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2007 – 2010 COLLECTIVE AGREEMENT

THIS AGREEMENT entered into this 15th day of June A.D. 2007.

BETWEEN:

**International Forest Products Limited "Interfor"
Acorn Division**

(Hereinafter known as the "COMPANY")

OF THE FIRST PART,

AND:

**United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial
and Service Workers International Union "USW"
(USW Local 1-3567)**

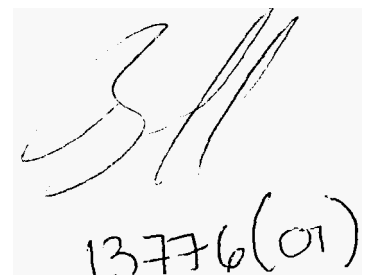
(Hereinafter known as the "UNION")

OF THE SECOND PART.

PREAMBLE:

The purpose of this Agreement is to secure for the Company, the Union and the employees the full benefits of orderly and legal collective bargaining, and to ensure to the utmost extent possible the safety and physical welfare of the employees, economy of operation, quality and quantity of output, and protection of property. It is recognized by this Agreement to be the duty of the Company and the Union and the employees to co-operate fully, individually and collectively, for the advancement of said conditions.

The Company and the Union agree to abide by the terms set out in this Agreement. The Union further agrees that it will at all times instruct its members to act in accordance with the terms


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contained in this Agreement. The Company agrees, in the exercise of the functions of Management, that the provisions of this Agreement will be carried out,

Wherever a masculine reference is used in this Agreement it shall be deemed to include the equivalent feminine reference.

ARTICLE I – BARGAINING AGENCY

Section 1: Recognition

- (a) The Company recognizes the Union as the sole collective bargaining agency of the employees of the Company except confidential employees, office employees and those employees with the authority to hire or discharge.
- (b) It is agreed that when a dispute arises as to whether or not a person is an employee within the bargaining unit it shall be subject to grievance procedure as provided in Article XXIX, Section 1, Step Three, and in the event of failure to reach a satisfactory settlement it shall be dealt with by arbitration as set forth in Article XXXI, Section 1.
- (c) The Union agrees to issue a withdrawal card to employees transferred from the bargaining unit to a job outside the bargaining unit providing that no dispute arises within the meaning of Clause (b) herein.

Section 2: Meetings

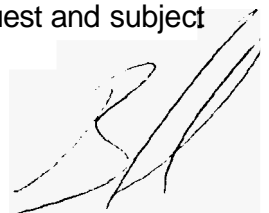
The Company and the Union will meet at such time and place as may be mutually agreed upon for the purpose of discussing wages and working conditions and adjusting any matters within the confines of this Agreement which come within the scope of collective bargaining between employer and employee. Where such meetings are held during working hours, employee time will not be deducted for attending such meetings.

Section 3: Bargaining Authority

The Party of the First Part agrees that the bargaining authority of the Party of the Second Part shall not be impaired during the term of this Collective Agreement, The Party of the First Part agrees that the only certification that they will recognize during the term of this Agreement is that of the Party of the Second Part, unless ordered by due process of law to recognize some other bargaining authority.

Section 4: Access to Operation

Official Union representatives shall obtain access to the Company's operations for the purpose of this Agreement by permission which will be granted by the Company on request and subject to such reasonable terms and conditions as may be laid down by the Company.

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ARTICLE II – EMPLOYER'S RIGHTS

Section 1: Management and Direction

The management and the operation of, and the direction and promotion of the working forces is vested exclusively in the Management; provided, however, that this will not be used for purposes of discrimination against employees.

Section 2: Hiring and Discipline

The Company shall have the right to select its employees and to discipline or discharge them for proper cause.

ARTICLE III – UNION SECURITY

Section 1: Co-operation

The Company will co-operate with the Union in obtaining and retaining as members the employees as defined in this Agreement, and to this end will present to new employees and to all supervisors and foremen the policy herein expressed.

Section 2: Union Shop

Each employee shall, at the time of hiring and as a condition of hiring or continued employment become a member of the Union and maintain membership therein.

Section 3: Maintenance of Membership

Any employee who is a member in good standing, or is reinstated as a member of the Union shall as a condition of continued employment maintain such membership in good standing throughout the term of this Agreement.

Section 4: Discharge of Non-members

Any employee who fails to maintain his membership in the Union as prescribed herein by reason of refusal to pay dues and assessments shall be subject to discharge after seven (7) days' written notice to the Company of the said employee's refusal to maintain his membership.

Section 5: Union Membership

- (a) No employee shall be subject to any penalties against his application for membership or reinstatement, except as may be provided for in the USW Local 1-3567 Constitution, and in accordance with the By-Laws of the following Local Unions: Nos. 1-80, 1-85, 1-2171,

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1-3567, 1-363 and the Council of USW Locals certified for some divisions of Western Forest Products Inc.

- (b) Any employee who applies to join the Union pursuant to the provision herein and whose application is rejected by the Union, shall not be subject to discharge from employment.

Section 6: Check-off

The Company shall require all new employees at the time of hiring to execute an assignment of wages in duplicate, the forms to be supplied by the Union, said forms to be forwarded to the Union not later than fifteen (15) calendar days following the date of hiring.

The assignment in the case of employees already members of the Union shall be effective immediately, and for those employees not previously members of the Union, it shall become effective thirty (30) calendar days from the date of execution.

The Local Union shall notify the Company by letter of the amount of back dues owed by new employees and copies of such letter shall be furnished to the employee and the Shop Committee.

The Company shall remit the dues deducted pursuant to such assignment (until and unless said assignment is revoked by the employee) to the Local Union named therein not less often than once each month, with a written statement of names of the employees for whom the deductions were made and the amount of each deduction. Such deduction shall appear on each employee's annual Statement of Remuneration (T4).

Section 7: Social Insurance Number

The Company shall furnish the Union with the Social Insurance Number of each employee on its payroll on the first occasion when dues are forwarded to the Union after the execution of this Agreement or after the employee enters the employment of the Company, whichever date last occurs.

Section 8: Employer Deductions From Wages - Employee Benefit Plans

The Parties agree that the Company shall deduct from an employee's wages and shall remit to the appropriate employee benefit plan, the employee's contribution which is specified in any benefit plan agreed to by the parties to the Collective Agreement.

Section 9: Employee Discipline History

Records of discipline will be eliminated once the Employee has had no further incidents within a five (5) year period.

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ARTICLE IV – SHOP COMMITTEE

Section 1: Definition

For the purpose of this Agreement when the term "Shop Committee" is used, it shall mean Shop, Camp, Mill or Plant Committee, members of which are appointed by the Union.

Section 2: Composition

The Shop Committee shall consist of not less than three (3) employees and not more than seven (7) employees with completed probationary period of employment with the Company who are members of the Union and, wherever possible, they shall be selected on a departmental basis.

Section 3: Notification'

The Union will, within sixty (60) days from the date of this Agreement, notify the Company in writing of the members of the Shop Committee. The Union or Shop Committee will inform the Company in writing when any member change takes place on the said Committee. No member of the Shop Committee will be recognized by the Company unless the above procedure is carried out.

Section 4: Exceptions

The provisions of Sections 1, 2 and 3 will not apply in reference to:

- (a) Article XVIII - Health & Safety, and
- (b) Article XXX - Right of Reference Committee.

ARTICLE V – HOURS OF WORK

Section 1: Hours and Overtime

- (a) The regular hours of work in all the forest products operations shall be eight (8) hours per day and forty (40) hours per week with rate and one-half for any hours worked over eight (8) hours per day and forty (40) hours per week, except as provided in (b) below. Production employees shall be paid rate and one-half for Saturday and/or Sunday regardless of the number of hours worked during the week, except as provided in (b) below.
- (b) Double straight-time rates shall be paid for the following:
 - (i) Hours worked in excess of eleven (11) hours per day;

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- (ii) Hours worked on Sunday by employees who have worked five (5) shifts during the preceding six (6) days;
 - (iii) For purposes of (b) herein a Statutory Holiday shall be considered a shift worked;
 - (iv) Item (ii) above shall not apply to employees who work Sunday as a regularly scheduled day.
- (c) The established hours of work will not be altered without prior consultation with the Shop Committee, except in circumstances not in the control of the Company.
- (d) If a Statutory Holiday occurs during the work week, the employee shall only be required to work on Saturday and/or Sunday for the time lost due to the Statutory Holiday by mutual consent. For such work the employee shall be paid rate and one-half, except as provided in Section 1(b) above.

The following are exceptions to Clauses (a) and (b), namely:

- (i) Employees on towboats as defined in the Employment Standards Act Regulations;
- (ii) Watchmen employed in sawmill industries where operations are suspended.

Section 2: Alternate Shift Scheduling

- (a) Notwithstanding Article V, Section 1, the Employer may implement alternate shift schedules, subject to Supplement No. 8, which may include Saturdays and Sundays, without overtime penalty, provided the principle of the forty (40) hour week is maintained over an averaging period.
- (b) When alternative schedules have been implemented in accordance with (a) above, the following overtime provisions will apply:
- (A) Rate and one-half shall be paid for the following:
- (i) The first three (3) hours worked in a day in excess of the normal daily hours of the established schedule.
 - (ii) Hours worked in excess of forty (40) hours per week or forty (40) hours average when there is an averaging period.
 - (iii) All hours worked on an employee's scheduled rest day, unless a change in rest day has been agreed to between the employee and the Company.



(B) Double straight-time rates shall be paid for the following:

- (i) All hours worked in excess of (A) (i) above.
- (ii) All hours worked on Sunday when Sunday is also an employee's scheduled rest day, if the employee has worked forty (40) straight-time hours in the preceding six (6) days, unless a change in the rest day has been agreed to between the employee and the Company.

Section 3: Casual Work

- (a) The term "casual work" as used in this Agreement shall apply only to work performed on Saturday and/or Sunday by either laid-off regular employees or other persons hereinafter referred to as "casual employees".
- (b) Casual work on production will be paid for at one and one-half times job rate.
- (c) Casual work on maintenance, repair and preparatory work will be paid for at straight-time job rate.
- (d)
 - (i) Weekend work performed by casual employees, laid-off regular employees and part-time employees will be paid for at straight-time job rate except as provided in (ii) herein.
 - (ii) A laid-off regular production employee shall be considered a production employee during the weekend of the week he is laid off and will be paid rate and one-half for any work he performs on either Saturday or Sunday except as provided in Section 1(b) above.
- (e) Regular laid-off employees shall not be classified as casual employees, and shall have preference for available work over the said casual employees.
- (9) The employer agrees to keep a separate seniority list of casual employees who have worked at least ten (10) working days, exclusively for recall purposes and, subject to clause (e), further agrees to recall casual employees in accordance with their seniority as set forth in this list.

Section 4: Saturday and Sunday Work

- (a) Those employees who of necessity regularly work on Saturday and Sunday shall take two (2) other days of the week off to be mutually agreed between the employee and the Company. In such event, Saturday and Sunday shall be considered working days and overtime rates shall not apply on Saturday. However, these employees shall be paid at rate and one-half for work performed on Sunday. It is agreed that overtime rates will apply when the regular daily or weekly work limit has been exceeded. It is further agreed

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that overtime rates will apply on the rest days of these employees if worked unless a change in rest days has been agreed upon between the employee and the Company.

- (b) For the purpose of this Section, employees shall be engineers, firemen, operating millwrights, maintenance workers and watchmen employees.

Section 5: Tuesday to Saturday

It is agreed that maintenance, repair and construction employees can be employed on a Tuesday-to-Saturday work week for which they will be paid straight-time for Saturday work. In such event, Sunday and Monday will be recognized as their rest days and any work performed on their rest days will be paid for at rate and one-half except as provided in Section 1(b). It is further agreed that the rest day, Monday, may be changed by mutual consent between the employee and the Company. In such event, work performed on Monday will be paid for at straight-time. If the employee works on Monday at the request of the Company the rate of pay will be rate and one-half. However, if the employee requests a temporary change from his rest day on Monday, work performed on Monday will be paid for at straight-time.

Section 6: Completion of Afternoon Shift

- (a) It is agreed between the Parties that if two (2) hours or less are necessary after midnight Friday or after midnight preceding a Statutory Holiday to complete the shift which commenced work on Friday afternoon or the afternoon preceding the Statutory Holiday, time worked after midnight Friday or after midnight preceding a Statutory Holiday to complete the particular shift will be paid at straight-time.
- (b) Notwithstanding anything to the contrary contained in this Agreement, it is further agreed that in all three-shift operations, the time established as the regular starting time of the midnight shift following a Statutory Holiday shall not be changed by reason of the Statutory Holiday.

Section 7: Three-shift Operations

- (a) The Company shall have the right to operate the plant or any part thereof on a three-shift basis and all employees working under this arrangement shall receive eight (8) hours' pay upon completion of the full hours established as their regular shift. Details of shifts shall be varied at the Company's option.
- (b) It is agreed that Clause (a) above shall only apply to those employees actually working on a three-shift basis.
- (c) The Company shall have the right to determine the number of shifts operated in any unit or department of the operation.
- (d) Where less than three (3) shifts are worked, Clause (a) above shall not apply.



Section 8: Swing Shift

The working force on the day shift in manufacturing plants shall alternate with the working force on the afternoon shift on a regular basis as agreed upon by the Company and the Shop committee.

Section 9: Rest Periods

All employees in manufacturing plants shall be entitled to two (2) ten-minute rest periods during each regular shift, provided always that the Company shall have the right to use relief employees in implementing this provision.

Section 10: Hot Meals

Where maintenance, repair or construction employees are required to work *two* (2) hours or more overtime beyond their normal shift, the Company shall provide a hot meal, such hot meal to be consumed by the employee on Company time before beginning the overtime work.

Section 11: No Work Guarantee

The foregoing provisions of this Article shall not be construed as guaranteeing to any employee any number of hours of work per day or per week.

ARTICLE VI – TECHNOLOGICAL CHANGE

Section 1: Joint Committee

It is agreed that a Joint Committee will be established to consider technological changes in progress and make recommendations to the Parties to assist them in ameliorating the effect of such changes. The Committee will meet with the provincial and federal representatives concerned with retraining of manpower.

Section 2: Advance Notification

The Company shall notify the Shop Committee and the Union not less than six (6) months in advance of intent to institute changes in working methods or facilities which would involve the discharge or laying off of employees.

Section 3: Retraining

The Company shall co-operate with the Government of British Columbia and participate in every way possible in training or retraining of employees so affected.

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Section 4: Rate Adjustment

- (a) An employee who is set back to a lower paid job because of mechanization, technological change or automation will receive the rate of his regular job at the time of the setback for a period of three (3) months and for a further period of three (3) months he will be paid an adjusted rate which will be midway between the rate of his regular job at the time of the setback and the rate of his new regular job. At the end of this 6-month period the rate of his new regular job will apply. However, such employee will have the option of terminating his employment and accepting severance pay as outlined in Section 5 below, providing he exercises this option within the above-referred-to 6-month period.
- (b) Following an application of (a) above, where an employee is set back to a lower paid job because of an application of Article XVI - Seniority brought on by mechanization, technological change or automation he will receive the rate of his regular job at the time of the setback for a period of three (3) months and for a further period of three (3) months he will be paid an adjusted rate which will be midway between the rate of his regular job at the time of the setback and the rate of his new regular job. At the end of this 6-month period the rate of his new regular job will apply.

Section 5: Severance Pay

Employees discharged, laid off or displaced from their regular job because of mechanization, technological change or automation shall be entitled to severance pay of seven (7) days' pay for each year of service with the Company. The amount calculated under such entitlement shall not exceed a maximum of thirty (30) weeks' pay. This Section shall not apply to employees covered by Section 4(b) above.

