COLLECTIVE AGREEMENT

BETWEEN:

WESTERN FOREST PRODUCTS INC., VALUED ADDED DIVISION

(Hereinafter known as the "Company or WFP or VAD")

OF THE FIRST PART

AND:

PULP, PAPER AND WOODWORKERS OF CANADA, LOCAL 8

(Hereinafter known as the "Union or PPWC")

OF THE SECOND PART

TABLE OF CONTENTS

ARTICLE I : Purpose & Preamble1
ARTICLE II : Bargaining Agency1
ARTICLE III: Employer's Rights1
ARTICLE IV: Union Security1
Section1 : Cooperation 1 Section 2 : Union Shop 2 Section 3 : Maintenance of Membership 2 Section 4 : Discharge of Non-membership 2 Section 5 : Union Membership 2 Section 6 : Check Off 2
ARTICLE V: Union Committee3
ARTICLE VI: Hours of Work3
Section 1 : Hours and Overtime 3 Section 2 : Alternate Shift Scheduling 4 Section 3 : Casual Work 5 Section 4 : Swing Shift 5 Section 5 : Rest Periods 5 Section 6 : No Work Guarantee 5 Section 7 : Hot Meals 6
ARTICLE VII: Technological Change6
Section 1 : Joint Committee
ARTICLE VIII: Pay Days7
ARTICLE IX: Statutory Holidays7
ARTICLE X: Vacations with Pay9
Section 1 : Annual Vacation Pay & Time Off9 Section 2 : Vacation Pay on Termination9 Section 3 : Vacation Time
ARTICLE XI : Call Time11
Section 1 : Qualifying Conditions11

TABLE OF CONTENTS

ARTICLE XII: Failure to Supply Work11
Section 1 : No Work11 Section 2 : Where Work Commences12
ARTICLE XIII : Health and Welfare Benefits. 12
Section 1 : Institution 12 Section 2 : Insurance Coverage 12 Section 3 : Medical Coverage 13 Section 4 : General Principles 13 Section 5 : Dental Plan 15 Section 6 : Long Term Disability 16
ARTICLE XIV: Seniority16
Section 1 : Principle
ARTICLE XV: Leave of Absence19
Section 1 : General 19 Section 2 : Maternity/Paternity Leave 19 Section 3 : Union Business 19 Section 4 : Compassionate Leave 20 Section 5 : Bereavement Leave 21 Section 6 : Jury Duty 21 Section 7 : Public Office 22
ARTICLE XVI : Safety Committee22
ARTICLE XVII : Safety Equipment23
ARTICLE XVIII : Adjustment of Grievances & Arbitration
ARTICLE XIX: Wages & Rate Structure 26
Section 1 : Rate Schedule

TABLE OF CONTENTS

Section 5 : First Aid Attentant	
Training & PremiumsSection 6 : Rate Determination Committee	
ARTICLE XX: Training Agreement	29
ARTICLE XXI: Contractors & Sub-Contractors	.30
ARTICLE XXII: Strikes & Lockouts	30
ARTICLE XXIII : RRSP	30
APPENDIX "A": Competency & Competency	
Considered	31
Duration of Agreement	31
Promissory Letter (Tradespersons)	33
Letter of Comfort (Wages & Structure)	34

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

ARTICLE I: PURPOSE & PREAMBLE

The purpose of this Agreement is to secure for the Company, the Union and the Employees the full benefit of orderly and legal collective bargaining, the safety and physical welfare of its 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, the Union and Employees, individually and collectively, to cooperate fully in the advancement of these conditions. The Company, the Union and their Employees and Members agree to abide by the terms of this Agreement.

To this end, Value Added Division and the Union will cooperate in maintaining and enhancing employment and it is not the Company's intent to turn VAD into a drying only facility.

ARTICLE II: BARGAINING AGENCY

The Company agrees to recognize the Union as the sole bargaining agent for the Employees of the WFP Value Added Division, Chemainus, BC, except those Employees with the authority to hire, fire, discipline or discharge and those Employees responsible for confidential matters.

ARTICLE III: EMPLOYER'S RIGHTS

The Union recognizes that the Company has the exclusive right to direct the work force, select, hire and promote (subject to the terms and conditions of the Collective Agreement) Employees and to discipline or discharge Employees for proper cause.

ARTICLE IV: UNION SECURITY

Section 1: Cooperation

The Company will cooperate with the Union in obtaining, 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

All new Employees shall, within thirty (30) calendar days after the execution of this Agreement or thirty (30) calendar days after entering employment, whichever date occurs last, become Members of the Union and maintain Membership herein throughout the terms of this Agreement as a condition of continued employment.

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-Membership

An Employee who fails to maintain his Membership in the Union as prescribed by refusal to pay dues and assessments shall be subject to discharge after seven (7) days written notice to the Company, by the Union of the said Employee's refusal to maintain his Membership.

Section 5: Union Membership

No Employee shall be subject to any penalties against his application for Membership or reinstatement, except as may be provided for in the PPWC Constitution, and in accordance with the By-Laws of Local #8.

Section 6: Check-Off

The Company shall require all new Employees, at the time of hiring, to execute an assignment of wages in duplicate, on the form to be supplied by the Union. Assignment forms, including Social Insurance Numbers, shall be forwarded to the Union not later than fifteen (15) calendar days following

the date of hiring.

