

**MEMORANDUM OF AGREEMENT, TO MODIFY THE  
2014 - 2019 WESTERN FOREST PRODUCTS INC. & USW 1-1937  
MANUFACTURING AND TIMBERLANDS COLLECTIVE AGREEMENT**

**ARTICLE IV – UNION SECURITY**

**Section 4: Union Shop**

Where a contractor is introduced under Article XXV, the Undercut Contractor Utilization Letter of Understanding, or the Woodlands Letter Of Understanding, and it is determined that the contractor is not certified to USW, or its employees are not members of USW, the Local Union shall advise the Company and the Company must remove the contractor without delay unless the contractor remedies the situation forthwith.

**Section 5(a) – Contractors**

Unless otherwise provided by law, upon signing any new or renewed commercial contracts where a USW certified contractor working for the Company is not in good standing with respect to monetary obligation(s) related to health and welfare plans, pension plan and/or Union dues or assessments, the Company shall hold back funds payable to the contractor, up to the amount in arrears, within ninety (90) days of notification by the Local Union, the benefit plan providers or the pension plan administrators. In the event that the amount owing from the Company to the contractor is less than the amount of the arrears, the Company will continue to hold back amounts until the arrears are satisfied. Funds held back by the Company shall be forwarded to the Local Union, or benefit plan providers as appropriate, unless the contractor clears the amount in arrears. Any dispute over the amount of the dues or assessments-related holdbacks shall be between the Union and the contractor.

**Section 5 (c):**

Where the Local Union finds a Contractor in non-compliance due to:

- I. Not forwarding a check-off form within the contractual time frame; or
- II. Not providing the Union a seniority list within a reasonable timeframe, after receiving the request from the Union, up to twice per year.

Without involvement of the Company, a five hundred (\$500) dollar payment shall be paid to the Union by the Contractor, per occurrence, following a receipt of notice, to the Contractor, of non-compliance for a second time within a year from the Union.

**Section 5: (d)**

The Company shall provide to the Local Union, the names of all contractors and the number of employees and type of work being done by each contractor, upon commencement or introduction of a new contractor (and upon ratification of this agreement) for each USW-certified operation.



**ARTICLE V – HOURS OF WORK**

New paragraph in Section 1: Hours and Overtime

In the implementation of the Company's Alcohol and Drug Policy, any employee who is required to stay after their scheduled shift or return to the job site in order to be tested as per the Alcohol and Drug Policy shall be paid all appropriate wage rates, including overtime, until the employee is released.

**ARTICLE VII – WAGES – LOGGING & ARTICLE VIII – WAGES – MANUFACTURING**

General wage increases of 3%, 2%, 2%, 3%, 2.5% per year of the agreement.

First Aid Attendant Rate Premiums: Level 1, \$0.00; Level 2, \$0.50; Level 3, \$1.00; Designated Level 3 \$1.50/Hour

Current Group 12: Mobile Grapple Yarder Hooker/Mobile Back Spar Tender – Increased to Group 14.

Current Group 13 Steel Spar Hook & Rig (Conventional) or Grapple Yarding – Increased to Group 15. (Note 3)

**Note 3 – Hooktenders**

Hooktenders are eligible for Group 15 for days where the Hooktender is climbing and rigging trees. Otherwise the Hooktender is paid at Group 14.

Increase Shift Differential from \$0.31 to \$0.60 per hour.

**ARTICLE XVII– HEALTH AND WELFARE**

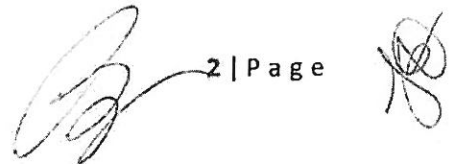
Improvements to the Health and Welfare Plan Benefits as follows:

- Life Insurance & AD&D benefits increased from \$120,000 to \$150,000
- Chiropractor coverage be increased to \$750 per year
- Vision care moves to \$600 per 24 month period

All medical notes, requested by the Company, for clearance to return to work, shall be paid for by the Company.

**ARTICLE XVIII– LONG TERM DISABILITY PLAN**

Effective the first of the month following ratification of this agreement, contributions from the Employer and the Employee to the Plan will be reduced from \$1.20 per Employee per hour worked (60 cents per hour from the Employee and 60 cents per hour from the Employer) to 76 cents per Employee per hour worked (38 cents per hour from the Employee and 38 cents per



hour from the Employer).