Section 6: Option

Employees laid off from their regular jobs because of mechanization, technological change or automation shall have the option to terminate their employment and accept severance pay, either

- (a) at the time of layoff, or
- (b) at the point seniority retention expires.

ARTICLE VII - INTERFOR - RATE DETERMINATION PROGRAM

Section 1: Responsibility, Implementation, Continuity and Administration

The USW Local 1-3567 and International Forest Products Limited agree to implement and continue the provisions of this Article of the Collective Agreement and any related Supplements to the Collective Agreement as administered by USW Local 1-3567 and International Forest

Products Limited. The USW Local 1-3567 and International Forest Products Limited shall be responsible for all aspects of the Program.

Section 2: Purpose and Method

The purpose of the Program shall be the ranking of applicable hourly-paid categories and placing them in groups according to their relative value within the B.C. Coast Sawmill Industry by using a method of agreed-upon benchmark categories and related job descriptions.

Where new or significantly changed jobs do not fit an existing benchmark job description, the Parties agree to group such jobs by comparison to existing jobs where possible, in order to keep benchmark job descriptions to a minimum.

The Parties agree that the Details of Agreement as per Appendix No. 1 of the Memorandum of Agreement dated February 11, 1992 in respect of Mechanization, Technological Change or Automation will be implemented.

Section 3: Application

- (a) Interfor Rate Determination shall be carried out at the Local Union-Local Management level in accordance with the provisions of this Article and the provisions of any related Supplements to the Collective Agreement.
- (b) Interfor Rate Determination shall apply to all hourly-paid categories at the Hammond Division except for those categories which have been excluded by mutual agreement between the USW Local 1-3567 and International Forest Products Limited.
- (c) Interfor Rate Determination shall not supersede existing in-plant agreements, signed on or before November 3, 1976 at the Local Union-Local Management level.

Section 4: Development, Uniformity and Co-ordination

In order to ensure uniform application, a Committee shall be constituted and named the Interfor Rate Determination Committee to consist of one (1) member representative of Interfor and one (1) member representative of the USW Local 1-3567. The Interfor Rate Determination Committee shall assume general responsibility for the administration of the Interfor Rate Determination Program.

Section 5: Procedures

- (a) The Interfor Rate Determination Program shall be administered jointly on a day-to-day basis by the Interfor Rate Determination Committee.
- (b) Any agreement reached in this manner regarding the disposition of a category rate clearance application received from the Local Union-Local Management level shall be final and binding on the Parties.

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- (c) If no agreement can be reached in this manner regarding the disposition of a category rate clearance application received from the Local Union-Local Management level, the matter shall be referred to the USW Local 1-3567 and International Forest Products Limited in accordance with Section 1 of this Article.
- (d) Applications for the rate determination of hourly-paid categories shall consist of a Request For Rate Clearance Form containing sufficient information for the subsequent work of the Interfor Rate Determination Committee. All Requests For Rate Clearance shall be completed at the Local Union-Local Management Level before being forwarded to the Interfor Rate Determination Committee for further action.

Section 6: Job Analysis Wage Curve

Group Level	Effective	Effective	Effective
	June 15, 2007	June 15, 2008	June 15, 2009
	Per Hour	Per Hour	Per Hour
1	\$23.72-1/2	\$24.43-1/2	\$24.92-1/2
2	23.91	24.62-1/2	25.12
3	24.12-1/2	24.85	25.34-1/2
4	24.30-1/2	25.03-1/2	25.53-1/2
5	24.52	25.25-1/2	25.76
6	24.87-1/2	25.62	26.13
7	25.21	25.96-1/2	26.48-1/2
8	25.51-1/2	26.28	26.80-1/2
9	25.88-1/2	26.66	27.19-1/2
10	26.29	27.08	27.62
11	26.77-1/2	27.58	28.13
12	27.23	28.04-1/2	28.60-1/2
13	27.65-1/2	28.48-1/2	29.05-1/2
14	28.13	28.97-1/2	29.55-1/2
15	28.56-1/2	29.42	30.01
16	29.00-1/2	29.87-1/2	30.47-1/2
17	29.48-1/2	30.37	30.97-1/2
18	29.93-1/2	30.83-1/2	31.45
19	30.36	31.27	31.89-1/2
20	30.94-1/2	31.87-1/2	32.51-1/2
21	31.49-1/2	32.44	33.09
22	32.05	33.01	33.67
23	32.61-1/2	33.59-1/2	34.26-1/2

The general wage increases provided for in Article IX, Section 1(a) have been incorporated into these rates.

Section 7: Incumbent's Rate

No incumbent's rate shall be reduced as a result of the implementation and/or continued application of the Program.

Incumbents in **job** categories for which the wage rate is reduced as a result of rate determination (hereinafter referred to as "Red Circled Jobs") shall continue at the original rate. Red circle rates for incumbents are increased by any general wage increases that are applicable.

Section 8: Amending Procedure

The Parties further agree that details of the Interfor Rate Determination Program may be subject to amendment at the written request of either Party at the end of each three (3) month period from the date of this Agreement.

ARTICLE VIII – APPRENTICESHIP

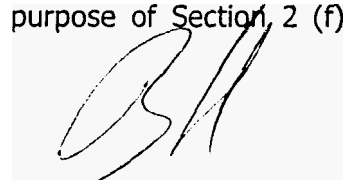
The purpose of this Article is to provide employees with the opportunity to receive occupational and vocational training through apprenticeship. The use of equitable apprenticeship selection criteria will give the Company reasonable assurances that the apprentice, upon completion of the apprenticeship, will become a proficient tradesperson.

Section 1: Joint Apprenticeship Committee

A Joint Apprenticeship Committee will be established within sixty (60) days of the execution of this Agreement.

The Joint Apprenticeship Committee will:

- (a) Be composed of three (3) members selected by the Union and three (3) selected by Interfor.
- (b) Develop the Apprenticeship Selection Procedure and test that will have a passing requirement of seventy-five percent (75%) or other such test as agreed upon. Tests may include areas such as reading, comprehension, computer literacy, writing ability, inspections, process monitoring, problem solving, accuracy, checking, mechanical/electrical aptitude, spatial relations and shop math.
- (c) Develop standard interview questions and techniques for the purpose of Section 2 (f) below.
- (d) Develop self-evaluation tests.

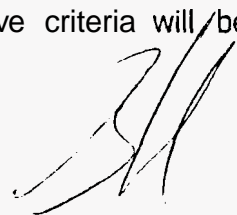
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- (e) Develop appropriate physical requirements for each trade for the purpose of Section 2 (g) below.
- (9)** Provide guidance and assistance to the Company and the Union.
- (g) Monitor and analyze the success rate of the Apprentices.
- (h) Make a progress report to the bargaining committee six (6) months following its establishment and each six (6) months thereafter.

Section 2: Apprenticeship Selection

Recognizing that it is the intent of the Company and the USW Local 1-3567 to create apprenticeship opportunities, Apprentice Selection will be carried out at the operation level based on the following principles:

- (a) Apprenticeship positions will be posted in accordance with regular job posting procedures.
- (b) Tests recommended for self-evaluation will be made available to employees on request. Failure to take such tests shall not jeopardize an employee's application for Apprenticeship.
- (c) All candidates for the apprenticeship will be provided with an overview of the requirements of the Apprenticeship Program and the expectations of the respective Tradesperson position.
- (d) Formal apprenticeship selection testing will be done in an appropriate facility. A Union representative will be present when the tests are given and marked.
- (e) An Apprentice Selection Committee made up of two (2) employee representatives and two (2) employer representatives will be established to administer the procedures contained in this agreement. Of the two (2) employee representatives, one (1) will be a tradesperson who will sit on the Apprentice Selection Committee for all apprentice selections. The second will be a tradesperson from the trade where the apprentice will work. If there is no second trades representative available as per above, then another Tradesperson from the operations will be appointed.
- (9)** Up to ten (10) of the senior candidates who have satisfied the exam requirements will participate in an interview with the Apprenticeship Selection Committee. If there is no successful candidate from the first group, the process will be repeated for up to the next ten (10) senior candidates that have satisfied the exam.
- (g) The Senior Candidate who completes Sections 2 (c), (d) and **(9)** will be required to be "deemed fit to perform the trade" as certified by the appropriate medical practitioner.
- (h) The Senior Candidate who satisfies all of the above criteria will be awarded the apprenticeship posting.



- (i) All successful candidates will receive orientation in the Apprenticeship Program. There will be a training plan developed for each indentured apprentice. Competency of each apprentice will be reviewed throughout the program.

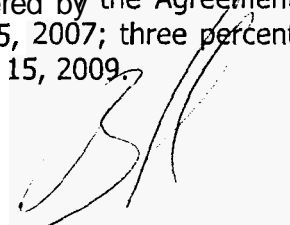
Section 3: Other Provisions

- (a) Employees presently working in any trade as covered in Article IX Section 1 (b) will not be eligible.
- (b) Successful applicants will be assigned as apprenticeship helpers for a probationary period of one hundred and eighty (180) days.
- (c) In the event that the successful candidate voluntarily decides to go back to his previously held job or is removed from the program less than 180 calendar days after the date of the original posting, the next most senior applicant who passes all the selection criteria will be selected.
- (d) Where an applicant has failed to pass the Apprenticeship Selection Exams, he will be eligible to bid and be re-tested one (1) additional time on a future apprenticeship posting.
- (e) An applicant who fails the Apprenticeship Selection Exams twice may be re-tested for any future apprenticeship posting if he completes relevant upgrading.
- (f) Test results will be kept on file for three (3) years. Anyone applying for an Apprenticeship Posting within that three (3) year period may have their results applied for purposes of that posting.
- (g) The Company and Union may agree to implement apprentice rotation throughout operations in order to provide a broad range of training opportunities in the trade.
- (h) The referenced Apprenticeship Selection test material will be available to the members of the Selection Committee.
- (i) Apprenticeship Selection Exams will be reviewed annually and upgraded as needed.
- (j) International Forest Products Limited and the USW Local 1-3567 will monitor and analyze the success rate of the Apprentices.

ARTICLE IX – WAGES

Section 1: Rates

- (a) The parties agree that wages of all hourly rated employees covered by the Agreement shall be increased by two percent (2%) per hour effective June 15, 2007; three percent (3%) effective June 15, 2008; and two percent (2%) effective June 15, 2009.

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The rates resulting from the application of the conversion percentages herein will be rounded as follows:

- 0 to .249 - down to the nearest cent
- .250 to .749 - to the nearest one-half cent
- .750 to .999 - up to the nearest cent

ROCE (Return on Capital Employed)

A Return on Capital Employed payment will be triggered for each eligible employee* based on the following ROCE payment table. The ROCE payment is based on the previous calendar year from Coastal forest industry information compiled by PricewaterhouseCoopers.

*An eligible employee is defined as a regular full-time employee or a Casual Employee. This provision does not apply to probationary employees.

Return on Capital Employed Payment Table

Year	ROCE 5%+	ROCE 10%+	ROCE 15%+	ROCE 20%+
July 1, 2007	\$100	\$250	\$375	\$500
July 1, 2008	\$100	\$250	\$375	\$500
July 1, 2009	Per the IFLRA			

Employees who work the following hours in the calendar year will have applicable ROCE pro rated for their hours worked, as per the following table:

Worked Hours in the Calendar Year	Percent of ROCE
0 to 149	0%
150 to 299	10.0%
300 to 449	20.0%
450 to 599	30.0%
600 to 749	40.0%
750 to 899	50.0%
900 to 1,049	60.0%
1,050 to 1,199	70.0%
1,200 to 1,349	80.0%
1,350 to 1,499	90.0%
1,500 and over	100.0%

(b) Certified Tradesmen shall be grouped as follows:

Certified Manufacturing Tradesmen

	Effective June 15, 2007 Per Hour	Effective June 15, 2008 Per Hour	Effective June 15, 2009 Per Hour
GROUP I			
Electrician.....	\$30.91	\$31.83-1/2	\$32.47
Heavy Duty Mechanic.....	30.91	31.83-1/2	32.47
Instrument Mechanic	30.91	31.83-1/2	32.47
Machinist	30.91	31.83-1/2	32.47
Millwright.....	30.91	31.83-1/2	32.47
Pipefitter/Steamfitter.....	30.91	31.83-1/2	32.47
Construction Millwright /Carpenter.....	30.91	31.83-1/2	32.47
*Welder (FIR 101, 102, etc.)....	30.91	31.83-1/2	32.47

*Welders in this group must be qualified as required under the Standard Forest Industry welding specifications and either have completed the three (3) year Apprenticeship Program or have worked in the trade for six thousand (6,000) hours as a Welder. Welders who do not meet these qualifications shall be in Group II.

	Effective June 15, 2007 Per Hour	Effective June 15, 2008 Per Hour	Effective June 15, 2009 Per Hour
GROUP II			
Auto Mechanic.....	\$30.67-1/2	\$31.59-1/2	\$32.22-1/2
Planer Mechanic.....	30.67-1/2	31.59-1/2	32.22-1/2
Blacksmith.....	30.67-1/2	31.59-1/2	32.22-1/2
Boilermaker	30.67-1/2	31.59-1/2	32.22-1/2
Shipwright	30.67-1/2	31.59-1/2	32.22-1/2
Welder DPW #1 or #2	30.67-1/2	31.59-1/2	32.22-1/2
Maintenance Mechanic.....	30.67-1/2	31.59-1/2	32.22-1/2
GROUP III			
Painter.....	\$30.44-1/2	\$31.36	\$31.98-1/2
Head Filer-Grinderman.....	30.44-1/2	31.36	31.98-1/2

(c) The category Uncertified Planer Mechanic shall be \$30.16-1/2 per hour effective June 15, 2007; \$31.07 per hour effective June 15, 2008; and \$31.69 per hour effective June 15, 2009. A Planer Mechanic with a Millwright Tradesman's Qualification Certificate shall be paid at the rate of \$30.67-1/2 per hour effective June 15, 2007; \$31.59-1/2 per hour effective June 15, 2008; and \$32.22-1/2 per hour effective June 15, 2009. The general wage increases for all employees provided for in Section 1(a) of this Article have been incorporated into these rates.

- (d) The minimum rate for common labour shall be \$23.72-1/2 per hour effective June 15, 2007; \$24.43-1/2 per hour effective June 15, 2008; and \$24.92-1/2 per hour effective June 15, 2009, except for those categories listed in the Wage Supplement attached hereto.

Section 2: Engineers and Firemen

Engineers and Firemen actually working in a job requiring the ticket herein specified, shall be paid in accordance with the following rates:

	Effective June 15, 2007 Per Hour	Effective June 15, 2008 Per Hour	Effective June 15, 2009 Per Hour
2nd Class Engineer.....	\$32.35-1/2	\$33.32-1/2	\$33.99
3rd Class Engineer.....	30.91	31.83-1/2	32.47
4th Class Engineer.....	29.26-1/2	30.14-1/2	30.75
Fireman (4th Class Ticket).....	27.27	28.09	28.65
Fireman.....	25.02	25.77	26.28-1/2

Section 3: Sawmill Filing Room Categories

Certified Filing Room Categories shall receive the rates set out below:

	Effective June 15, 2007 Per Hour	Effective June 15, 2008 Per Hour	Effective June 15, 2009 Per Hour
Benchman.....	\$31.80-1/2	\$32.76	\$33.41-1/2
Circular Saw Filer.....	30.91	31.83-1/2	32.47
Saw Fitter.....	30.44-1/2	31.36	31.98-1/2

Section 4: Filer-Grindermen

- (a) The following categories shall receive the rates set out below:

	Effective June 15, 2007 Per Hour	Effective June 15, 2008 Per Hour	Effective June 15, 2009 Per Hour
Head Filer and Grinderman:.....	\$29.59	\$30.48	\$31.09
Filer-Grinderman.....	28.04-1/2	28.88-1/2	29.46-1/2

- (b) Definitions:

1. Head Filer and Grinderman:
Has supervisory responsibilities.
2. Filer-Grinderman:
Responsible for a considerable amount and variety of filing and grinding duties but without supervisory duties.