The Company shall remit the dues deducted, pursuant to such assignment (until and unless the assignment is revoked by the Employee), to the Union, not less 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 deductions shall appear on each Employee's annual Statement of Remuneration (T4).

ARTICLE V: UNION COMMITTEE

The Company agrees to recognize the Union or Plant Committee. The said Committee shall be comprised of no less than three (3) and no more than five (5) Employees.

ARTICLE VI: HOURS OF WORK

Section 1: Hours and Overtime

- (a) The regular hours of work 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 all hours worked on Sunday, except as provided for 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.
 - (ii) Hours worked on Sunday by Employees who have worked five (5) shifts during the preceding six (6) days.
 - (iii) For the purpose 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) 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 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.
- (d) Overtime worked shall be paid at applicable overtime rates of pay.

Section 2: Alternate Shift Scheduling

- (a) Management, the Plant Committee and the Local Union shall have the right, under the terms of the Collective Agreement, to agree upon and implement, other schedules which, except for production shifts in manufacturing operations, may include Sundays, without overtime penalty, provided the principle of the forty (40) hour week is maintained over an averaging period. Rate and one-half shall be paid for hours worked on Sunday except in case of Graveyard shift starting on Sunday evening, when a straight time rate shall be paid to a maximum of one and one-half hours.
- (b) When alternative schedules have been implemented in accordance with (a) above, the following overtime provisions will apply.

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.

- (iv) All hours worked on Sunday except those excluded in the casual section and also paragraph (a) above.
- (c) Double straight time rates shall be paid for the following:
 - (i) All hours worked in excess of (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 rest day has been agreed to between the Employee and the Company.

Section 3: Casual Work

The term "casual work" as used in this Agreement shall only apply to non-production such as clean-up and painting, performed on Saturday and/or Sunday or hours when the plant is not operating, by either laid off regular Employees or other persons herein after referred to as "casual Employees".

Section 4: Swing Shift

The work force on the day shift shall alternate with the work force on the afternoon shift on a regular basis as agreed upon by the Company and the Plant Committee.

Section 5: Rest Periods

All Employees shall be entitled to two (2), ten (10) minute rest periods during each regular shift, providing always that the Company shall have the right to use relief Employees in implementing the provision. The Company shall have the right to schedule when the breaks shall be taken.

Section 6: 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.

Section 7: Hot Meals

Where Employees are required to work four (4) hours or more in excess of their regularly scheduled shift, the Company shall provide a hot meal valued at not more than \$17.50 by:

- (a) Choosing from a list of predetermined establishments and menu items as identified by the Company or
- (b) A \$17.50 allowance that will be added to the Employee's pay.

ARTICLE VII: TECHNOLOGICAL CHANGE

Section 1: Joint Committee

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

Furthermore it is agreed that a Joint Committee consisting of Members of Management and the Plant Committee will be established to consider technological changes in progress. This Committee will make any necessary recommendations and assist in ameliorating the effect of such changes.

Employees discharged or permanently laid off from their regular job because of mechanization, technological change or automation shall be entitled to severance pay of one (1) week's pay for each completed year of service with the Company. Said severance pay shall not exceed a maximum of fourteen (14) weeks pay per Employee. A permanent layoff is deemed to occur after six (6) months or the expiration of an Employee's seniority retention, whichever occurs first.

Section 2: Retraining

The Company will consider any training programs which are

presented, and will ensure that full consideration be given to said programs.

ARTICLE VIII: PAY DAYS

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

All new Employees shall provide the Company with a bank account number and the name and address of the financial institution where the account is held. The Company shall have the right to deposit the Employee's pay into the account directly by electronic means (e.g., direct deposit). All current and new Employees, paid by direct deposit, as at the date of this proposal, shall be required to continue to maintain a bank account for the purpose of receiving their pay by direct deposit, and shall promptly inform the Company of any changes to their banking arrangements in advance of their scheduled pay deposit.

ARTICLE IX: STATUTORY HOLIDAYS

(a)	The Company and the Union agree the following Statutory Holidays shall be observed.
	☐ New Year's Day
	☐ Good Friday (Easter)
	☐ Victoria Day
	☐ Canada Day
	☐ British Columbia Day
	☐ Labour Day
	☐ Thanksgiving Day
	☐ Remembrance Day

Christmas Day
Boxing Day

- (b) An Employee, to qualify for Statutory Holiday pay, must comply with each one of the following three conditions:
 - (i) Has been on payroll thirty (30) calendar days immediately preceding the holiday.
 - (ii) Has completed his last regularly scheduled work day before, and his first regularly scheduled work day after the holiday, unless his absence is due to illness, compensable occupational injury, or is otherwise authorized by the employer; and,
 - (iii) Notwithstanding Paragraph (ii) above, the Employee must have worked and completed one (1) scheduled shift before and one (1) scheduled shift after the holiday, both of which must fall within a period of ninety (90) calendar days.
- (c) In case of injury or illness, in (ii) above, the employer shall have the right to request a medical certificate.
- (d) Employees who work on a Statutory Holiday shall be paid at the rate and one-half for all hours worked and shall receive another day off with pay. The banked Statutory Holiday must be taken within 30 days at a time suitable to both parties. If a mutually agreeable date can not be determined, the Company will exercise its right to schedule the day off.
- (e) Floating Holiday: Grandfathered (or Tier 1) Employees who complete one full year of employment and work 1000 hours or more will be eligible to receive a day off with pay. Time off will be scheduled and taken upon mutual agreement by the Employee and the Company. The Employee becomes eligible to schedule a Floater on October 15th each year. Eligible hours will be determined by reviewing the previous one year period.