The Plan Actuary will update the Board of Trustees on the estimated financial position of the Plan as a standing agenda item every Board meeting. Effective the first of the month following the Board meeting where the Plan Actuary estimates the Plan is at or below a 120% funded ratio, the contributions to the Plan will be adjusted to a level so as to maintain the 120% funded ratio position (using the same methodology as used to determine the 172% as of September 30, 2017 valuation).

The maximum total contribution rate will be a total of \$1.20, split 50/50 between Employer and Employee.

#### **ARTICLE XXI – LEAVE OF ABSENCE**

##### **Section 6: Bereavement Leave**

Add, in (b) brother-in-law and sister-in-law.

#### **ARTICLE XXIII – SAFETY EQUIPMENT**

The Company agrees to reimburse regular full-time employees up to \$100 per calendar year, for Steel-toed Safety Boots. For WFP employees, the boots must meet the requirements of the WFP Health and Safety Management System. Employees must have worked 600 hours in order to qualify. Employees are required to submit the original receipt for payment. Employees shall be permitted to combine the reimbursement for two consecutive entitlement years.

#### **ARTICLE XXXIV – DURATION OF AGREEMENT**

The term of this agreement be from June 15, 2019 to midnight, June 14, 2024.

#### **ALCOHOL AND DRUG POLICY**

Upon ratification of the new collective agreement, Western commits to reviewing all cases of discipline falling under this policy, with a representative designated by the Local Union, to ensure consistent application of the policy. The parties agree that, after a positive alcohol test or a confirmed positive drug test, an employee will undergo an evaluation by a Substance Abuse Professional (SAP). If the SAP determines that the employee has a Substance Use Disorder, the employee will follow the treatment recommendations of the SAP, including any recommended unannounced testing. If this is the first time the employee has tested positive, and if the SAP determines that the employee does not have a Substance Use Disorder, in the case of a confirmed positive THC-only test, the employee will be required to undergo a successful return to work test. For an initial positive test for any other drug, or for alcohol, if the SAP determines that there is not a Substance Use Disorder, or for a further positive test for THC, the employee will be subject to discipline up to and including termination.

February 9, 2020

## **LOCAL AGREEMENTS AND PRACTICES**

The Company and the Union shall reinstate all local agreements, and past practices, previously cancelled in negotiations leading up to this agreement, except the “Future of the Franklin Operation Agreement”, complete with attachments and amendments, cancelled by the Union.

The parties agree that there shall be no compounding as a result of retained past practices and the wage increases granted as per the Wages section of this Memorandum of Agreement.

Over the first 90 days following ratification, the parties will meet and review all local agreements and the past practices.

## **LRB & ARBITRATION CASES**

Both parties agree to drop their respective appeals and cross-appeals of LRB Case No. 73446/19T.

Upon ratification of this agreement, the Company shall also obtain a resolution from the TFL 44 LP Board of Directors for them to drop the current law suit, filed on behalf of TFL 44 LP in the BC Supreme Court, related to the LRB illegal strike declaration in TFL 44.

## **DISCIPLINE ASSESSED DURING STRIKE**

The Company agrees to cancel all letters related to notices of investigation and discipline which have been issued since July 1, 2019, through to the date this agreement and references to these particular incidents shall be removed from the file of the employee.

## **MORATORIUM ON ALTERNATE SHIFTS**

The Company agrees to not run a 6 day per week, 10 hour shift, in manufacturing, for a period of 6 months and will not run the identified 4x4 shift in timberlands, for a period of 6 months, from the date of ratification of this Memorandum. By agreement between the Parties, the issue of Alternate Shifts has been referred to the Special Mediators (Vince Ready and Amanda Rogers) for a final and binding resolution.

## **UPDATES OF PREVIOUS DOCUMENTS**

The Parties agree that the Settlement Agreement dated September 16, 2016 re application of Article IV section 5 (b) and Settlement Agreement dated September 16, 2016 re Commitment Letter, and the Mike Cass letter of July 7, 2014 will be updated to apply throughout the term of this Collective Agreement.

Plus all other items, as defined in the agreed upon list of items, kept by Amanda Rogers.