- (c) No incumbents will have their rates reduced as a result of this Agreement.
- (d) Head Filer and Grindermen will be entitled to write the Fitter T.Q. Examination. On passing the exam they shall be entitled to the certified Fitter rate shown in Section 3 above.

Section 5: Head Oiler and Oiler

The categories Head Oiler and Oiler in manufacturing plants shall receive the following rates:

	Effective June 15, 2007 Per Hour	Effective June 15, 2008 Per Hour	Effective June 15, 2009 Per Hour
Head Oiler 1	\$27.15	\$27.96-1/2	\$28.52-1/2
Head Oiler 2	26.04-1/2	26.82-1/2	27.36
Oiler 1	26.77-1/2	27.58	28.13
Oiler 2	25.73	26.50	27.03

The job descriptions for these four categories are as set forth in Appendix No. 1 of the August 1, 1997 Memorandum of Agreement.

Section 6: Graders and Tallymen

- (a) Graders and grader-tallymen with grading certificates shall receive a premium of twenty-five cents (25¢) per hour.
- (b) Grading tickets shall be permanent and valid certificates.
- (c) All graders holding grading tickets shall attend upgrading classes as required.
- (d) Graders who are required to attend upgrading classes (rule changes) shall receive their regular straight-time job rate for time spent in attending said classes.
- (e) Other employees as defined in the Letter of Understanding of January 22, 1971, who possess valid grading certificates, shall also receive the premium of twenty-five cents (25¢) per hour.

Section 7: Tools

- (a) Insurance:
 - (i) The Company shall, upon the signing of this Agreement, at its expense, insure for damage or loss caused by fire or flood, the tools of its employees which are required to be used in the performance of their work.
 - (ii) The Company shall, upon the signing of this Agreement, at its expense, insure the tools of its employees which are required to be used in the performance of their work, for loss by theft where tools are stored in a designated place of

safety within the control of the Company and there is forcible breaking and entering. The insurance coverage provided shall be subject to a deductible of fifty dollars (\$50.00) in respect of each employee's claim.

(b) Damaged or Broken:

The Company will repair or replace tools damaged or broken in the performance of regular duties.

(c) Metric Tools:

The Company will make available tradesmen's tools required upon the introduction of the metric system.

Section 8: Rate Revision

The wage scale attached hereto, Supplement No. 1, is approved by both Parties and may, subject to the mutual consent of both Parties, be revised once annually.

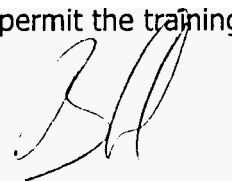
Section 9: Shift Differential

The first shift, which may vary in individual operations, is the recognized day shift. Hours worked outside the recognized day shift will be regarded as the second and third shifts. Premium rate of thirty-one cents (31¢) per hour will be paid for second and third shifts. A day shift employee working in excess of eight (8) hours will be paid the appropriate overtime rate without the differential. Persons employed other than on regular shifts shall be paid the thirty-one cent (31¢) premium rate for all hours worked outside the recognized day shift.

Section 10: Jobs and Equipment

The following provisions shall apply to new or significantly revised jobs and/or equipment:

- (a) Advance notice of change to Local Union.
- (b)
 - (i) New jobs shall be posted in accordance with Article XVI, Section 4(a).
 - (ii) Significantly revised jobs shall be posted if requested by the plant committee.
- (c) An employee shall receive the rate of his previously held job until such time as a new rate is negotiated.
- (d)
 - (i) The applicant shall have the right to revert to his original job within thirty (30) working days providing his old job still exists.
 - (ii) Management shall have the right to postpone the reversion to permit the training of a replacement.

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- (e) When a permanent rate is agreed upon the employee shall receive the difference between that rate and his interim rate from the date he started the new or revised job.
- (9) Rate negotiations to be guided by the following principles:
 - (i) Job analysis to be based on all factors including skill, knowledge, responsibility and job conditions.
 - (ii) Failing satisfaction at the Local level the Union would have the right of referral to the Interfor Rate Determination Committee.

Section 11: First Aid Attendant Training

The Company will pay the cost of training and retraining for Industrial First Aid Certificates including lost time wages to designated duty First Aid Attendants.

Section 12: First Aid Ticket Premiums - Designated Duty First Aid Attendants

Upon attaining certificates as required by WorkSafe BC, the following premiums will be paid:

- a) Occupational Rate + Premium:
 - Level 2 - Fifty cents per hour (50¢/hr.)
 - Level 3 - Eighty-five cents per hour (85¢/hr.)

- b) Full-time First Aid Attendants:
 - (i) Incumbents as of June 15, 1994:

	Effective June 15, 2007 Per Hour	Effective June 15, 2008 Per Hour	Effective June 15, 2009 Per Hour		
"AA"	\$26.75-1/2	\$27.56	\$28.11	+ 25 cents/hr.}	
"A"	26.24	27.02-1/2	27.56-1/2	+ 35 cents/hr.}	For Level 3
"B"	25.76	26.53-1/2	27.06-1/2	+ 45 cents/hr.}	Certificate
"C"	25.43-1/2	26.20	26.72-1/2	+ 55 cents/hr.}	

Incumbents in these positions as of June 15, 1994 will be Red Circled, as long as they remain in these positions.

(ii) Full-time First Aid Attendants will be paid as follows:

	Effective June 15, 2007 Per Hour	Effective June 15, 2008 Per Hour	Effective June 15, 2009 Per Hour
Level 2 -	\$25.43-1/2	\$26.20	\$26.72-1/2
Level 3 -	26.24	27.02-1/2	27.56-1/2

Section 13: Rates

The general wage increase provided for in Section 1(a) has been incorporated into all rates under this Article.

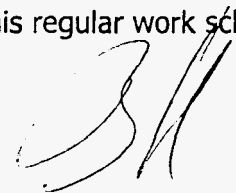
ARTICLE X – PAYDAYS

The Company shall provide for pay days every second week and each employee shall be furnished with an itemized statement of earnings and monthly deductions.

ARTICLE XI – STATUTORY HOLIDAYS AND FLOATING HOLIDAY

Section 1: Manufacturing Plants

- (a) All employees in manufacturing plants who work on New Year's Day, the designated Easter Holiday, Victoria Day, Canada Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day shall be paid rate and one-half for all hours so worked except as provided for in Article V - Hours of Work, Section 1(b) or Section (2)(b)B.
- (b) At the option of the Company, but wherever possible by mutual agreement with the Shop Committee, either Good Friday or Easter Monday shall become the designated Easter Holiday, and the Company shall notify its employees of the designation at least one (1) week prior to the said holiday.
- (c) An hourly rated employee in a manufacturing plant who qualifies for any of the holidays named in Section 1(a) herein, in accordance with the conditions set out in Section 2, shall be paid for the said holiday at his regular job rate of pay for his regular work schedule.



Section 2: Qualifying Conditions

- (a) An employee, to qualify for Statutory Holiday pay, must comply with each one of the following three conditions:
- (i) Have been on the payroll thirty (30) calendar days immediately preceding the holiday.
 - (ii) Have worked his last scheduled work day before, and his first scheduled work day after the holiday, unless his absence is due to illness, compensable occupational injury, or is otherwise authorized by the employer.
 - (iii) Notwithstanding (ii) above, the employee must have worked one (1) day before and one (1) day after the holiday, both of which must fall within a period of ninety (90) calendar days.
- (b) In case of injury or illness in (ii) above the employer shall have the right to request a medical certificate.
- (c) Employees while on leave of absence under Article XVII, Section 8 (a) or any employees while members of a Negotiating Committee under Section 8 (b) thereof shall not qualify for paid Statutory Holidays.

Section 3: Sunday Holidays

In the event that one of the within-named Statutory Holidays falls on Sunday, it shall be observed the following Monday.

Section 4: Saturday Holidays

In the event that one of the within-named Statutory Holidays falls on Saturday, it shall be observed on the preceding Friday or the succeeding Monday, or partly on one day or the other, as agreed upon between the Company and the Shop Committee.

Section 5: Weekly Work Schedule

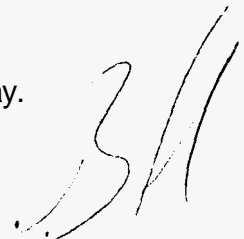
Hours paid as Statutory Holiday pay shall not be included in the weekly work schedule.

Section 6: Holiday Shift

An employee working on a paid holiday shall be paid in addition to his holiday pay rate and one-half for any hours worked on a shift designated as the "holiday shift".

Section 7: Casual Employees

It is agreed that casual employees shall not qualify for Statutory Holiday pay.

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Section 8: Arrangement for Change

In the event of a Statutory Holiday falling on a Tuesday, Wednesday or Thursday, and where the Company and Shop Committee mutually agree, the said holiday may be observed the preceding Monday or following Friday respectively.

An employee who qualifies for such Statutory Holiday on the day it occurs, and works on that day, will be paid for the Statutory Holiday at straight-time rates.

Section 9: Personal Floating Holiday

This Personal Floating Holiday is in lieu of the proposed Heritage Day but this Section shall come into operation on its effective date even if Heritage Day has or has not been proclaimed.

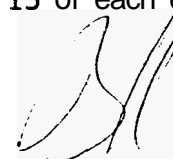
(a) Personal Floating Holiday

Regular full-time employees will be granted one (1) Personal Floating Holiday during each contract year of the Collective Agreement, to be arranged at a time suitable to the employee and the Company, so that there will be no loss of production.

(b) Qualifying Conditions

When the Personal Floating Holiday is taken, an employee shall be paid for the said holiday at his regular job rate of pay for his regular work schedule, subject to the following conditions:

- (i) A new employee must have been on the payroll for not less than ninety (90) consecutive calendar days to qualify for the Personal Floating Holiday.
- (ii) An employee will not qualify for the Personal Floating Holiday if on leave of absence for more than nine (9) months in the contract year, except in the case of sickness or injury.
- (iii) An employee shall apply on an approved form, at least seven (7) days in advance, for his Personal Floating Holiday. The employee shall receive notice of the disposition of his request a minimum of seventy-two (72) hours prior to the requested Personal Floating Holiday.
- (iv) If an employee is required to work on his Personal Floating Holiday after a definite date has been designated for such holiday, the employee shall be paid overtime for such work at the rate of time and one-half. The employee will then be entitled to take the holiday with pay at a later date to be mutually agreed upon.
- (v) Personal Floating Holiday not taken or scheduled by April 15 of each contract year will be scheduled by Management.



- (vi) A Personal Floating Holiday shall not be scheduled on an employee's regular rest day.
- (vii) Where an employee chooses Saturday or Sunday as a Personal Floating Holiday straight-time rates will apply.
- (viii) With the agreement of the Company, an employee may waive the right to a Floating Holiday, with pay in lieu.

ARTICLE XII – VACATIONS WITH PAY

With respect to annual vacations and vacation pay the following provisions will apply.

Section 1: One to Two Years' Service

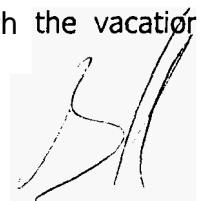
The annual vacation for employees with one (1) to two (2) years' service covered by this Agreement shall be two (2) weeks, and the pay therefore shall be based upon five per cent (5%) of the total wages or salary earned by the employee during the period of entitlement, or eighty (80) hours at the hourly rate of the employee's regular job, whichever is greater.

Section 2: Two to Seven Years' Service

- (a) The annual vacation for employees with two (2) to seven (7) years' service covered by this Agreement shall be three (3) weeks, and the pay therefore shall be based upon seven per cent (7%) of the total wages or salary earned by the employee during the period of entitlement, or one hundred and twenty (120) hours at the hourly rate of the employee's regular job, whichever is greater.
- (b) The additional one (1) week vacation provided for in this Section may be taken when convenient for the Company but does not have to be consecutive with the vacation period provided for in Section 1 herein.

Section 3: Seven to Fifteen Years' Service

- (a) The annual vacation for employees with seven (7) to fifteen (15) years' service covered by this Agreement shall be four (4) weeks, and the pay therefore shall be based upon nine per cent (9%) of the total wages or salary earned by the employee during the period of entitlement, or one hundred and sixty (160) hours at the hourly rate of the employee's regular job, whichever is greater.
- (b) The additional one (1) week vacation provided for in this Section may be taken when convenient for the Company but does not have to be consecutive with the vacation periods provided for in Sections 1 and 2 herein.

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Section 4: Fifteen to Twenty-four Years' Service

- (a) The annual vacation for employees with fifteen (15) to twenty-four (24) years' service covered by this Agreement shall be five (5) weeks, and the pay therefore shall be based upon eleven per cent (11%) of the total wages or salary earned by the employee during the period of entitlement, or two hundred (200) hours at the hourly rate of the employee's regular job, whichever is greater.
- (b) Subject to the provisions of Section 8 herein, the additional one (1) week vacation provided for in this Section may be taken consecutively with the vacation periods provided for in Sections 1, 2 or 3.

Section 5: Twenty-four to Thirty Years' Service

- (a) The annual vacation for employees with twenty-four (24) to thirty (30) years' service covered by this Agreement shall be six (6) weeks, and the pay therefore shall be based upon thirteen per cent (13%) of the total wages or salary earned by the employee during the period of entitlement, or two hundred and forty (240) hours at the hourly rate of the employee's regular job, whichever is greater.
- (b) Subject to the provisions of Section 8 herein, the additional one (1) week vacation provided for in this Section may be taken consecutively with the vacation periods provided for in Sections 1, 2, 3 or 4.

Section 6: Thirty Years' Service

- (a) The annual vacation for employees with thirty (30) years' service covered by this Agreement shall be seven (7) weeks, and the pay therefore shall be based upon fifteen per cent (15%) of the total wages or salary earned by the employee during the period of entitlement, or two hundred and eighty (280) hours at the hourly rate of the employee's regular job, whichever is greater.
- (b) Subject to the provisions of Section 8 herein, the additional one (1) week vacation provided for in this Section may be taken consecutively with the vacation periods provided for in Sections 1, 2, 3, 4 or 5.

Section 7: Vacation Pay on Termination

An employee whose employment is terminated shall receive vacation pay at the appropriate percentage of the wages or salary earned during the period of entitlement in accordance with the employee's years of service.

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Section 8: Vacation Time

- (a) Vacations for employees shall be taken at such time as mutually agreed upon by the Shop Committee and the Company when quantity and regularity of production shall not be impaired.
- (b) The employee will have the option to forego (i.e. be "paid out") any part of their earned vacation, except as may be required by law.