Floaters not taken by October 14th each year will be paid out in the following period. (No carry over will be permitted.) Hours worked will be identified consistent with hours worked for the purpose of pension contributions.

ARTICLE X: VACATIONS WITH PAY

Section 1: Annual Vacation Pay and Time off

Annual vacation pay and time off will be calculated and determined according to the table below, based on an Employee's years of service.

Completed Yrs of Service	% of Earnings	Annual Vacation Time
Less than 1 year	4.0%	0
1 through 3 years (inclusive)	4.5%	2 weeks
4 through 7 years (inclusive)	6.5%	3 weeks
8 through 14 years (inclusive)	9.0%	4 weeks
15 years or more	11.0%	5 weeks

Effective June 6, 2010 [on a go forward basis] Vacation Pay and Entitlement for Employees who have completed 14 years of service will be

- (a) 5 weeks annual entitlement; and
- (b) 11% vacation pay based on insurable earnings

The Employee will have the option to forego any part of their earned vacation, except as required by law.

Section 2: Vacation Pay on Termination

An Employee whose employment is terminated shall receive vacation pay at the appropriate percentage of insurable earnings earned during the period of entitlement in accordance with the Employee's years of service.

Section 3: Vacation Time

Vacations for Employees shall be taken at such time as mutually agreed upon by the Plant Committee and the Company when quantity and regularity of production shall not be impaired.

Section 4: Payment of Vacation Pay

Vacation pay will be paid at the percentage of insurable earnings for the qualifying year.

Section 5: Payment

Vacation pay will be calculated and paid to the Employee within fourteen (14) days of the common vacation cut-off. The Employees will have the option of applying, in writing, no later than the 15th of May, before the June vacation pay cut-off, to designate vacation pay in weekly increments to actual vacation time being taken.

Section 6: Vacation Pay - Percentage of Wages Method

The following shall be considered as equivalent to days actually worked for determining vacations with pay for an Employee, after one (1) continuous year of employment:

- (a) Absence due to injury or illness where an Employee would have worked but is in receipt of wage loss benefits (WCB or Weekly Indemnity), up to a period of one year, provided that the Employee returns to his/her employment.
- (b) Absence due to Bereavement Leave, in accordance with the terms and conditions of Article XV. Section 5.
- (c) 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 XV, Section 6.
- (d) Any other absence duly approved by the Company, in

writing, shall be credited towards entitlement of annual vacation. However, time spent on such leaves of absence shall not be counted in computing vacation pay.

ARTICLE XI: CALL TIME

Section 1: Qualifying Conditions

Call Time applies to maintenance personnel only. Maintenance personnel shall receive two (2) hours Call Time at the straight time rate in addition to pay for time actually worked under the following conditions:

- (a) Call to work following a shift. When required to report for work after completing a designated shift.
- (b) Call to work on a designated day off. When required to report for work on a designated day off.
- (c) For any work performed on a holiday as specified in Article IX.

Section 2: Payment

- (a) The Employee shall receive a minimum payment of four
 (4) straight time hours including payment for Call Time and time worked.
- (b) Not more than one (1) basis shall be used to cover the same period of work.

ARTICLE XII: FAILURE TO SUPPLY WORK

Section 1: No Work

Any Employee, who reports to 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 canceling said call. It shall be agreed that for the purpose of this section, three (3) hours shall be deemed sufficient notice.

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 Company, when two (2) hours must be paid.

ARTICLE XIII: HEALTH AND WELFARE BENEFITS:

Section 1: Institution

It is agreed that a Health and Welfare Plan be instituted in accordance with the principles hereinafter set out. The name of the Plan shall be: "PPWC – Forest Industry Health and Welfare Plan".

Section 2: Insurance Coverage

The following coverage will apply:

- (a) Group Life Insurance for each qualified Employee: \$100.000.
- (b) Accidental Death and Dismemberment Insurance for each qualified Employee: \$100,000.
- (c) Accidental Death and Dismemberment twenty-four (24) hour coverage, the Plan includes coverage for accidents occurring at work.
- (d) Weekly Indemnity benefits consist of four hundred and forty-nine dollars (\$449) per week.
 - The weekly benefit commencement date shall be based on the Group Benefits Schedule.
 - The Union agrees that if the Company maintains weekly plan benefits which will meet the standard requirements for full premium reduction for "wage loss

replacement plan under the Unemployment Insurance Act". The Employees' 5/12th share of the premium reduction are retained as payment in kind in the provisions of the Weekly Indemnity Plan benefits.

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) Vision Care limit increase two hundred and fifty dollars (\$250) per member or dependent in any 24-month consecutive period.
- (c) Physiotherapist/Massage Practitioners' limit five hundred and fifty dollars (\$550) per member or dependent per calendar year.
- (d) Chiropractors/Naturopathic Physicians' limit six hundred dollars (\$600) per member or dependent per calendar year.
- (e) Orthopedic Shoes limit five hundred dollars (\$500) per adult, and three hundred dollars (\$300) per child, per calendar year.
- (f) Prescribed Orthotics limit effective two hundred dollars (\$200) per member or dependent per calendar year.
- (g) Hearing Aid coverage limits five hundred and fifty (\$550) per member or dependent, every five years, unless alternate coverage is provided for.