February 9, 2020



4 | Page



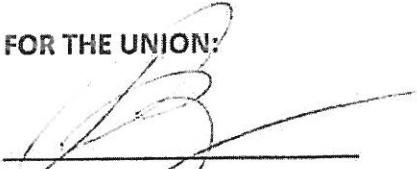
**HOUSEKEEPING**

The parties shall revise any other language issues that are mutually agreed upon.


This Memorandum of Agreement is agreed to, subject to ratification by each party.

Signed, this 7<sup>th</sup> day of February, 2020.

**FOR THE UNION:**

  
\_\_\_\_\_  
Brian Butler  
President  
USW, Local 1-1937

**FOR THE COMPANY:**

  
\_\_\_\_\_  
Jennifer Foster  
Vice President, Human Resources  
Western Forest Products Inc.

February 9, 2020





BETWEEN

WESTERN FOREST PRODUCTS INC. ("COMPANY")

AND

UNITED STEELWORKERS, LOCAL 1-1937 AND THE COUNCIL OF USW LOCALS  
CERTIFIED FOR SOME OPERATIONS OF WFP ("UNION")

**Undercut Contractor Utilization**

**Purpose:** The parties are desirous of improving the viability of existing USW certified contractors. To achieve this, the parties enter this Letter of Understanding to create more work opportunities for USW certified contractors within Western Forest Products operations. The parties also commit to work jointly in seeking changes to provincial government cut control regulations that will support the goal of this agreement.

The parties agree to the following terms:

1. All existing USW certified contractors used to harvest agreed upon undercut volumes in a USW certified Western Forest Products operation under this agreement shall remain USW certified contractors and be in good standing with the Union.
2. It is agreed that USW parent company crew members will not be negatively impacted by the use of USW certified contractors, who harvest an approved undercut volume under this agreement, including that USW parent company crew members are not laid off, competency considered, when USW undercut contractors are working within the operation. In the event the Company lays off any of its employees in an operation, any contractor covered by this Letter of Understanding may complete the current work week in that operation.
3. The parties shall form a joint committee consisting of two senior Union representatives (appointed by the Union) and two senior Company representatives (appointed by the Company), that shall meet as required or upon request to review operational undercuts for the purpose of determining the reasons for the undercut and the portion of said undercuts that are attributable to reasons beyond the control of the employer.
4. Undercut volumes determined by the joint committee to have been created by actions that are beyond the control of the Company, shall be agreed upon for harvest by an existing USW certified contractor of the Company.
5. Where the reason for the accumulated undercut is determined by the Union to be within the company's control (i.e. layoffs, manning deficiencies, equipment deficiencies, lack of investment, failure by the company in the permitting process, etc.) the agreement will not apply.

February 9, 2020

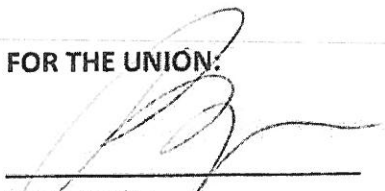
6 | Page




6. In the event existing contractors do not bid on the available undercut, the joint committee will review and determine if the volume will be made available to other USW certified contractors. The committee will make its best effort to find a solution so that the undercut is not lost.
7. No undercut volumes will be approved for harvest under this agreement without approval of the joint committee.
8. The Company will provide the Union thirty (30) days' notice to the Unions appointed representatives as per 3. above prior to accessing the agreed volumes achieved by agreement as per 4. above. The notice will provide the Union the name of the USW certified contractor, the nature of the work to be performed and the number of employees.
9. The Union and the Company agree to jointly lobby the provincial government to make changes to the current provisions of the five (5) year cut control plan to avoid the loss of undercut volumes, including requesting that the provincial government extend the current five (5) year AAC's, by the length of the parties current labour dispute.
10. This agreement shall run concurrent with the term of the Collective Agreement between USW Local 1-1937 and Western Forest Products Inc. and shall only continue after that time by the mutual agreement of the parties.

Signed this 9<sup>th</sup> day of February, 2020.

FOR THE UNION:

  
\_\_\_\_\_  
Brian Butler  
President  
USW, Local 1-1937

FOR THE COMPANY:

  
\_\_\_\_\_  
Jennifer Foster  
Vice President, Human Resources  
Western Forest Products Inc.