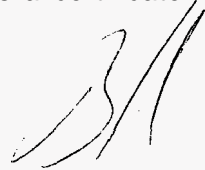
Section 9: Payment of Vacation Pay

- (a) The calculation and comparison of the vacation pay amounts developed by the percentage of gross wages method and the hours times the regular job rate method will be completed and the greater amount paid to the employee within fourteen (14) days of the common vacation pay cut-off date or the employee's anniversary date. The Company's present cut-off or anniversary date method shall be continued unless a change is agreed upon between the Company and the Local Union.
- (b) For the purposes of this Article, the rate of the employee's regular job will be the rate of the employee's regular job at the date of the common vacation cut-off date or the employee's anniversary date, as the case may be.
- (c) On the date when an employee completes one (1), two (2), seven (7), fifteen (15), twenty-four (24), or thirty (30) years' service and where there is a common cut-off date for all employees in the operation, the employee will receive:
 - (i) In the case of one (1) year, one per cent (1%) of his gross earnings between the date of employment and the date of the last common cut-off date;
 - (ii) In the case of two (2), seven (7), fifteen (15), twenty-four (24), or thirty (30) years, two per cent (2%) of his gross earnings between the date of his last anniversary date and the date of the last common cut-off date.

Section 10: Vacation Pay - Percentage of Wages Method

The following shall be considered as days actually worked for determining vacations with pay for an employee after one (1) continuous year of employment.

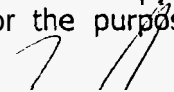
- (a) Absence on Workers' Compensation up to a period of one (1) year, provided that the employee returns to his employment.
- (b) Absence due to illness up to a period of one (1) year, provided that the employee returns to his employment. The employer shall have the right to require a certificate from a qualified medical practitioner.



- (c) Absence due to bereavement leave in accordance with the terms and conditions of Article XVII, Section 6.
- (d) Absence due to time served on jury duty, including Coroner's jury, or time served as a Crown witness or Coroner's witness in accordance with the terms and conditions of Article XVII, Section 7.
- (e) Any other absence duly approved by the employer in writing shall be credited towards entitlement for annual vacation, but time spent on such leaves of absence shall not be counted in computing vacation pay.

Section 11: Qualifications for Vacation Pay - Regular Job Rate Method

- (a)
 - (i) In order for an employee to qualify for the amount generated by the hours times the regular job rate method, the employee must have worked a minimum of fifteen hundred (1,500) hours in the employee's first year of service and a minimum of one thousand (1,000) hours during the employee's succeeding years of entitlement.
 - (ii) Where there is a common vacation pay cut-off date, for purposes of calculating minimum hours as in (i) above, the calculation period shall be from the cut-off date in one year to the cut-off date in the succeeding year.
 - (iii) Where there is no common vacation pay cut-off date, for purposes of calculating minimum hours as in (i) above, the calculation period shall be from the employee's anniversary date in one year to his anniversary date in the succeeding year.
- (b) For purposes of computing the requisite hours the following will be included:
 - (i) All hours worked;
 - (ii) Statutory Holiday hours;
 - (iii) Jury and Crown witness duty;
 - (iv) Bereavement leave;
 - (v) Vacation hours;
 - (vi) Time not exceeding one (1) year, lost as the result of an accident recognized as compensable by WorkSafe BC and suffered during the course of employment, shall be considered as time worked for the purpose of qualifying for vacation, provided that the employee returns to his employment.
 - (vii) Time not exceeding one (1) year, lost as the result of a non-occupational accident or illness, 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 (1) 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.

- (viii) Time lost as a result of layoff shall not be considered as time worked for the purpose of qualifying for requisite hours;
- (ix) Employees who report for work and who receive call time payment shall be credited with eight (8) hours for any such shift for purposes of computing requisite hours under this Section. Any employee who qualifies for call time in a day shall receive credit under this Section for eight (8) hours or credit for the hours for which wages were paid, whichever is greater.
- (x) All hours worked in more than one (1) division of the parent company as a result of transfer or layoff.

Section 12: Employment Standards Act

Part 7 - Annual Vacation of the *Employment Standards Act*, R.S.B.C., 1996, c. 113, and amendments thereto, except where varied or modified by the provisions herein, shall become a part of this Agreement.

ARTICLE XIII – CALL TIME

Section 1: Where No Work

Any employee who is called for work and on reporting finds no work available due to reasons beyond his control, shall be entitled to two (2) hours at the usual rate. This shall not apply if the Company gives sufficient notice cancelling said call.

Section 2: Where Work Commences

In the event that an employee commences work on his shift and the operation closes prior to the completion of two (2) hours' work, the employee shall receive four (4) hours' pay at the employee's regular rate, except where his work is suspended because of inclement weather or other reasons completely beyond the control of the employer, when two (2) hours must be paid.

ARTICLE XIV – HEALTH AND WELFARE

Section 1: Board of Trustees

The Board of Trustees, composed of three (3) members representing the Union and three (3) members representing the Employers, are responsible for the administration of the USW Forest

Industry Health and Welfare Plan No. 2. The Trustees are also responsible for the selection of carrier, funding, adjudication of compassionate appeals and Health and Welfare problems directly related to the Plan.

Section 2: Insurance Coverage

The following coverage will be instituted on an Industry-wide basis with a common carrier:

- (a) Group Life Insurance for each qualified employee is \$100,000.
- (b) Accidental Death and Dismemberment Insurance for each qualified employee is \$100,000, with 24 hour coverage, on or off the job.
- (c) Weekly Indemnity as follows:

The weekly indemnity benefit level will be four hundred and forty-nine dollars (\$449) per week.

The Union agrees that if the Company maintains Weekly Indemnity Plan benefits which will meet the standard requirements for full premium reduction for "wage loss replacement plan under the Employment Insurance Act", the employees' 5/12th share of the premium reduction is retained as payment in kind in the provisions of the Weekly Indemnity Plan benefits.

Effective June 15, 2007, a "No **Downs**" provision is introduced so that the four hundred and forty-nine dollar (\$449) per week rate will not be reduced by further reductions by E.I.C. of the maximum insurable earnings number.

(i) Third Party Subrogation

The parties agree to recommend to the Trustees of the Health and Welfare Plan No. 2 that a third party subrogation clause be adopted so that the Weekly Indemnity Plan can be reimbursed from damages recovered from a liable third party for illness, injury or income loss. The Plan will be entitled to recover the full amount of benefits paid to the member which exceeds 100% of the member's pre-disability gross income. Gross income will be calculated by using the member's regular hourly job rate times (x) 40 hours. Trustees to work out the application and details, including the deduction of legal fees from the settlement and the execution of a reimbursement agreement.

(ii) WI/WorkSafe BC Interface

The parties agree to recommend to the Trustees of the Health and Welfare Plan No. 2 that the benefit payment period terminates when a combined total of 26 weeks of payment have been made from the Plan and WorkSafe BC in the form of temporary wage loss or income continuity benefits.

(iii) Experience Surcharge Program



An Experience Surcharge Program will be introduced which will penalize employers in Health and Welfare Plan No. 2 who have claims experience in excess of 125% of the contribution rate on a three-year rolling average basis, as in the Southern Interior Health and Welfare Plan.

(iv) Experience-rated Rebate System

The Trustees of the Health and Welfare Plan No. 2 are hereby directed to jointly develop and introduce into the Plan an experience-rated rebate system which, along with the existing experience surcharge system, will serve as an incentive to establish and improve effective disability management programs on an operational basis.

(v) The Trustees of the Health and Welfare Plan No. 2 will be directed to amend Section 6.03 of the Plan Text to permit laser surgery (except where such laser surgery is for cosmetic purposes rather than for a medical reason) to qualify the member for a Weekly Benefit Commencement Date from his/her first day of disability.

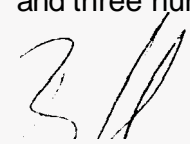
(vi) The Trustees of the Health and Welfare Plan No. 2 will be directed to make the necessary changes in procedures to allow weekly indemnity cheques to be sent directly to the employee's residence, if requested by the employee.

(vii) The Trustees of the Health and Welfare Plan No. 2 will be directed to change the Health and Welfare Plan text to provide that the fifty-two (52) week Weekly Indemnity Period will change to twenty-six (26) weeks for employees who become disabled on or after July 1, 2004.

Section 3: Medical Coverage

Medical coverage including Extended Health Benefit coverage shall be provided by the Company at no cost to the employee. The Extended Health Benefit coverage shall include:

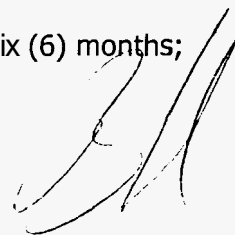
- (a) Hospitalization coverage up to a maximum of \$8.50 per day;
- (b) The Vision Care limit will be, relative to the purchase of lenses and frames or contact lenses when prescribed by a person legally qualified to make such prescription, two hundred and fifty dollars (\$250) per member or dependent in any 24-month consecutive period.
- (c) The Physiotherapist / Massage Practitioners' limit will be five hundred and fifty dollars (\$550) per member or dependent per calendar year,
- (d) The Chiropractors / Naturopathic Physicians' limit will be six hundred dollars (\$600) per member or dependent per calendar year.
- (e) The Orthopedic Shoes limit will be five hundred dollars (\$500) [adults], and three hundred dollars (\$300) [child] per calendar year.



- (f) Coverage for prescribed orthotics will be established with a maximum limit of two hundred dollars (\$200) per member or dependent per calendar year.
- (g) Effective June 15, 1999, the Hearing Aids limit will be five hundred and fifty dollars (\$550) per member or dependent, every five years, unless there is alternate coverage provided for.
- (h) For the period July 1, 2003 to the expiry date of the contract, the maximum medical travel allowance payable is \$ 1,600.00 / member or dependent, subject to a \$ 800.00 maximum in any one year for the period July 1, 2007 to the expiry date of the contract. In the event that a member or dependent's claim for medical travel allowance during the 2003 - 2007 contract year was not allowed because it exceeded the maximum of \$1,065.00, such claim can be re-submitted.
- (i) The annual Extended Health Benefits Plan benefits deductible for an individual or family will be seventy-five dollars (\$75.00).
- (j) The Extended Health Benefit Plan's lifetime maximum payable shall be sixty thousand dollars (\$60,000).
- (k) The Company will provide employees with an Extended Health Benefit Pay-Direct Card based on a Provincial Pharmacare only formulary patterned after the existing IFLRA-USW model in the Southern Interior, effective January 1, 2008.

Section 4: General Principles

- (a) Premium cost for insurance shall be paid for by the Company.
- (b) Participation in the Plan is to be a condition of employment.
- (c) Any new employee who has not worked in covered employment in the last eighteen (18) months will be eligible to become a covered employee on the first day of the month following completion of the probationary period. However, for such employee coverage for the Medical Services Plan and for the Extended Health Benefit will apply on the first day of the month following the date of employment.
- (d) Coverage will be portable in all units covered by collective agreements between members of International Forest Products Limited, the Interior Forest Labour Relations Association, the Council on Northern Interior forest Employment Relations, Canfor Limited, USW-Forest Industry Health & Welfare Plan No. 2 and the Union, and there shall be no waiting period for qualified employees changing employers within the Industry.
- (e) Coverage during layoff will be provided as follows:
 - (i) Employees with one (1) or more years' seniority - six (6) months;

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- (ii) Employees with more than four (4) months' but less than one (1) year's seniority - three (3) months.
- (f) In order for reinstatement of layoff coverage to occur there must be a return to regular full-time employment. An employee returns to regular full-time employment when he is employed for ten (10) working days within a floating period of thirty (30) consecutive days.

Also, an employee who returns to work for at least one (1) working day and less than ten (10) working days will be covered for that month, in addition to any layoff coverage to which he was entitled, if the recall occurred during the period of layoff coverage.
- (g) There will be no duplication of Weekly Indemnity and Pension Plan payments.
- (h) Weekly Indemnity coverage will be eliminated for an employee on an extended leave of absence under Article XVII - Leave of Absence, Section 5: Compassionate Leave, provided however that such employee is eligible for Weekly Indemnity coverage on the agreed-upon day of return to work. In order to qualify for this coverage the employee must have returned to his place of residence in British Columbia unless his disability required him to be hospitalized and satisfies the requirements of the claims adjudication carrier. In the case of a compassionate appeal dealing with disability incurred during an extended leave of absence, the Trustees have the right to review certain circumstances.
- (i) Employees on extended leave of absence under Article XVII - Leave of Absence, Section 5: Compassionate Leave will pay their own premiums for the Medical Services Plan, Extended Health Benefit and Dental Plan, while the premiums for Group Life Insurance and Accidental Death and Dismemberment Insurance will be paid by the employer during such extended leave of absence.

Section 5: Dental Plan

- (a) A Dental Plan will be provided based on the following general principles:
 - (i) Basic dental services (Plan A) - Plan pays 80% of approved schedule of fees.
 - (ii) Prosthetics, crowns, and bridges (Plan B) - Plan pays 60% of approved schedule of fees.
 - (iii) Orthodontic (Plan C) - Plan pays 60% of approved schedule of fees (lifetime maximum \$2,500), with no waiting period. The lifetime maximum limit will be \$3,000 for children only.
- (b) For individuals sixteen (16) years and older, one check-up will be covered every nine (9) months and for children under the age of sixteen (16) years, one check-up will be covered every six (6) months.
- (c) Bite-wing x-rays will be covered every eighteen (18) months.



- (d) The principles set out in Section 4 shall apply to the Dental Plan.

ARTICLE XV – LONG TERM DISABILITY PLAN

A Long Term Disability Plan will be provided based on the following general principles:

- (a) The contributions from both the Industry and the employee will be eighty cents (80¢) per hour per employee per hour worked of which the Industry will contribute forty cents (40¢) and the employee will contribute forty cents (40¢).
- (b) A Board of Trustees will be constituted with equal representation from the Union and the Industry, to be responsible for establishing the terms of the Plan and the on-going administration.
- (c) The Trustees will select a qualified actuary to assist them and to ensure the establishment of actuarially sound reserves to fund the benefits provided by the Plan.
- (d) The Trustees will enter into a Trust Agreement which will include provision for a procedure to settle any major dispute that may arise with regard to the provisions of the Plan.
- (e) Protection Against Withdrawals: Withdrawing employer to be assessed for both the employer and employee share of the unfunded liability in cases of negotiated withdrawal, decertification or relocation closure. Unfunded liability formula to be uniform and based on Plan Unfunded Liability divided by the total number of Plan members (at the time of most recent Plan Valuation) multiplied by the number of Plan members affected by the withdrawal. Trustees to be directed to amend the participation agreement accordingly.

Rehabilitation, Return-to Work, Disability Management

The Industry and the Union will jointly consider Plan modifications that will both improve the delivery of Rehabilitation within the Long Term Disability Plan, and will encourage and facilitate the development and establishment of Disability Management systems in participating employers' operations.

The Trustees are directed to develop Plan modifications that will:

- (i) improve the timeliness, effectiveness and quality of Rehabilitation from the Plan; and
- (ii) provide incentives to Employers and Local Unions to establish Disability Management systems at the operations level.



In the event that there are savings to the Long Term Disability Plan as a result of either Disability Management Systems, or amendments to Rehabilitation, consideration can be given to dispersal of these funds for further improvements in either of the above areas,

Where the Trustees reach agreement on modifications in the above areas, implementation can occur at the direction of the Trustees. Should additional funding be required to implement the Trustees' recommendations, their recommendations will be forwarded to the respective Negotiating Committees to be dealt with.

ARTICLE XVI – SENIORITY

Section 1: Principle

- (a) The Company recognizes the principle of seniority, Competency considered. In the application of seniority, it shall be determined first by department and second by plant seniority.
- (b) The selection and promotion of supervisory officials shall be entirely a matter for the Company's decision, but in making such selection or promotion, length of continuous service shall be given due consideration.