Section 4: General Principles

(a) Premium cost for insurance shall be paid by the Company.

- (b) Participation in the Plan is a condition of employment.
- (c) 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) Casual Employees will not be entitled to benefit coverage.
- (e) Coverage during layoff will be provided as follows:
 - (i) Grandfathered (Tier 1) Employees with one (1) or more years of seniority – nine (9) months.
 - (ii) New Employees, hired after the date of ratification (Tier 2), with one or more years of seniority – 6 months.
 - (iii) Employees with more than four (4) months but less than one (1) year of 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 XV – Leave of Absence, Section 4: 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.
- (i) Employees on extended leave of absence under Article XV Leave of Absence, Section 4: 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 Company during such extended leave of absence.

Section 5: Dental Plan

- (a) A Dental Plan will be provided based on the following general principles:
 - 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 with a lifetime maximum of \$2,500 for adults and a life-time maximum increase from \$2,500 to \$3,000 for children only. No waiting period is required.
 - (iii) Orthodontic (Plan C) Plan pays 60% of approved schedule of fees with a life-time maximum effective of \$2,500 for adults and a life-time maximum of \$3,000 for children only. No waiting period is required.
- (b) The principles set out in Section 4 shall apply to the Dental Plan.

Section 6: Long Term Disability Plan

A Long Term Disability Plan will be provided having a monthly benefit of \$1,800 for all claimants.

ARTICLE XIV: SENIORITY

Section 1: Principle

The Company recognizes the principle of seniority, competency considered.*

Section 2: Reduction and Recall of Forces

- (a) In the event of temporary job curtailment, the worker(s) put in motion as a result of the curtailment will revert to their last posted position.
- (b) In the event of a reduction of the forces, the last person hired shall be the first person released subject to the competency of the persons involved. Where a reduction of forces is caused by emergency conditions the application of 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 Plant Committee as soon as possible.
- (c) When recalling forces after a layoff, an Employee shall be recalled in order of his seniority subject to the competency of the person involved, as per Appendix "A".
- (d) 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 previously posted job or a regularly held position, subject to the competency of the person involved, as per Appendix "A".

Section 3: Retention during Layoff

It is agreed between parties that seniority during layoffs shall be retained on the following basis.

- (a) Regular Employees with less than one (1) year's service shall retain their seniority for a period of six (6) months.
- (b) Employees 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 six (6) months.
- (c) A laid-off Employee's seniority retention under (a) and (b) above is reinstated on the completion of one day's work.
- (d) 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.
- (e) Severance pay will be paid on expiration of recall rights at the rate of one (1) week's pay per year of service, to a maximum of twenty (20) weeks' pay.
- (f) If the plant is relocated the Value Added Employees will be retained. If the relocation is in excess of 50 km from the existing site, then the Employee will be given a choice of either severance pay or relocation.

Section 4: Job Posting

This section is covered in its entirety under Article XX – Training Agreement.

Section 5: Probationary Period

It is agreed that all Employees are hired on probation. Said Probation period shall be thirty (30) working days within a ninety (90) calendar day period. Upon completion of thirty (30) working days they shall be regarded as regular Employees.

Section 6: Seniority List

It is agreed that a Seniority List shall be supplied to the Union by the Company, twice during each calendar year, setting out the name and starting date of each regular Employee.

Section 7: Hiring Preference

When hiring new Employees, the following order of rehire shall take place.

- (i) Former Employees of the operation who have lost their seniority retention as a result of the last layoff in the operation and who did not take severance pay. Any Employee exercising preferential rights must submit application to the division office within six (6) months of layoff. All applications must be re-activated every six (6) months for consideration of hire.
- (ii) Laid off WFP Employees from other PPWC Local 8-certified operations.

All above hires will be considered as new Employees and must complete a thirty (30) day probationary period. There will be no carry over of benefits or holidays.

Section 8: Temporary Summer Students

The Company and the Union agree to the hiring of summer students under the following conditions:

- (i) Students will be enrolled as full time students
- Students must be enrolled in a government accredited facility
- (iii) Students will all start at the entry level job rate
- (iv) Students will work a maximum of one hundred and twenty (120) calendar days. All benefits will be waived during this time.

- (v) Students will be recorded on a separate seniority list.
- (vi) Students may only be hired under this provision for a maximum of four (4) years and thereafter shall have their name removed from the student seniority list.

ARTICLE XV: LEAVE OF ABSENCE

Section 1: General

The Company shall grant leave of absence to Employees suffering injury or illness, subject to a medical certificate if requested by the Company.

Section 2: Maternity/Paternity Leave

The Company will grant a reasonable period of extended maternity/paternity leave without pay to Employees where there is a valid reason.

Section 3: Union Business

- (a) The Company will grant leave of absence to Employees who are appointed or elected to Union office for a period up to and including one (1) year. Further leave of absence may be granted by mutual consent. 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 the Pulp Paper and Woodworkers of Canada in order that they may carry out their duties on behalf of the Union.
- (c) In order for the Company to replace the Employee with a competent substitute, it is agreed that before the Employee receives this leave of absence, as set for in the

clause (a) and (b) above, the Company will be given due notice in writing. In the case of (a), twenty (20) calendar days, and in the case of (b), three (3) calendar days notice to the company is required.

Section 4: Compassionate Leave

Granting a leave is a matter between the Employee and the Company. The Company will consider length of service and will endeavor to arrange leave of absence to suit the Employee's wishes. Employees with ten (10) or more years of service will be given special consideration. Each and every request for leave of absence will be reviewed on it's own merit.

