Employee.
2. The Company shall remit the contributions to the Local Union no less than once each month, with a written statement of names of the Employees for whom the contributions were made and the hours worked by the Employee.

## **ARTICLE XXXIV - Permanent Partial Closure**

Amend as follows:

- a. A permanent partial closure occurs when a major operating component of a manufacturing facility is declared closed by the Company or has not operated for a period of 24 months.

The major operating components of a manufacturing facility are defined as a sawmill, planer mill and dry kiln.

- b. A permanent partial closure in logging occurs when a logging operation as referenced in SCHEDULE "A" has not operated for a period of 24 months.
- c. In the event a permanent partial closure is declared by the Company, or the facility has not operated for a period of 24 months the employees who were employees of record at the commencement of the closure are entitled to severance pay. Severance pay is calculated on the basis of the employee's seniority at the date of the layoff, not the date of the permanent partial closure.
- d. Employees who are terminated by the Company because of a permanent partial closure shall be entitled to severance pay equal to ten (10) days for each year of continuous service and thereafter in increments of completed months of service with the Company. A day's pay shall continue to include daily overtime or other premiums or add-ons as in the past, as applicable. However, where alternate shifts are in effect (e.g., 10 hour or 12 hour shifts) under Article V, Section 2 and Supplement No. 8, the severance pay available shall not exceed the maximum severance pay based on an eight-hour shift equivalent.
- e. Severance pay is not payable where a part of a manufacturing facility or logging operation is relocated and the employees involved are not required to relocate their place of residence and are not terminated by the Company.
- f. Severance pay is not payable if an employee affected by a permanent partial closure is offered a position within the same operation of the company.
- g. The application of this Article becomes effective upon ratification of the 2010 Collective Agreement. There is no retroactivity of application of this Article affecting events occurring prior to ratification.

#### **ARTICLE XXXX – Duration of Agreement**

1. The Parties hereto mutually agree that this Agreement shall be effective from and after the 15th day of June, 2010, to midnight the 14th day of June, 2014, and thereafter from year to year unless written notice of contrary intention is given by either Party to the other Party within four (4) months immediately preceding the date of expiry. The notice required hereunder shall be validly and sufficiently served at the Head Office of the Party of the First Part, or at the Local Office upon the Local Officers of the Union, Party of the Second Part, within four (4) months immediately preceding the 15th day of June, 2014. If no agreement is reached at the expiration of this Contract and negotiations are continued, the Agreement shall remain in force up to the time an agreement is reached or until negotiations are discontinued, by either Party.

2. The Parties hereto agree that the operation of Sections 50(2) and 50(3) of the Labour Relations Code of British Columbia, R.S.B.C. 1996, c. 244, is excluded from the Master Agreement.

**Maintenance Service Time**

Resolved – See attached Letter of Understanding

**FIR References**

Clean up or eliminate all FIR references, where appropriate, contained in the collective agreement.

**Local Agreement**

The process to deal with Local Agreements will be completed as per the Protocol Agreement signed April 22, 2010.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2010.

FOR:

Western Forest Products Inc.

FOR:

United Steelworkers Locals 1-85 & 1-1937, and the Council of USW Locals Certified for Some Divisions of Western Forest Products Inc.

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Harold Mercer,  
Western Forest Products

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Bob Matters,  
USW Wood Council Chair

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Len Smith,  
Western Forest Products

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Dave Steinhauer,  
USW Local 1-85

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Iain Donaldson,  
Western Forest Products

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Darrel Wong,  
USW Local 1-1937

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Mark Kenny,  
Western Forest Products

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Jim Kilty,  
USW Local 2009

E. & O.E.