Section 2: Reduction & Recall of Forces

- (a)
 - (i) In the event of a reduction of the forces, the last person hired shall be the first released subject to the competency of the person involved and the provisions of Section 1. Where a reduction of forces is caused by emergency conditions the application of plant seniority may be postponed for such period as may be necessary but not exceeding five (5) working days. If the Company decides to exercise its right under this provision it shall notify the Shop Committee as soon as possible.
 - (ii) When recalling forces after a period of layoff following a reduction of forces, an employee shall be recalled in order of his plant seniority subject to the competency of the person involved and the provisions of Section 1.
- (b) During a reduction of forces where an employee's seniority is such that he will not be able to keep his regular job he may elect to apply his seniority to obtain a job paying a higher rate, subject to the competency of the person involved and the provisions of Section 1.
- (c) During a reduction of forces where an employee's seniority is such that he will not be able to keep his regular job he may elect whether or not to apply his seniority to obtain a lower paid job or a job paying the same rate of pay or accept a layoff until his regular job becomes available, provided however:
 - (i) If during the layoff period the employee wishes to return to work and so notifies the Company, he shall be called back to work as soon as his seniority entitles him to a job.



(ii) The application of this provision shall not result in an employee, in the exercise of his rights, bumping an employee with less seniority.

(d) Details of the application of this Section shall be worked out by the Local Union and the Company.

Section 3: Retention During Layoff

It is agreed between the Parties that seniority during layoffs shall be retained on the following basis:

(a) Employees with less than one (1) year's service shall retain their seniority for a period of six (6) months.

(b) Employees laid off after June 14, 2003 with one (1) or more years' service shall retain their seniority for one (1) year, plus one (1) additional month for each year's service, up to an additional twelve (12) months.

A laid off employee's seniority retention under (a) and (b) above is reinstated upon the completion of one (1) day's work.

It shall be the employer's responsibility to maintain an address file of his employees and it shall be the employee's responsibility to notify his employer in writing of any change of address.

Section 4: Job Posting

(a) Vacancies shall be posted in advance for a period of not less than two (2) working days except when otherwise agreed.

(b) This Section shall not apply to temporary replacements of two (2) weeks or less necessitated by illness, injury, or other leave of absence, or to temporary replacements of longer duration for employees on vacation, but in filling these vacancies senior employees will be given preference in accordance with Article XVI, Section 1.

Section 5: Departments

The Shop Committee and the Company shall meet immediately after the conclusion of the Agreement and outline the basis of departments for seniority purposes. It is agreed that the number of departments will be kept as low as possible, compatible with efficient and economic operation.

Section 6: Probationary Period

(a) Notwithstanding anything to the contrary contained in this Agreement save and except the provisions of Clause (b) of this Section, it shall be mutually agreed that all employees

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are hired on probation, the probationary period to continue for sixty (60) working days, during which time they are to be considered temporary workers only, and during this same period no seniority rights shall be recognized. Upon completion of sixty (60) working days, they shall be regarded as regular employees, and shall then be entitled to seniority dating from the day on which they entered the Company's employ, provided however, that the probationary period of sixty (60) working days shall only be cumulative within the six (6) calendar months following the date of entering employment.

- (b) Clause (a) of this Section does not apply to employees who move from one operation of a Company to another operation of the same Company within thirty (30) days for those laid off; and within ninety (90) days for those terminated as a result of a permanent closure.
- (c)
 - (i) It is agreed that probationary employees will have preference over casual employees for any work performed during the normal work week, subject to competency.
 - (ii) It is further agreed that in the application of (i) above, probationary employees will be called in for work in accordance with their hiring date, unless such call-in is beyond the control of the employer, and is subject to the employee being competent to perform the work. This obligation does not apply where the employee cannot be readily contacted or where the employee has already worked one shift in the 24-hour period.

Section 7: Absence Without Leave

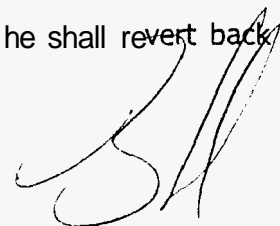
Any employee who is absent without leave for a period of more than three (3) consecutive working days shall forfeit all seniority rights. This shall not interfere with the employer's right to discharge for proper cause.

Section 8: Seniority List

It is agreed that a seniority list will be supplied to the Union by the Company twice during each calendar year, setting out the name and starting date with the Company and the starting date for department seniority of each regular employee. The Company will advise the Union once each month of changes to the said list.

Section 9: Reinstatement

- (a) In any case where an employee has been transferred by the Company to a supervisory position and at a later date ceases to be a supervisory worker, and the Company desires to retain his services, it is hereby agreed that reinstatement can be made within the bargaining unit in line with his bargaining unit seniority. The following options shall prevail:
 - (i) If the Supervisor has the bargaining unit seniority, he shall revert back to his previously held job, or,

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- (ii) If the Supervisor does not have the bargaining unit seniority as outlined in (i) above, he may apply his seniority to a job commensurate with his bargaining unit seniority, competency considered, or,
- (iii) If the Supervisor does not have the bargaining unit seniority to obtain a job, he shall be laid off and subject to all the provisions of the Collective Agreement.

- (b) Employees who are required for temporary supervisory duty for a period of not more than sixty (60) working days in each calendar year shall continue to accumulate their seniority. These employees will return to the job they held prior to the temporary supervisory assignment.

Should any special circumstances arise which will require an extension of this provision, the same shall be discussed between the Local Union and Management, and if agreement is reached, the period may be extended.

Section 10: Seniority and Sub-contracting

The Company will extend its consultative and remedial processes in connection with sub-contracting in order to establish closer lines of communication with the Union with respect to giving reasonable notice of its intentions and exploring ways and means of integrating senior employees into other jobs where sub-contracting takes place.

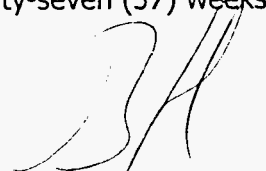
ARTICLE XVII – LEAVE OF ABSENCE

Section 1: Injury or Illness

The Company will grant leave of absence to employees suffering injury or illness for the term of this Agreement, subject to a medical certificate if requested by the employer. The employee shall have a reasonable period of time to present such medical certificate. The employee shall report or cause to have reported the injury or illness which requires his absence to the Company as soon as may be reasonably possible.

Section 2: Pregnancy and Parental Leave

- (a) Female employees shall be entitled to unpaid pregnancy leave of up to seventeen (17) weeks.
- (b) A female employee is entitled to up to 6 additional consecutive weeks of unpaid leave if, for reasons related to the birth or the termination of the pregnancy, she is unable to return to work when her leave ends under section 2(a).
- (c) On the advice of her doctor, if a pregnant employee requests a transfer due to workplace conditions, she will be provided alternate work, if available.
- (d) Employees shall be entitled to unpaid parental leave of up to thirty-seven (37) weeks.

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- (e) If the child has a physical, psychological or emotional condition requiring an additional period of parental care, the employee is entitled to up to an additional 5 consecutive weeks of unpaid leave, beginning immediately after the end of the leave taken under section 2(d).
- (f) An employee's combined entitlement to leave under section 2(a) and section 2 (d) is limited to 52 weeks, plus any additional leave the employee is entitled to under section 2(b) or section 2(e).

Section 3: Written Permission

Any employee desiring leave of absence must obtain permission in writing from the Company for such leave, except in cases of illness or injury covered by Section 1 above.

Section 4: Family Responsibility and Compassionate Care Leave

Family Leave:

An employee is entitled to up to 5 days of unpaid Family Leave during each employment year to meet responsibilities related to:

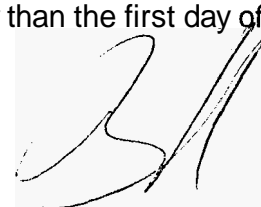
- (a) the care, health or education of a child in the employee's care, or
- (b) the care or health of any other member of the employee's immediate family.

Compassionate Care Leave:

(a) In the following sub-sections "family member" means a member of the employee's immediate family and includes the spouse, child, parent, guardian, sibling, grandchild or grandparent of any person who lives with an employee as a member of the employee's family. It includes common-law spouses, step-parents and step-children and same-sex partners and their children as long as they live with the employee as a member of the employee's family.

(b) An employee who requests Compassionate Care Leave under this section is entitled to up to eight (8) weeks of unpaid leave to provide care or support to a family member if a medical practitioner issues a certificate stating that the family member has a serious medical condition with a significant risk of death within twenty-six (26) weeks, or such other period as may be prescribed after:

- (i) the date the certificate is issued, or
 - (ii) if the leave began before the date the certificate is issued, the date the leave began.
- (c) The employee must give the employer a copy of the certificate as soon as practicable.
- (d) An employee may begin a leave under this section no earlier than the first day of the week in which the period under subsection (b) begins.



- (e) A leave under this subsection ends on the last day of the week in which the earlier of the following occurs:
 - (i) the family member dies;
 - (ii) the expiration of 26 weeks or other prescribed period from the date the leave began.
- (f) A leave taken under this subsection must be taken in units of one or more weeks.
- (g) If an employee takes a leave under this section and the family member to whom the subsection applies does not die within the period referred to in that subsection, the employee may take a further leave after obtaining a new certificate in accordance with this subsection.

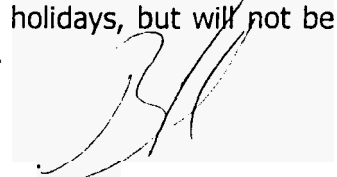
Section 5: Compassionate Leave

The Company will grant leave of absence up to a maximum of six (6) months without pay to employees for compassionate reasons or for educational or training or extended vacation purposes, conditional on the following terms:

- (a) That the employee apply at least one (1) month in advance unless the grounds for such application could not reasonably be foreseen.
- (b) That the employee shall disclose the grounds for application.
- (c) That the Company shall grant such leave where a bona fide reason is advanced by the applicant, or may postpone leave for educational or training purposes where a suitable replacement is not available.
- (d) That the Company shall be required to consult with the Shop Committee in respect of any application for leave under this Section.

Section 6: Bereavement Leave

- (a) 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 for which he shall be compensated at his regular straight-time hourly rate of pay for his regular work schedule for a maximum of three (3) days.
- (b) Members of the employee's immediate family are defined as the employee's spouse, mother, father, brothers, sisters, sons, daughters, mother-in-law, father-in-law, sons-in-law, daughters-in-law, stepchildren, step-parents, grandparents, grandparents-in-law and grandchildren.
- (c) 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.



Section 7: Jury Duty

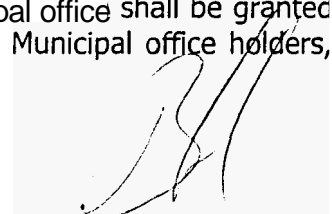
- (a) Any regular full-time employee who is required to perform jury duty, including Coroner's jury duty, or who is required to appear as a Crown witness or Coroner's witness on a day on which he would normally have worked will be reimbursed by the Company for the difference between the pay received for the said 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 the said jury or witness duty. The employee will be required to furnish proof of jury or witness service and jury or witness duty pay received.
- (b) Hours paid for under the provisions 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.

Section 8: Union Business

- (a) The Company will grant leave of absence to employees who are appointed or elected to Union office. The employee who obtains this leave of absence shall return to his Company within thirty (30) calendar days after completion of his term of employment with the Union.
- (b) The Company will grant leave of absence to employees who are elected as representatives to attend Union meetings and Union conventions or as members of any Negotiating Committee of USW in order that they may carry out their duties on behalf of the Union.
- (c) In order for the employer to replace the employee with a competent substitute, it is agreed that before the employee receives this leave of absence, as set forth in Clauses (a) and (b) above, the employer will be given due notice in writing; in the case of (a), twenty (20) calendar days; and in the case of (b), five (5) calendar days.

Section 9: Public Office

- (a) The Company will grant leave of absence for campaign purposes to candidates for Federal, Provincial or Municipal elective public office for periods up to and including eight (8) weeks, provided the Company is given due notice in writing of twenty (20) calendar days, unless the need for such application could not reasonably be foreseen.
- (b) Employees elected or appointed to Federal, Provincial or Municipal office shall be granted as much leave as is necessary during the term of such office. Municipal office holders,

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where the term of public office is served intermittently, shall give the Company reasonable notice for absences from work for conducting Municipal business.

- (c) The employee who obtains this leave of absence shall return to his Company within thirty (30) calendar days after completion of public office.

ARTICLE XVIII – HEALTH AND SAFETY

Section 1: Common Concern and Responsibility

The Company and the Union acknowledge their common concern and responsibility for maintaining a safe and healthy working environment to prevent industrial injury and illness. In order to effect a thoroughly understood and accepted Safety and Health Program for employees at work, it is agreed that joint and cooperative methods shall be encouraged.

The Company shall continue to make provisions for the health, safety and working environment of the employees. All employees, Plant or Camp Chairs, Co-chair of the OHSC, appropriate Safety Representatives and /or Crew Safety Representative and representatives of the Union shall have the right to discuss matters dealing with health, safety and environmental conditions. Matters brought forward will be investigated promptly. To this end, Joint Occupational Health and Safety Committees will be established.

Section 2: Joint Occupational Health & Safety Committee

- (a) The Joint Occupational Health & Safety Committee (OHSC) shall be comprised of
 - (i) Where there are twenty (20) or more employees, at least four (4) members,
 - (ii) Where there are fewer than twenty (20) employees, at least one (1) Union and one (1) Company representative.

The Joint Committee must consist of worker representatives and employer representatives who have knowledge of the area they represent, and at least half shall be worker representatives. There shall be two (2) Co-chairs, one (1) a Union representative and the other a Company representative.


- (b) All serious incidents, dangerous occurrences and near miss incidents shall be investigated by persons knowledgeable in the type of work involved and the Co-chair of the Plant or Camp OHSC or their designates.
- (c) The Company and Union agree to fully cooperate with the OHSC and the Company will provide reasonable facility to carry out inspections and investigations, and will provide access to all reports, plans and records pertinent to the work of the OHSC.




- (d) The occupational health and safety program must be designed to prevent injuries and occupational diseases, and without limiting the generality of the foregoing, the program must include:
- (i) a statement of the employer's aims and the responsibilities of the employer, supervisors and workers, including contractors and sub-contractors;
 - (ii) provision for the regular inspection of premises, equipment, work methods and work practices, at appropriate intervals, to ensure that prompt action is undertaken to correct any hazardous conditions found;
 - (iii) appropriate written instructions, available for reference by all workers;
 - (iv) provision for holding periodic Union-Management meetings for the purpose of reviewing health and safety activities and incident trends, and for the determination of necessary courses of action;
 - (v) provision for Safety Suggestion forms approved by the OHSC's and utilized so that employee suggestions can be documented and dealt with promptly by the first line supervisor. Suggestions will also be forwarded to the OHSC;
 - (vi) provision for holding periodic OHSC meetings at least monthly;
 - (vii) provision for prompt investigation of incidents to determine the action necessary to prevent their recurrence;
 - (viii) the maintenance of records and statistics, including reports of inspections and incident investigations, with provision for making this information available to the joint committee and included in the OHSC minutes;
 - (ix) provision by the employer for the training and supervision of workers in the safe performance of their work.
- (e) The Co-chairs of the Joint Occupational Health & Safety Committee or their designates shall accompany a WorkSafe BC inspector during workplace visits.

Section 3: Pay for Meetings

- (a) The Company will pay straight-time rates, not exceeding two (2) hours per week, to employee members for the actual time spent in attending OHSC meetings outside of working hours.
- (b) The rate to be paid to employee members shall be the employee's regular straight-time job rate.
- (c) Where OHSC meetings are held during working hours, with the consent of the Company, the employees' time will not be deducted for attending such meetings or investigations into accidents.