The Company may grant leave of absence up to a maximum of one (1) year without pay to Employees for compassionate reasons or for industry-related education or training or extended vacation purposes, conditional of the following terms.

- (a) The Employee applies at least one (1) month in advance unless the grounds for such application could not reasonably be foreseen.
- (b) The Employee shall disclose the grounds for application.
- (c) The Company may grant such leave where a bona-fide reason is advanced by the applicant, or may postpone leave for industry-related educational or training purposes where a suitable replacement is not available.
- (d) The Company may be required to consult with the Plant Committee in respect of any application for a leave under this section.
- (e) The Employee pays all benefits during said leave.
- (f) The Employee will supply the Company with a means

of prepaying their benefits for the said leave. If the Employee fails to cover the cost of benefits, benefits will be discontinued. The Employee will be given adequate notice of cancellation of benefits; however it will be the Employee's responsibility to notify the Company, in writing, of a forwarding address.

- (g) Employees requesting extended vacation leave must first use all their vacation entitlement for the year in question.
- (h) Total leaves of absence granted under this provision shall not exceed twelve (12) months leave in any five (5) year period.

Section 5: Bereavement Leave

When a death occurs to a member of a regular 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, or salary, for a maximum of three (3) days. 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, son-in-laws, daughter-in-laws, step-children, step-parents, grandparents, grandparent-in-laws, and grandchildren.

Section 6: 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, on a day 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 the regularly scheduled hours of work.

- It is understood that such reimbursement shall not be for hours in excess of eight (8) hours per day or (40) hours per week, less pay received for the said jury or witness duty. The Employee will be required to furnish proof of pay received.
- (b) Hours paid for under the provision 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: 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, 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 XVI: SAFETY COMMITTEE

The Company and the Union agree that the Company shall maintain a Safety Committee consisting of an equal number of representatives of the Company and the Employees and shall have a minimum of three (3), but no more than five (5) Members.

The Employee representatives will be elected by a vote supervised by the Union.

The Company will pay their regular straight time job rates to Employees for actual time spent attending meetings of the Safety Committee.

ARTICLE XVII: SAFETY EQUIPMENT

Section 1:

The Company shall, where required by W.C.B. regulation, make the following safety equipment available at no cost to the Employee:

- Hearing protection (ear muffs and ear plugs)
- Non-prescription Eye protection
- Coveralls for maintenance Employees and also the compacting crew (when painting is required).
- Respiratory protection
- Chain Saw Pants
- Leather Apron
- Hard Hat
- Gloves (shall be replaced only when returned worn beyond repair)

Section 2:

The Company will pay each Employee a safety equipment allowance of \$150.00 per contract year on the anniversary date, provided they have worked 600 hours.

Section 3:

The Company will provide two to three sets of rainwear for

those Employees who are required to work in inclement weather. These sets of rain gear will be kept in a central location and are to be available to all Employees as needed.

ARTICLE XVIII: ADJUSTMENT OF GRIEVANCES AND ARBITRATION:

(a) Procedure:

The Company and the Union mutually agree that, when a grievance arises under the terms of this agreement, it shall be taken up in the manner established below.

Step one: The individual Employee involved shall first

take up the matter with the supervisor directly in charge of the work, with or without a Shop Steward. This step one of the grievance procedure must be executed within twenty-

one (21) days of the alleged infraction.

Step two: If the grievance is not satisfactorily settled,

the same individual with the Plant Committee, shall take up the problem with a person

designated by the Company.

Step three: If the grievance is not then satisfactorily re-

solved, it shall be referred to the Union and

the Company.

Step four: If a satisfactory settlement is then not

reached, it shall be dealt with by arbitration

as set forth in Section (c) of this Article.

(b) Time Limits:

If a grievance is not advanced to the next stage, that is Step Two, Three, or Four within fourteen (14) days after completion of the preceding stage, 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 absence of the aggrieved Employee or the Plant Committee or the representative from the Local Union, the time limit shall not apply. The Union shall be bound to proceed in such a case as quickly as possible.

(c) Arbitration:

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

- (i) The Parties shall select a single Arbitrator by mutual agreement. If the Parties fail to agree on the selection of the Arbitrator within twenty-one (21) days following the serving of notification in accordance with Section (c)(i) of this Article, they shall request appointment of an Arbitrator as provided for in the Labour Relations Code.
- (ii) No individual shall serve as Arbitrator who:
 - Either directly or indirectly has any interest in the subject of the arbitration.
 - Has participated in the grievance procedure preceding the arbitration.
 - Is, or has been, within a period of six (6) months, preceding the initiation of arbitration proceedings, employed by any local union of PPWC, or a company directly engaged in the forest products industry.
- (iii) The decision of the Arbitrator shall be final and binding on both Parties.
- (iv) The Arbitrator shall be required to hand down his decision within fourteen (14) days following completion of the hearing.

ARTICLE XIX: WAGES AND RATE STRUCTURE

Section 1: Rate Schedule

₩ E D	2010		Oct 15 2011	Oct 15 2012	Oct 15 2013	Oct 15 2014	Oct 15 2015
VYFF	Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
GROUP 1							
Certified Tradesperson Millwright Electrician Planer Mechanic Tech. I	\$ 33.47 \$ 33.47 \$ 33.47 \$ 33.47	\$ 33.47 \$ 33.47 \$ 33.47 \$ 33.47	\$ 33.47 \$ 33.47 \$ 33.47 \$ 33.47	\$ 34.14 \$ 34.14 \$ 34.14 \$ 34.14	\$ 34.82 \$ 34.82 \$ 34.82 \$ 34.82	TBD	TBD
GROUP 2							
Planer Mechanic Tech II Planer Operator Grader/Planer Grader/Resaw Tallyman	\$ 28.70 \$ 24.654 \$ 24.654 \$ 24.654 \$ 24.654	\$ 22.59 \$ 22.59 \$ 22.59 \$ 20.46	\$ 23.04 \$ 23.04 \$ 23.04 \$ 20.87	TBD	TBD	TBD	TBD
	¢ 00 000	6.00.07	£ 04 00	TDD	TDD	TDD	TDD
Forklift Operator (Kiln) Forklift Operator (Planer) Forklift Operator (Shipping) Resaw Operator	\$ 23.993 \$ 23.993 \$ 23.993 \$ 23.993	\$ 20.87 \$ 20.87 \$ 20.87 \$ 20.17	\$ 21.29 \$ 21.29 \$ 21.29 \$ 20.58	TBD	TBD	TBD	TBD
GROUP 4							
Green Stick Tallyman Yard Utility Hula-saw Operator	\$ 23.015 \$ 23.015 \$ 23.015	\$ 20.17 \$ 19.31 \$ 20.74	\$ 20.58 \$ 19.70 \$ 21.15	TBD	TBD	TBD	TBD
GROUP 5 (NEW HIRE: 0 TO 36	30 HOURS)						
Sticks/Chipper Planer Feeder Greenchain Planer Greenchain Resaw Resaw Feeder Stick Stacker East End Stacker West Compactor Operator GROUP 5 (360 HOURS OR MO	\$ 22.014 \$ 22.014 \$ 22.014 \$ 22.014 \$ 22.014 \$ 22.014 \$ 22.014 \$ 22.014	\$ 18.86 \$ 18.86 \$ 18.86 \$ 18.86 \$ 18.86 \$ 18.86 \$ 18.86 \$ 18.86	\$ 19.23 \$ 19.23 \$ 19.23 \$ 19.23 \$ 19.23 \$ 19.23 \$ 19.23 \$ 19.23	TBD	TBD	TBD	TBD
Sticks/Chipper	\$ 22.014	\$ 19.31	\$ 19.70	TBD	TBD	TBD	TBD
Planer Feeder Greenchain Planer Greenchain Resaw Resaw Feeder Stick Stacker East End Stacker West Compactor Operator	\$ 22.014 \$ 22.014 \$ 22.014 \$ 22.014 \$ 22.014 \$ 22.014 \$ 22.014	\$ 19.31 \$ 19.31 \$ 19.31 \$ 19.31 \$ 19.31 \$ 19.31 \$ 19.31	\$ 19.70 \$ 19.70 \$ 19.70 \$ 19.70 \$ 19.70 \$ 19.70 \$ 19.70	יטטי	יטטי	100	100
GROUP 6 (NEW HIRE: 0 TO 360 HOURS)							
Clean Up Stacker Helper Compactor Helper	\$ 20.036 \$ 20.036 \$ 20.036	\$ 18.86 \$ 18.86 \$ 18.86	\$ 19.23 \$ 19.23 \$ 19.23	TBD	TBD	TBD	TBD
GROUP 6 (360 HOURS OR MORE)							
Clean Up Stacker Helper Compactor Helper	\$ 20.036 \$ 20.036 \$ 20.036	\$ 19.31 \$ 19.31 \$ 19.31	\$ 19.70 \$ 19.70 \$ 19.70	TBD	TBD	TBD	TBD

Section 2: Wage Adjustments

₩FP	June 1 2010	Oct 15 2011	Oct 15 2012	Oct 15 2013	Oct 15 2014	Oct 15 2015
Tier 1	\$1,000 (a)	\$500 (b)	\$500 (b)	\$500 (b)	\$500 (b)	\$1,000 (b)
Tier 2	2%	2%	TBD (c)	TBD (c)	TBD (c)	TBD (c)

- (a) Tier 1: To be eligible for the signing bonus, an employee must have worked 500 hours in the preceding 12 months. Employees must be actively on the payroll on the date that payment is due.
- (b) Tier 1: To be eligible for lump sum payments an employee must have work a minimum of 1000 hours in the preceding 12 months. Employees must be actively on the payroll on the date that payment is due.
- (c) Tier 2: Employee adjustments will be determined by Western Forest Products Inc. and the Bargaining Agent for the South Island Reman Division.
- (d) Group 1 Certified Trades are not entitled to the wage adjustments identified above in Tier 1 or Tier 2. Trade rates are identified in the rate schedule and further explained in the Letter of Comfort dated May 31, 2010.

Section 3: Graveyard Shift Differential

A shift premium of fifteen (\$0.15) cents for all hours worked on a graveyard shift.

Section 4: Grading Ticket

	Tier 1 (T1)	Tier 2 (T2)
B Ticket	\$.50	\$1.00 per hour
A Ticket	\$.75	Shall be paid only to those Employees who
AA Ticket	\$ 1.00	actively grade. New tickets holders from the
	hold valid lumber grading paid hourly premiums for all d on above.	date of signing will receive the full premiums when qualified and performing the functions of a grader. A person must hold a valid grading ticket to qualify for a grading position. New ticket holders at the date of signing will receive .25/hr if they are not qualified and performing the function of a grader.