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Section 4: Minutes

The Company will provide and post minutes of all Joint Occupational Health & Safety Committee meetings within five (5) working days following such meetings, exclusive of Saturdays, Sundays, and recognized holidays. The minutes will be jointly signed by the Co-Chairs of the OHSC or their designates and if there are any disputes they shall be recorded in the minutes. The Joint OHSC minutes will be submitted to the Manager and Local Union.

Section 5: Injuries & Claims

- (a) Should the Company request a meeting with an employee to discuss his claim with WorkSafe BC, he will be entitled to request a Union representative when practicable.
- (b) If an Employee requests a copy of the Company First Aid Report completed by the First Aid Attendant involving his report, it shall be provided.

Section 6: Serious Incidents, Dangerous Occurrences and Near Misses

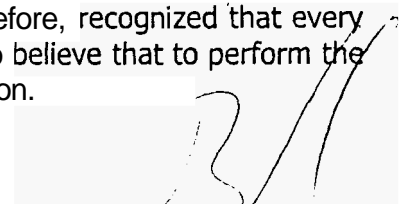
- (a) The Union Co-Chairperson or his designate and a member of the Occupational Health & Safety Committee, shall be notified promptly in order that he may be accompanied to the site of a serious incident or near miss required to be reported to WorkSafe BC.
- (b) The incident scene shall not be disturbed, except for the purpose of saving life or relieving human suffering, until the employee members referred to in (a) have had the opportunity to inspect and investigate the site, and the WorkSafe BC officer authorizes such disturbance.
- (c) In such cases a representative of the Union shall have access for investigations which shall be arranged expeditiously if requested, and Company officials shall accompany the Union official.

Section 7: Fatalities

- (a) In addition to Section 6 if a workplace fatality occurs, the Company shall notify the President of the Local Union in order that he may designate two (2) employees, who shall, within sixteen (16) hours of such fatality, be accompanied on an inspection of the accident site and, at the same time, be provided with all available pertinent information concerning the fatality. Employees of the company so designated shall not lose regular pay for participation in this process.
- (b) Any one or all employees working in the immediate proximity when a fatal accident has occurred may without discrimination refrain from working the balance of the shift.

Section 8: Right to Refuse Unsafe Work

The Company and the Union agree to cooperate in developing and maintaining a strong sense of safety awareness among employees and supervisors. It is, therefore, recognized that every employee has the right to refuse work if he has reasonable cause to believe that to perform the work would create undue hazard to the health or safety of any person.

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- (1) An employee must not carry out or cause to be carried out any work process or operate or cause to be operated any tool, appliance or equipment if that employee has reasonable cause to believe that to do so would create an undue hazard to the health and safety of any person.
- (2) An employee who refuses to carry out a work process or operate a tool, appliance or equipment pursuant to subsection (1) must immediately report the circumstances of the unsafe condition to his or her supervisor or employer.
- (3) A supervisor or employer receiving a report made under subsection (2) must immediately investigate the matter and
 - (i) ensure that any unsafe condition is remedied without delay, or
 - (ii) if in his or her opinion the report is not valid, must so inform the employee who made the report.
- (4) If the procedure under subsection (3) does not resolve the matter and the employee continues to refuse to carry out the work process or operate the tool, appliance or equipment, the supervisor or employer must investigate the matter in the presence of the employee who made the report and in the presence of
 - (i) an employee member of the joint committee, or
 - (ii) another employee who is selected by the Union.
- (5) If the investigation under subsection (4) does not resolve the matter and the employee continues to refuse to carry out the work process or operate the tool, appliance or equipment, both the supervisor, or the employer, and the employee must immediately notify an officer of WorkSafe BC, who must investigate the matter without undue delay and issue whatever orders are deemed necessary.

Section 9: Injury at Work

When an employee is injured at work and the examining physician recommends that the employee not return to work he shall be paid at his hourly rate of pay for the remainder of the day on which he was injured. When the examining physician states that the injured employee is not able to return to work on the same day, the employee shall be paid his hourly rate of pay for the total time lost as a result of the injury on the day of the accident. The Company shall provide transportation required for employees injured at work, to their final destination, whether it be a hospital or home.

Section 10: WHMIS

The Company will continue with its Workplace Hazardous Materials Information System (WHMIS) Training Program to ensure that all employees are kept up-to date with material identification and use.

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Section 11: Contractors & Sub-Contractors

- (a) The Company shall inform all contractors and sub-contractors of relevant Safety Rules and Procedures and shall ensure such Regulations and Safety Rules are enforced.
- (b) The Company further agrees that procedures are in place for the transportation of all injured workers.

Section 12: Safety & Health Research Program

The USW – Forest Industry Safety and Health Research Program will be maintained.

- (a) The Plan will be jointly trusteeed.
- (b) The Plan is to be funded on the basis of an Industry contribution of one half cent (1/2 cent) per hour per employee per hour worked.

ARTICLE XIX – UNION-INDUSTRY STANDING COMMITTEE

The Parties agree to establish forthwith a high level Standing Joint Committee comprised of three (3) members from the Union and three (3) members from Industry to study issues arising from changing conditions in the Forest Products Industry. This Committee will be referred to as the Union-Industry Standing Committee or Standing Committee.

Either Party may request the Honourable Minister of Labour of the Province of British Columbia to convene the first meeting of the Union-Industry Standing Committee. Regular meetings shall then be scheduled by the Parties.

The Committee shall seek assistance from the Provincial Department of Labour in these studies through the provision of statistical services.

ARTICLE XX – CONTRACTORS AND SUB-CONTRACTORS

- (a) As of the date of the signing of the Memorandum of Agreement the Industry agrees that as of the 5th day of December, 1986, the introduction of a Contractor or Sub-contractor into an operation will not result in the loss of full-time positions held by regular employees in the operation, except where justified by special circumstances.

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- (b) A Joint Contracting Review Committee will be established. The Committee will be comprised of an equal number of representatives from USW District 3 and from International Forest Products Limited.
- (c) The parties agree that if there is a dispute arising with respect to clause (a) herein which the parties are unable to settle between themselves, the parties shall request the Joint Contracting Review Committee to assist them in resolving the dispute.
- (d) The parties agree that at the conclusion of the process outlined in clause (c), if a resolution is not reached, either party may request a hearing before the umpire with respect to the interpretation, application, operation or alleged violation of clause (a) herein, and such a hearing will be arranged by the Joint Contracting Review committee.
- (e) If the parties agree that the selection of the umpire shall be David McPhillips or Stan Lanyon, for the term of the Collective Agreement.
- (9) The umpire will be assisted by a nominee from each party.
- (g) The dispute shall be determined by arbitration on an expedited basis. The decisions of the umpire will be made in writing and all decisions will be final and binding upon the parties.

ARTICLE XXI – NEW AND EVOLVING WORK

The Parties agree to a process which will seek to balance the economic concerns of the company while increasing access for company employees to participate in new and evolving work within the Coastal forest Industry.

The process is a complicated and delicate balance requiring the Company and Local Union to approach issues based on the points listed below,

- 1) It is desirable to have Company employees perform work for which they are reasonably capable with bargaining unit, i.e.
 - 2nd Growth Harvesting
 - Phase contracting
 - Processing of lower value products
 - Value added
 - Remanufacturing
- 2) The Company and Local Union are committed to working together towards making new work opportunities available to company employees. It is understood to accomplish these goals the parties must achieve:
 - (a) efficiency and cost effectiveness,

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- (b) quality objectives, and
- (c) safety.
- 3) The Parties recognize that they cannot reasonably anticipate all circumstances and situations which may arise so cannot prescribe comprehensive solutions in advance.
- 4) There may be constraints which make it impractical or unreasonable for Company employees to perform all the work within the bargaining unit.
- 5) Issues must be resolved in a timely fashion.

Dispute Resolution Process:

In order to assist the Company and Local Union in resolving disputes which may arise as a result of this Letter of Understanding, International Forest Products and the USW agree to:

- (a) Establish a joint Dispute Resolution Committee comprised of two (2) representatives from management and two (2) representatives from the Union to fact find and assist the Company and Local Union in reaching a solution. The parties agree to name the committee within thirty (30) days of execution of the Collective Agreement.
- (b) Management or Local Union can request the assistance of the Dispute Resolution Committee.
- (c) The Dispute Resolution Committee will utilize the services of facilitators, mediators or whatever means in order to reach a final recommended resolution.
- (d) Where the regular company employees are displaced by reduction in the Annual Allowable Cut or other land use decisions that result in the downsizing or closure of manufacturing plants or logging operations, the parties agree to meet to discuss ways to mitigate against job loss.
- (e) If there is a dispute regarding the process outlined under this Article, either party may refer the matter to the grievance procedure, under Article XXIX – Adjustment of Grievances. The jurisdiction of an arbitrator appointed under this section is limited to examining whether or not the N.E.W. process has been followed.

ARTICLE XXII - EMPLOYEE WELLNESS

Section 1: Employee and Family Assistance

The Company will provide an employee and family assistance service. Coverage will be provided by the Lower Mainland Assessment and Referral Service.



Section 2: Anti-Harassment

The Company and Union agree that there shall be no discrimination against any employee because of a person's race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sex, sexual orientation, union membership, or because of a criminal or summary conviction that is unrelated to the employment or intended employment of that person.

As of January 1, 2008 the above prohibited grounds of discrimination will be amended to include age. Nothing in this Article impacts the ability of the Company to apply mandatory retirement policies up to and including December 31, 2007.

ARTICLE XXIII – EDUCATION TRUST FUND

The Parties agree to establish a Fund based on the following parameters:

1. The Fund to be structured so as to comply with all requirements of a trust as specified by Revenue Canada.
2. The Company will contribute to the Fund and will continue such contributions throughout the period of the Collective Agreement. The contribution will be three cents (3¢) per hour per employee per hour worked for the term of the Collective Agreement.
3. The Funds will be collected by the IWA-Forest Industry Pension Plan Office and directed to the Education Trust Fund.
4. The Fund will be jointly trusteeed by representatives as appointed by the USW and the Industry.
5. The Fund will be subject to annual audits by an independent public accounting firm selected by the Trustees.
6. The Fund will provide funding for the purpose of Union education which may include:

Grievance Handling
Collective Bargaining
Environmental Issues
Land Use Issues
Stewards Training
Parliamentary Procedure & Public Speaking
Communication Skills
Leadership Training
Economic Issues
Benefits Training
Health and Safety
Union History

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Without limiting the generality of the foregoing, the Fund will be used to develop and deliver programs, and to pay for administration costs, time lost from work to attend education and training, travel, accommodation and such other reasonable costs as the Working Committee determines appropriate regarding the operation and administration of the Fund.

7. The Working Committee will be comprised of representatives of each participating Local Union who would have responsibility for the development and delivery of Education and Training and Administration of Funds consistent with the purpose stated in point 6 above.

ARTICLE XXIV – SAFETY EQUIPMENT

- (a) Where the following articles of equipment are required to be used by the Employer or by WorkSafe BC, the Employer shall:

- (i) supply new employees with the articles of equipment as required,
- (ii) supply employees moving to another department with the articles of equipment they require and that they do not have at the time of the move, or
- (iii) replace articles of equipment as required when they are presented worn or damaged beyond repair by an employee, at no cost to the employee,

- | | |
|--------------------------|--------------------|
| 1. Aprons | 5. Dust protection |
| 2. Hard hats | 6. Eye protection |
| 3. Welding goggles, etc. | 7. Ear protection |
| 4. Flotation equipment | 8. Gloves |

- (iv) replace gloves as required at no cost to the employee, only when they are presented worn or damaged beyond repair; otherwise the replacement will be at the expense of the employee.

- (b) The Employer shall make coveralls available and maintain same for use by End Sprayers, Panel Sprayers, Oilers, Filer-Grinders and Tradesmen.

- (c) The Employer shall be required to make available at cost to those employees who are required to wear them, the following articles:

- | | |
|-----------------|--------------|
| 1. Caulk boots | 3. Rain gear |
| 2. Safety shoes | 4. Coveralls |

- (d) Companies that supplied safety equipment and clothing at no cost to the employee on the effective date of this Agreement will continue to do so at no cost to the employee.



(e) Employees who have six (6) months' or more seniority, or upon obtaining six (6) months' seniority, are entitled to an allowance for caulk boots on one of the following bases:

(i) An employee who is required, to wear caulk boots by WorkSafe BC in the course of his duties shall receive annually a one hundred and twenty dollar (\$120) caulk boot allowance, or

(ii) An employee who is required to wear caulk boots on a regular basis for a period of not less than six (6) calendar months within a year shall receive annually a two hundred and fifty dollar (\$250) caulk boot allowance.

Seasonal layoffs shall not interfere with the qualifying period herein.

ARTICLE XXV – HUMANITY FUND

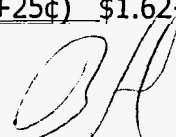
- (a) The Company agrees to deduct on a bi-weekly basis the amount of not less than \$0.01 per hour from the wages of all employees in the bargaining unit for all hours worked.
- (b) Prior to the 15th day of the month following said deduction, the Company shall pay the amount so deducted to the "Humanity Fund" and to forward such payment to USW Local 1-3567 National Office, 234 Eglinton Avenue East, Toronto, Ontario, M4P 1K7. The Company will advise in writing both the Humanity Fund at aforementioned address and the Local Union that such payment has been made, the amount of such payment and the names of all employees in the Bargaining Unit on whose behalf such payment has been made.
- (c) It is understood and agreed that participation by an employee in the Humanity Fund program of deductions set forth above may be discontinued by any employee after the receipt by the Company and the Local Union of that employee's written statement of his desire to discontinue such deductions from his pay during the four weeks following ratification of this Agreement.
- (d) The Union agrees to indemnify the Company and save it harmless against any claims which may arise in complying with the provisions of this article.

ARTICLE XXVI – PENSION PLAN

Hourly Contribution

The hourly contributions to the IWA-Forest Industry Pension Plan will be made on a per hour per employee per hour worked basis as follows:

Effective	Employer	Employee
July 1, 2007	\$2.67-1/2	(+25¢) \$1.37-1/2
July 1, 2008	\$2.67-1/2	(+25¢) \$1.62-1/2



Contribution rate for both Employers and Employees will be reduced by \$0.275 when the plan is fully funded as per the July 6, 2000 Memorandum of Agreement.

**ARTICLE XXVII – SEVERANCE PAY FOR PERMANENT PLANT
CLOSURE**

- (a) Employees terminated by the employer because of permanent closure of a manufacturing plant shall be entitled to severance pay equal to ten (10) days' pay 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.
- (b) Where a plant is relocated and the employees involved are not required to relocate their place of residence and are not terminated by the employer as a result of the plant relocation, they shall not be entitled to severance pay under this Article.

**ARTICLE XXVIII – PERMANENT PARTIAL PLANT
CLOSURES: ACORN SAWMILL**

- (a) A permanent partial closure shall be deemed to have occurred when the Company permanently closes, or has not operated for 24 months, one of the following parts of the plant: The Acorn sawmill, or the Acorn planer mill, or the Acorn kilns,
- (b) In the event of a permanent partial closure, the employees who were employees of record at the commencement of the closure, and had 5 years continuous service with the Company as of that date, are entitled to severance pay. Severance pay is calculated on the basis of the employee's seniority at the date of the lay off, not the permanent partial closure.
- (c) Employees with 5 years seniority or greater 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 service and thereafter in increments of a 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 affect (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.