The Company will pay the course registration fees for Employees who wish to attend lumber grading classes, provided they maintain a minimum 90% attendance record at said classes. Any Employee not completing the classes or any Employee not maintaining the above attendance requirement will be required to reimburse the Company for the costs incurred by said Employee. In the event of unforeseen circumstances which prevent an Employee from maintaining the 90% attendance requirement, then reimbursement may be waived.

Section 5: First Aid Attendant Training & Premiums

	Tier 1 (T1)	Tier 2 (T2)
Level 3	Occupational Rate plus \$.85/hr	Occupational Rate plus \$.50/hr
Level 2	Occupational Rate plus \$.55/hr	Employee's holding a valid Level III Indus-
Level 1	Occupational Rate plus \$.35/hr	trial First Aid Ticket shall receive an hourly premium of \$.50 in addition to their regular
for Occ including duty firs pany wil any Em Level 3 First Aid	npany will pay the cost of retraining upational First Aid Certificates g lost time wages to designated taid personnel. As well the Compay the retraining course cost for ployees whom currently hold a First Aid Ticket or held a Level 3 Ticket that lapsed within the 365 or to the signing of this contract.	rate of pay. Employees receiving this premium will also receive paid training including lost time to renew their tickets.

Section 6: Rate Determination Committee

Where a new job is created, or an existing one is substantially changed, the Union and Company will jointly establish a job rate, consistent with other jobs requiring comparable skill, effort and responsibility.

If the Union and Company cannot jointly establish a new rate, the Union shall submit a Notice of Classification Dispute. The Parties shall process the Classification Dispute through the grievance procedure, however, failing resolution, the Parties agree that the rate of pay shall apply until the expiry of the Collective Agreement at which time the Parties shall address the rate of pay in during collective bargaining. If the Parties agree to a higher rate of pay for the job, the Notice of Classification Dispute shall determine the

time period for retroactively.

The Union and Company agree that a "substantial change" is one that materially and fundamentally alters the skill, effort and/or responsibility associated with a particular job.

ARTICLE XX: TRAINING AGREEMENT

- (a) There will only be regular positions and spare/trainee positions, with the provision of temporary positions which would fill absences of up to a maximum of one (1) year, at which time the position would be reviewed as a continuing temporary position or a regular position.
- (b) Upon receiving a posting for a spare/trainee, the Employee will receive a predetermined amount of training, depending on the job. This predetermined amount of time will be jointly determined by the Plant Committee and Management. If it is anticipated that the trainee is not going to successfully qualify, Management will notify the Plant Committee prior to terminating the training of the unsuccessful applicant. During this pre-determined training period, the Employee may also decline the position. If this trainee declines the position, then the next senior person who signed the posting would be eligible for the training.
- (c) If the Employee is successful in qualifying for the spare/ trainee posting then he will have first right of refusal to fill the regular position, if and when, it becomes available.

If the Employee wishes to remain as spare/trainee then the regular position will be posted as a regular/trainee position. All of paragraph (b) above will apply to this regular position. It is understood that the incumbent spare/trainer will assume regular responsibilities until the new regular trainee is qualified.

- (d) An Employee can hold only one (1) regular and one (1) spare/trainee position at any time. He can also hold a temporary position providing all provisions of Article XX paragraph (a) are met.
- (e) An Employee can only apply for a spare/trainee position once every six (6) months provided he has qualified for a spare/trainee position during the same six (6) months.

ARTICLE XXI: CONTRACTORS AND SUB-CONTRACTORS

As of the signing of this Agreement, the Company agrees that the introduction of a contractor or sub-contractor will not result in the loss of employment for Employees within the bargaining unit or bargaining unit positions.

ARTICLE XXII: STRIKES AND LOCKOUTS

The Company and the Union agree that there shall be no strikes or lockouts by the Parties to this Agreement during the terms of this Agreement.

ARTICLE XXIII: RRSP

Section 1:

The Company agrees to pay **\$2.00** per hour worked, into individual Employees' RRSP accounts.

Hours worked will include time off on W.C.B., Weekly Indemnity, Statutory Holidays, regular holidays and all employment-related training.

Section 2:

All Employees will be eligible to make a contribution to their existing individual RRSP account, through payroll deductions.

Contributions shall be made in set dollar amounts (based

on \$5.00 increments) and will bededucted bi-weekly from regular payroll.

Once an Employee has completed a request for deductions, he must in writing, give two (2) weeks notice of any changes. Employees will only be entitled to two (2) changes per year.

Section 3:

The Company agrees to deposit all RRSP contributions on a monthly basis.

APPENDIX "A"

In the context of Article XV, Seniority of the Collective Agreement between WFP Value Added and P.P.W.C., Local 8, the Union's understanding of the terms "competency" and "competency considered" is as follows.

- (a) The Employee is able to satisfactorily perform all aspects of the job in question as required to Company standards (this is not to say the Employee must be the most qualified or competent Employee).
- (b) The Employee has all the qualifications necessary to perform the job.

e.g.: In order to work as a lumber grader, an Employee would reasonably be expected to have a grading ticket and/or grading knowledge before being considered for a lumber grading position.

In order to work as an electrician, an Employee would have to be a qualified electrician.