- (d) Severance pay is not payable where a part of the plant is relocated and the employees involved are not required to relocate their place of residence and are not terminated by the Company.
- (e) 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.
- (9) The application of this Article becomes effective upon ratification of the Collective Agreement. There is no retroactivity of application of this Article affecting events prior to ratification.

ARTICLE XXIX – ADJUSTMENT OF GRIEVANCES

Section 1: Procedure

The Company and the Union mutually agree that, when a grievance arises in the plant coming under the terms of this Agreement, it shall be taken up in the manner set out below:

Step One

The individual employee involved, with or without a Shop Steward, shall first take up the matter with the foreman directly in charge of the work within fourteen (14) days after the date on which he is notified orally or in writing, or on which he ought to have been aware of the action or circumstances giving rise to the grievance. A policy grievance filed or declared by a member of a plant committee, the Local Union or by the Company, shall commence at Step 3 of the grievance procedure. Where the Union and Company agree that a grievance is a group or et al. grievance, such grievance will begin at Step 2.

Step Two

If a satisfactory settlement is not reached at Step One, the Shop Committee shall take up the grievance with either the personnel officer or superintendent, or both, as designated by the Company. A statement in writing of the alleged grievance, together with a statement in writing by the foreman, shall be exchanged by the Parties concerned.

Step Three

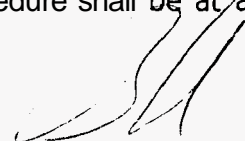
If the grievance is not then satisfactorily solved, it shall be referred to the Union and the Management.

Step Four

If a satisfactory settlement is not then reached, it shall be dealt with by arbitration as set forth in Article XXXI.

Section 2: Time Limit

If a grievance has not advanced to the next stage under Step Two, Three, or Four within fourteen (14) days after completion of the preceding step, then the grievance shall be deemed to be abandoned, and all rights of recourse to the grievance procedure shall be at an end.



Where the Union is not able to observe this time limit by reason of the absence of the aggrieved employee or the Shop Committee from the plant the said time limit shall not apply. The Union shall be bound to proceed in such a case as quickly as may be reasonably possible.

ARTICLE XXX – RIGHT OF REFERENCE

Section 1: Right to Refer

Where the Company and the Local Union fail to agree upon an interpretation of the Agreement either Party shall have the right to refer the matter to the Right of Reference Committee hereinafter provided, and if either Party does make such reference, the other Party must accept the reference.

Section 2: Committee Composition

The Right of Reference Committee shall consist of a representative from USW District 3 and a representative selected by Interfor.

Section 3: Agreement

When an interpretation of the Agreement has been referred to the Right of Reference Committee, this reference shall be for a period of thirty (30) days or longer by mutual consent of the Parties to this Agreement. In case the Right of Reference Committee agrees upon a recommendation or interpretation, this shall be furnished in writing to the Union involved and to the Company.

Section 4: Arbitration

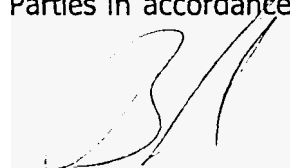
If a satisfactory interpretation of the point in question is not reached either Party may refer to arbitration as hereinafter provided.

ARTICLE XXXI – ARBITRATION

Section 1: Interpretation

In case of any dispute arising regarding the interpretation of this Agreement which the Parties hereto are unable to settle between themselves, the matter shall be determined by interpretation in the following manner:

- (a) Either Party may notify the other Party in writing, by registered mail, of the question or questions to be interpreted. Within five (5) days of receipt of such notice and statement each Party shall refer the matter to the Interpreter selected by the Parties in accordance with the provisions of this Section.

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- (b) The decision of the Interpreter will be final and binding upon the Parties of the First and Second Parts.
- (c) The Parties agree to jointly seek a permanent interpreter to function under this Section.

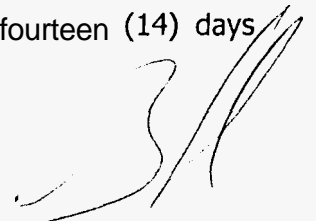
Section 2: Grievances

- (a) In the case of a dispute arising under this Agreement, which the Parties are unable to settle between themselves as set out in Article XXIX, the matter shall be determined by arbitration in the following manner:

Either Party may notify the other Party and the arbitrator in writing, by registered mail, of the question or questions to be arbitrated.

After receiving such notice and statement the arbitrator and the other Party shall within three (3) days acknowledge receipt of the question or questions to be arbitrated.

- (b) No one shall serve as an arbitrator who:
 - (i) either directly or indirectly has any interest in the subject of the arbitration;
 - (ii) has participated in the grievance procedure preceding the arbitration;
 - (iii) is, or has been, within a period of eight (8) months, preceding the initiation of arbitration proceedings, employed by any Local Union of the USW, or a Company directly engaged in the forest products industry.
- (c) The decision of the arbitrator shall be final and binding upon the Parties of the First and Second Parts.
- (d) If the arbitrator finds that an employee has been unjustly suspended or discharged, that employee shall be reinstated by the Company without loss of pay and with all his rights and privileges preserved under the terms of this Agreement, provided always that if it is shown to the arbitrator that the employee has been in receipt of wages during the period between discharge (or suspension) and reinstatement, or date of failure to rehire and rehiring, the amount so received shall be deducted from wages payable by the Company pursuant to this Section, further provided that the wages so deducted shall be first reduced by the amount required for the payment of fare from the original place of employment and to the place where employed during the period of discharge (or suspension) and return.
- (e) The arbitrator shall be required to hand down his decision within fourteen (14) days following completion of the hearing.

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- (9) The Parties shall appoint a panel of eight (8) arbitrators. The single arbitrator shall be selected from this panel. If the Parties fail to appoint the required eight (8) arbitrators, they shall forthwith request the Honourable Minister of Labour of the Province of British Columbia to appoint the arbitrator required.
- (g) The single arbitrator shall be selected from the panel of eight (8) arbitrators on a rotational basis. If an arbitrator selected to hear and determine a dispute is unable to schedule a hearing to occur within thirty (30) days of the date of his selection the dispute shall be reassigned to the next arbitrator in the rotation.

Section 3: Expedited Arbitration

To facilitate the timely resolution of grievance matters which remain unresolved following the conclusion of the procedures for Adjustment of Grievances contained in Article XXIX, the parties agree to implement an expedited arbitration procedure, as follows:

- (a) Two arbitrators will be selected to serve as Chairpersons to resolve disputes referred to expedited arbitration. The parties will each select one Chairperson who will provide available dates for hearings.
- (b) The agreement of both parties will be required before advancing a grievance to the expedited arbitration procedure. However, once the parties have agreed to proceed to the expedited arbitration procedure, that decision shall not be revoked except with the consent of both parties.
- (c) The parties will meet within fourteen (14) days following the date of the 3rd stage response to decide on proceeding to expedited arbitration, unless there is mutual agreement to extend the time limit.
- (d) The parties will attempt to develop an agreed Statement of Fact for submission to the Chairperson. In the event that the parties cannot agree on all of the facts, each party shall submit a full statement of all facts upon which they rely to the Chairperson. In addition, each side will develop written submissions outlining their respective position and argument on the dispute for the consideration of the Chairperson. Both the Statement(s) of Fact and the written submissions of the parties will be provided to the Chairperson no later than fourteen (14) days prior to the hearing date and the written submissions of the parties will be exchanged at that same time.
- (e) No legal counsel will be used by the parties during the course of the hearing. Witnesses and oral submissions from the parties during the hearing will be at the discretion of the Chairperson.
- (f) Decisions by the Chairperson will be accompanied by a brief rationale for the decision. All decisions of the Chairpersons are limited to the dispute at hand and will be without precedent or prejudice to any and all existing or future grievance, arbitration-)and

interpretation matters. Decisions of the Chairperson are to be rendered within 10 days of the hearing.

- (g) The parties agree that the decision of the Chairperson is final and binding and will not be subject to appeal or review.
- (h) The Parties further agree that this Section is entered into on a trial basis and will expire in accordance with the term of this Agreement.

Section 4: Cost Sharing

The parties shall jointly bear the cost of the arbitrator.

Section 5: Place of Hearing

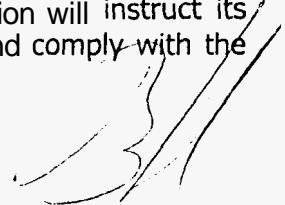
Any arbitration to be held hereunder shall be held at the City of Vancouver or at such other place as may be decided by the Parties.

Section 6: Independent Companies

- (a) In the event of an interpretation dispute arising between a USW Local Union and a Company bound by the Master Agreement who is not a member of Forest Industrial Relations Limited, it is hereby agreed that the matter shall be referred to Forest Industrial Relations Limited and United Steelworkers in accordance with Article XXXVII.
- (b) If agreement is reached in Right of Reference Committee, the Local Union and the independent Company shall be advised of the interpretation as agreed upon.
- (c) If the dispute is submitted to arbitration under the provisions of Section 1 herein Forest Industrial Relations Limited shall have the right to appear at the hearing thereof and make representations as an interested Party.

ARTICLE XXXII – STRIKES AND LOCKOUTS

- (a) There shall be no strikes or lockouts by the Parties to this Agreement with respect to any matter arising out of the Agreement for which arbitration is provided under the terms of the Agreement.
- (b) The Parties to this Agreement expressly agree that there will be no activity within the meaning of (a) above threatened, declared, authorized, counselled, aided or brought about on its part.
- (c) In the event of a strike during the term of this Agreement the Union will instruct its members and Officers who may be involved to cease such activity and comply with the terms of this Agreement.

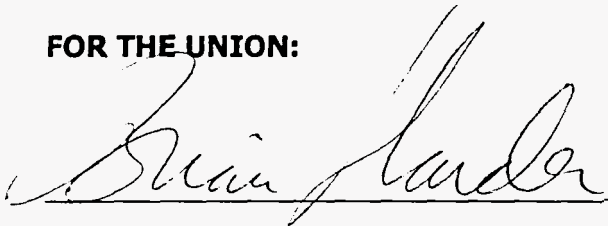


ARTICLE XXXIII - DURATION OF AGREEMENT

- (a) The Parties hereto mutually agree that this Agreement shall be effective from and after the 15th day of June, 2007, to midnight the 14th day of June, 2010, 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, 2010. 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.

- (b) 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 Collective Agreement.

FOR THE UNION:



FOR THE COMPANY:





Supplement No. 1

REVISED LETTER OF UNDERSTANDING

International Forest Products Ltd. - Acorn Division

GROUP 1

Clean-up

GROUP 2

End Sealer/Stenciller

GROUP 3

Circular Gang Saw Tailer
Green Chain Puller
Planer Chain Puller
Planer Chain Puller/Roller Stamp

GROUP 5

Bad End Trimmer/Planer Breakdown Hoist
End Loader/Planer mill

GROUP 6

Boomman
Sorter Stacker

GROUP 7

Auto Package Press Operator
Drop Sorter/behind Circular Gang Saw
Mill Floorman (in plant agreement)
Planer Feeder
Trimmerman/Planer/Unmarked

GROUP 8

Boom Boat Operator
Forklift Operator
Front End Loader/Chips

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Supplement #1 Cont.

GROUP 9

Boom Feeder Boat Operator
Grader #2
Horizontal Resawyer/Tailsawyer
Log Cut-off Saw/Recovery

GROUP 10

Edger/Floorman
Head Boomman
Mechanical Barker Operator/Cutoff Saw
Singulator/Edger

GROUP 11

Grader #1/Chopsaw

GROUP 12

Circular Resaw Operator/with linebar and trimsaws

GROUP 14

G.S.L.A. Grader
Planerman #1

GROUP 16

Grade Control Inspector

GROUP 21

Band Headrig Sawyer

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SUPPLEMENT NO. 2

JOURNEYMAN TRADESMEN CATEGORIES

As referred to in Article IX, Section 1(b) of the 2007 - 2010 Collective Agreement

MANUFACTURING PLANTS:

Heavy Duty Mechanic
Machinist
Welder
Pipe Fitter - including Sprinklerman
Mechanic
Millwright
Electrician
Painter
Carpenter
Steam Fitter

OTHER JOURNEYMEN CATEGORIES:

Engineer (Boiler Houses)
Saw Fitter
Circular Saw Filer
Benchman
Present Charge Hand differential to be maintained.

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SUPPLEMENT NO. 8

ALTERNATE SHIFT SCHEDULING

As referred to in Article V of the
Collective Agreement

The following are the general principles for the establishment, implementation or discontinuance of alternate shift schedules.

1. FLEXIBILITY OF HOURS OF WORK

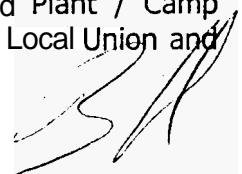
The parties recognize the need for flexibility of hours other than those outlined in Article V – Hours of Work, Section 1, for the express purpose of better utilization of manpower and equipment, and to increase business efficiency.

2. SHIFT SCHEDULING

- (a) Any shift schedule that falls outside the regular hours of work set out in Article V, Section 1 is, by definition, an alternate shift schedule.
- (b) In accordance with Article V, Section 2, the Company may implement alternate shift schedules without overtime penalty, provided the principle of the forty (40) hour week is maintained over an averaging period and:
 - (i) Except by agreement with the Local Union and subject to (ii), maximum scheduled daily hours of work will be 12 hours;
 - (ii) In logging the maximum scheduled daily hours of work for physically demanding or dangerous occupations will be 10 hours.

3. IMPLEMENTATION

- (a) Any implementation of an alternative shift must be done with bona fide business rationale. The Company will provide the business rationale demonstrating the need for an alternative shift, complete with the nature and details of the proposed alternative shift.
- (b) The business rationale will be reviewed by the Local Union and Plant / Camp Committee. The Company will provide information to the Union respecting how the shift schedule provided in Article V is not meeting the Company's business purposes.
- (c) The company agrees to work cooperatively with the Local Union and Plant / Camp Committee and will ensure that all relevant information is provided. The Local Union and



Camp Committee will have the opportunity to review the business rationale and within a two (2) week period propose alternatives.

- (d) If the Union's alternative proposal is not accepted, the Company will detail the reason(s) why, and may implement the alternative shift proposed by the Company upon 72 hours' notice, or sooner in cases of other circumstances not in the control of the Company.
- (e) If the Company accepts the alternative proposal, there will be a three (3) month trial period to evaluate that alternative.
- (f) There will be a review of the alternative that was implemented and if the review demonstrates that the business rationale is not being achieved, the Company may implement the alternate shift schedule as proposed by the Company upon 72 hours' notice.
- (g) Any dispute arising from this implementation process that the Company and the Local Union and Plant / Camp Committee are not able to resolve may be referred to the Shift Dispute Resolution procedure.

4. GENERAL PRINCIPLES

When an alternate shift schedule is in effect, hourly-based benefits (LTD, Pension, Education Trust Fund, SAFER), under the Collective Agreement will be administered on the basis of hours paid.

- (a) The Company agrees that alternate shift schedules will not be introduced where the intention is to increase the use of casual employees in place of regular employees.
- (b) Different parts of an operation may be scheduled on different shifts.
- (c) The principle of the forty (40) hour week is to be maintained over an averaging period. The averaging period will be the period of one shift cycle for any alternate shift schedule implemented in accordance with this Supplement No. 8 taking into account all the relevant circumstances. Prior to the introduction of the alternative shift the shortest possible averaging period will be determined
- (d) Overtime will not be scheduled as part of an alternate shift schedule. When alternate shift schedules are in place, the overtime provisions in Article V, Section 2 will apply, except as referenced in (g) below.
- (e) All existing alternate shift agreements shall not be superseded by Article V, Section 2, except by agreement between the Company and the Local Union.
- (9) Earned vacations will be scheduled on the same basis as days and hours worked under the alternate shift schedule.