DURATION OF AGREEMENT

The Parties hereto mutually agree that this Agreement shall be effective from and after the 1st day of June, 2010 to

midnight the 14th day of October, 2016 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 (4) months immediately preceding the 15th day of October, 2016. 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.

DATED this 2nd day of September, 2010.

Signed for VALUE ADDED DIVISION	Signed for PULP, PAPER AND
(VAD), A Division of Western Forest	WOODWORKERS OF CANADA
Products Inc. (WFP)	(PPWC) LOCAL 8
David Turnbull	Arnold Bercov
Manager, Value Added	Bargaining Agent, PPWC Local 8
Lisa House	Lyman Somers
Manager,	PPWC Bargaining Committee
Compensation & HR Services	Member
Harold Mercer Manager, Labour Relations	lan McConnell PPWC Bargaining Committee Member
	Michel Rivard PPWC Bargaining Committee Member



Between

Pulp, Paper & Woodworkers of Canada Local #8 (the Union)

And

Western Forest Products Inc. (the Company)

Contingent on the signing of the new collective agreement at the Company's Value Added Division and the contract language it contains at Article XIX Wages the Company provides this promissory letter in respect to Group 2 Tradesperson Rate. This, the Company believes will address critical trades retention in the operation.

[1]The Company will adjust and move the tradesperson rate to \$32.48 per hour which is the Coast Master Agreement rate upon ratification of a new collective agreement.

[2] The Company will adjust the rate in accordance with any future changes to the Coast Master Agreement and only for the duration of the currently negotiated Coast Master Agreement of 2010. The tradesperson rate will mirror all pay adjustments on an annual basis coincident with Valued Added Collective Agreement contract year.

[3] In respect that the Coast Master Agreement achieves different expiry dates less than the collective agreement at Value Added Division the tradesperson(s) will enjoy the terms and conditions of the Value Added Division contract in reference to wage adjustments for the remaining period.

DATED THE 21st DAY OF MAY ,2010			
David Turnbull FOR THE COMPANY	Arnold Bercov FOR THE UNION		

LETTER OF COMFORT BETWEEN

VALUE ADDED PROCESSING DIVISION AND

WESTERN FOREST PRODUCTS INC.

The Parties have agreed to insert, into the 2010 WFP Inc. Value Added Division (VAD) and PPWC Local 8 Collective Agreement, language addressing the following two tiered wage system. The details of this arrangement are based on the following:

- All current employees (save and except trades-people as covered in 4(a) below) on the seniority list as of the date of ratification will maintain their current rate of pay status as of May 31st, 2010 going forward for the duration of the 2010 Collective Agreement. Said Employees will be identified as "Tier 1 (T1) Grandfathered" for the purpose of the existing rate structure, including premiums.
- 2. All new Employees hired after date of ratification will be paid under a rate of pay and progression structure (including premiums), Tier 2 (T2), similar to the wage structure currently in place at the WFP South Island Reman facility. Tier 2 Employees will be further subject to any wage adjustments that will be negotiated by the Company and the South Island Reman bargaining agent.
 - (a) Company representative, David Turnbull Manager of VAD, and Lyman Somers, Plant Chairman of VAD will assimilate all positions so that

they are similarly represented by two separate wage structures. (Specifically, wherever possible, all existing VAD positions will have a twin with a new separate rate of pay for all new employees.) This document will be attached as an Addendum to this Letter of Comfort.

- 3. Upon such time as rates of pay listed under Tier 2 are equal to rates of pay listed under Tier 1, future wage adjustments will be determined and further governed by the rate structure of Tier 2.
- 4. Trades-people (to include Planer Mechanics, Certified Tech I) will not be subject to any compensation adjustment provided to employees listed under either the Tier 1 or Tier 2 rate schedule with the exception of the Signing Bonus. Trades-people rates of pay will be applied consistently with the rates of pay negotiated by the WFP-USW Logging/Manufacturing Collective Agreement (formerly known as the Coast Master Agreement (CMA))
 - (a) Upon ratification of the WFP Inc. Value Added Processing Division and PPWC Local 8 Collective Agreement, existing Trades-people rates will match the current USW/CMA rate of \$33.47.
- Charge-hand rate of pay \$1.00/hr greater than the highest production rate supervised.

RATE SCHEDULE

TIER 1 (T1)	COLLECTIVE	TIER 2 (T2)
Current VAD Employees (Grand fathered Rates)	AGREEMENT YEAR	New VAD Employees (SIR Rates of Pay)
**Signing Bonus \$1000 upon ratification of agreement.	2010	2%
*\$500 Lump Sum-October 15	2011	2%
*\$500 Lump Sum-October 15	2012	TBD
*\$500 Lump Sum-October 15	2013	TBD
*\$500 Lump Sum-October 15	2014	TBD
*\$1000 Lump Sum-October 15	2015	TBD
CA EXPIRY -MIDNIGHT OCTOBER 14, 2016		

*To be eligible for lump sum payments, an employee must have worked a minimum of 1000 hours in the preceding 12 months. Employees must be actively on the payroll on the date that payment is due.

**To be eligible for the signing bonus, an employee must have worked 500 hours in the preceding 12 months. Employees must be actively on the payroll on the date that payment is due.

***Based on the assumption that ratification occurs on or before May 31st, 2010.

SIGNED on this 27th day of May, 2010

PPWC LOCAL 8 Arnold Bercov, President – PPWC Local 8

WFP Inc Harold Mercer, Manager – Labour Relations

END OF DOCUMENT.