- (g) Other Articles of the Collective Agreement, which provide benefits after eight (8) hours, are extended by the amount the regular hours of work have been increased beyond the eight (8) hours per day.
- (h) Employees who are scheduled to work an alternate shift schedule of less than 40 hours per week over an averaging period will nevertheless be paid 40 hours' pay. When an alternate shift schedule is used, each individual shift must be at least eight (8) hours long.
- (i) An employee's rest days may vary from week to week under an alternate shift schedule. Employees shall not be paid premium pay for changes in their rest days in these circumstances.
- (j) An employee whose rest days are changed by the Company under an established alternate shift schedule, shall receive rate and one-half for work performed on his rest days unless a change in rest day results from the application of seniority or has been agreed to between the employee and the Company.
- (k) There shall be no premium pay paid to any employee whose rest days are changed because of the implementation or discontinuance of an alternate shift schedule.
- (l) Where the Company does not provide to the employee seventy two (72) hours' notice of a change to an employee's work schedule, the employee will be paid at rate and one-half for his first shift on the new schedule. The Company will not change an employee's work schedule to avoid a statutory holiday.
- (m) For ten (10) hour shifts, rest periods will be one (1) ten (10) minute break and one (1) fifteen (15) minute break plus a one-half (1/2) hour unpaid meal break.
- (n) For twelve (12) hour shifts, rest periods will be two (2) fifteen (15) minute breaks plus a one-half (1/2) hour unpaid meal break. On a continuous twelve (12) hour shift schedule, the meal break will be paid at straight time rates. "Continuous twelve (12) hour shift schedule" means that there are two 12-hour shifts in a 12-hour period.
- (o) Statutory Holidays
 - (i) Immoveable Statutory Holidays (five in manufacturing, four in logging): Labour Day, Remembrance Day, Christmas Day, Boxing Day and New Year's Day are "immoveable" statutory holidays. The Company will not, except in cases of operational emergency, compel employees to work "immoveable" statutory holidays.
 - (ii) Moveable Statutory Holidays: Notwithstanding Article XI, Section 9, the Company, with the exception of the immoveable statutory holidays, shall have the right after consulting with the Local Union to require an employee to observe a Statutory Holiday on a day that is not the day on which the Statutory Holiday

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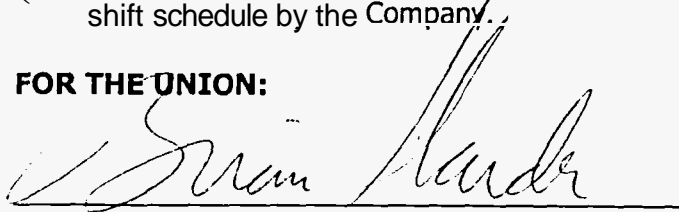
is normally observed. In all events, an employee will be entitled to a compensating day off, which shall be scheduled by mutual agreement within a 90-day period. In the event the company and the union are unable to agree on the scheduling of a substitute holiday within the 90-day period, the parties may agree to schedule it outside the 90-day period.

- (iii) Where a statutory holiday falls on an employee's rest day, the holiday is to be rescheduled on a work day to occur within a 90-day period by mutual agreement.
 - (iv) Identification of Moveable Statutory Holidays: Where an alternate shift equally bridges a holiday and a non-holiday (such as a shift from 1800h to 0600h), absent agreement between the company and the union, the Company determines which shift is to be observed as the Statutory Holiday.
 - (v) Payment for Working statutory and Substituted Statutory Holidays: Employees whose Statutory Holiday is rescheduled under this paragraph will be paid consistent with Article XI, Section 1 if they work the substituted Statutory Holiday. Specifically, an employee who works a moveable Statutory Holiday is paid at straight time rates. Where the company and union agree that the employee will not take a compensating day off and will work the "substituted" statutory holiday, the rate to be paid is double rate and one-half.
-
- (p) Statutory and Floating Holidays will be paid as per the employee's regular schedule.
 - (q) Bereavement Leave and Jury Duty shall be paid consistent with Article XVII. These days will be paid at the regular daily wage consistent with the work schedule.
 - (r) Shift Differential shall be paid only for those hours worked outside the recognized dayshift for those employees working the alternate schedule in effect for that crew working in that part of the operation.
 - (s) For those employees working an alternate shift schedule with shifts over eight (8) hours the sixty (60) working days referenced in Article XVI – Seniority, Section 6: Probationary Period – will be changed to four hundred and eighty (480) working hours in a six-month floating period.
 - (t) The Company will provide notice of *two* weeks of discontinuance of any alternate shift implemented, except where a change in shift schedule is due to other circumstances not in the control of the Company. This discontinuance will not result in any overtime payments provided the full averaging period has been completed.

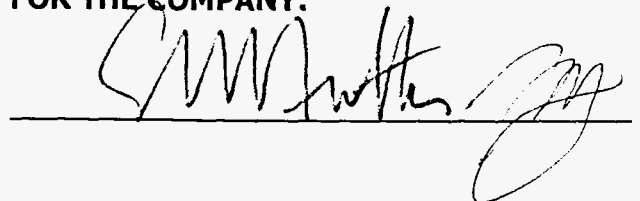
5. SHIFT DISPUTE COMMITTEE

- (a) The Parties agree that if the objectives sought in alternative scheduling are misunderstood the potential for disputes and disruption is assured. Therefore, it is further agreed that a proper dispute resolution procedure is necessary to ensure the ongoing viability of the industry.
 - (b) The Parties agree to appoint high level representatives to a Shift Resolution Committee that will endeavour to resolve disputes through a problem solving approach.
 - (c) The Shift Resolution Committee may assist with the implementation of shifts contemplated to meet an operational need or resolve implementation issues the Company and Local Union have been unable to resolve.
 - (d) The Shift Resolution Committee will rely on the negotiated language and any other practical approaches that may assist.
 - (e) In general, the terms of reference will be as follows:
 - (i) Emphasis on resolving alternate shifting disputes at the operational level between the parties in the event they have reached an impasse.
 - (ii) Defined timelines for advancing and investigating unresolved disputes.
 - (iii) Written statement of facts provided **by** the local union and the Company to clarify the issues in dispute.
 - (iv) No lawyers involved to allow the parties to explore practical solutions to the dispute.
 - (v) The use of a Facilitator to assist the parties in a non-binding manner.
 - (vi) The Shift Resolution Committee may refer any unresolved issues respecting implementation of an alternate shift schedule to expedited arbitration pursuant to Article XXXI, Section 3 of the Collective Agreement. The jurisdiction of an arbitrator appointed under this section is limited to examining whether or not the implementation process in Supplement No. 8 has been followed.
- (9)** Nothing in this section is intended to prevent or delay the implementation of an alternate shift schedule by the Company.

FOR THE UNION:



FOR THE COMPANY:



Appendix 1

WOODLANDS LETTER OF UNDERSTANDING

BETWEEN:

International Forest Products

("Company")

AND:

United Steelworkers, Locals 1-80, 1-85, 1-363, 1-2171 and 1-3567 thereof and the Council of USW Locals certified for some divisions of Western Forest Products.

("UNION")

Interfor and the Union agree as follows:

1. Except as provided in this Letter of Understanding, the existing rights and obligations of the Company and the Union under Article XXV of the Coast Master Agreement are not affected.
2. As of the date of this Letter of Understanding, but subject to paragraph 4 below, a Company may contract out a woodlands operation to an USW Certified Contractor on a stump-to-dump basis. The Company **will** consult with the Union prior to selecting a Contractor. By agreement between the Company and the Local Union, the operation may be sub-divided into two stump-to-dump contracts.
3. The Union and the Company agree, and the Contractor must also agree, that the Contractor will be deemed to be the successor employer under the *Labour Relations Code* including recognition of the seniority rights of all employees on the seniority list of the Company; and generally, that Sections 35(1) - (5) of the *Labour Relations Code* apply.
4. Notice under Section 54 of the *Labour Relations Code* will be provided to the Union prior to any Woodlands operations being contracted out under this Letter of Understanding. Discussions under Section 54 must include the Contractor(s).
5. In the event there is a surplus of employees created as the result of moving the woodlands operation or subdivision thereof to a Contractor, the Company will offer severance pay (calculated in a manner consistent with Article XXXIII) to the surplus employees. By agreement between the Company and the Union, the severance pay

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opportunities may be directed towards facilitating the severance of older workers who may volunteer for such severance.

6. In the event a surplus employee accepts the severance pay offered, the surplus employee will lose all seniority rights including preferential hiring rights under the Coast Master Agreement.
7. The commercial contract between the Company and the Contractor(s) will be for a period of not less than five years. In the event a contract is discontinued for any reason prior to its end date (e.g., insolvency of the Contractor or performance issues), a replacement contractor must be an USW Certified Contractor. The Union and the Company agree, and the replacement Contractor must agree, that the replacement Contractor will be deemed to be the successor employer under the *Labour Relations Code*, including recognition of the seniority rights of all employees on the seniority list, for the remainder of the period of the contract; and generally, that Sections 35(1) - (5) of the *Labour Relations Code* apply.'
8. If a Contractor is replaced after the initial 5-year period or any extension thereof, the commercial contract between the Company and the replacement Contractor must be for a period of not less than five years. The replacement Contractor must be an USW Certified Contractor. The Union and the Company agree, and the replacement Contractor must agree, that the replacement Contractor will be deemed to be a successor employer to the initial Contractor under the *Labour Relations Code*, including recognition of seniority rights of employees on the then-existing seniority list; and generally, that Sections 35(1) - (5) of the *Labour Relations Code* apply.
9. Paragraphs 7 and 8 shall apply to all succeeding replacement Contractors.
10. In the event the operational responsibility for a woodlands operation or subdivision thereof is taken back by the Company, the Company will acknowledge and assume full successorship obligations under the *Labour Relations Code*, including recognition of seniority rights of employees on the then-existing seniority list.
11. If the Company sells or otherwise transfers its woodlands operations or Licences it will ensure that the purchaser or transferee agrees to assume the obligations of the Company set out in this Letter of Understanding.
12. If any dispute arises with respect to the interpretation or application of this Letter of Understanding, the parties will meet to discuss the dispute and if they are unable to resolve the dispute, the matter will be referred to Don Munroe for final resolution by mediation or arbitration. If Mr. Munroe is unavailable, Stan Lanyon will serve in his place. If Mr. Lanyon is unavailable, David McPhillips will serve in his place.
13. This Letter of Understanding does not apply to stump-to-dump contracts entered into prior to the date hereof.

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14. The Company agrees that it will work with the Union to ensure that all its contractors pay their Collective Agreement obligations, including exploring the possibility of including "hold-back" provisions in commercial contracts.

DATED THIS 27TH DAY OF MAY 2004.

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MEMORANDUM OF AGREEMENT

BETWEEN

INTERNATIONAL FOREST PRODUCTS LIMITED, ACORN DIVISION

AND

USW – LOCAL 1-3567

JOB TRAINING

A APPLICATION

All training positions shall be posted plant-wide. However, when the company can demonstrate an urgent requirement for (Group 3 jobs only) a qualified spare for a particular shift then by mutual agreement:

- (1) The senior applicant shall have the option of permanently trading positions with an employee holding the same job on the other shift provided that the trade is mutually agreed to by the two employees affected.
- (2) If either of the affected employees does not agree to the trade, then the senior employee on the shift with the shortage shall be trained.

B RATES OF PAY

When an employee bids on a training position that is at a lower rate of pay than the employee's regular job posting, it is agreed that for a period of twelve (12) months following completion of training the qualified spare shall be paid at the lower job rate when required, provided that there is not a junior employee who is competent for the job. If the vacancy on shift lasts longer than two weeks, the employee shall be paid his regular rate for the entire time.

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GROUP 1:

Shall consist of:

Millwrights (electricians, welder, mechanics, etc.)
Sawfilers (benchmen, roundsaw, fitters, etc.)
Planermen
Sawyers

GROUP 2:

Shall consist of:

Quality Control (reg.)
Charge Hands
Graders
Feeder Boat Operators

GROUP 3:

Shall consist of:

All other jobs.

C SECURITY

In filling permanent or temporary job vacancies, in Group (2) and (3) the senior applicant shall be awarded the posting following the satisfactory completion of an appropriate training and trial period. Such training to be in keeping with the "training program" and shall be provided to the senior applicant, even if that employee failed to bid on an earlier training position.

In filling job vacancies, in Group (1) employees must meet the requirements of both seniority and competency.

D CURTAILMENT

In the event of a reduction of forces for a period that exceeds one (1) week, where employees are laid *off* out of line of Seniority, one employee will be brought back to work and the senior displaced employee will be trained on his preference in Group 3. This will continue for the duration of the lay off, until all employees laid *off* out of line of seniority have been given a fair opportunity to exercise their seniority to be trained and following a successful trial period he will be given the posting. This agreement will be on a trial basis for a period of four months. If after that time either party has not given the other written notice to cancel, this agreement shall become part of our original training memorandum and is subject to review, termination or amendment upon twelve (12) months written notice by either party.



for a period of one calendar year, any employee trained under this Provision:

1. will agree to do the job he was trained on at the lower rate when required, provided that there is not a junior employee who is competent for the job.
2. will only be trained on one job.

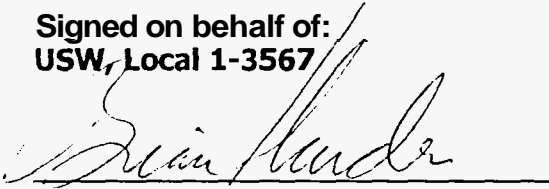
In the event of a future curtailment within a calendar year any employee trained under this Provision will not elect a layoff except for extenuating circumstances.

E GENERAL

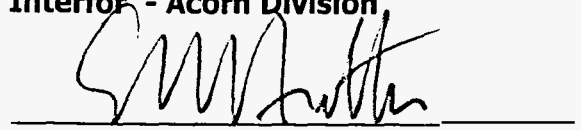
It is understood and agreed that the application of the Letter of Understanding shall not in any way, except where expressly provided herein, modify the provisions of the Coast Master Agreement.

DATED THIS 4 DAY OF November 2007.

Signed on behalf of:
USW, Local 1-3567



Signed on behalf of:
Interfor - Acorn Division





LETTER OF UNDERSTANDING

Between:

International Forest Products Limited

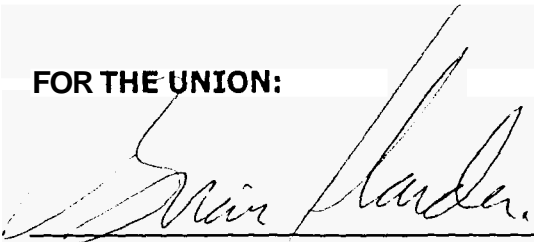
And:

United Steelworkers Local 1-3567

Re: Forest Industry Training and Employment Resources

During the closed period of the Collective Agreement, the USW and Interfor will explore and study the establishment and development of a joint Forest Industry Training and Employment Resources (FITER) council to help address the issues around ongoing changes in the coastal forest industry that are impacting Union members, their families and communities.

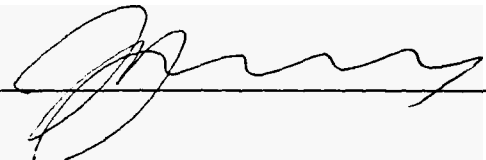
FOR THE UNION:



FOR THE COMPANY:



E. & O. E.



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