

MEMORANDUM OF AGREEMENT

BETWEEN **FOREST INDUSTRIAL RELATIONS LTD.**
(herein known as the "Company")

OF THE FIRST PART

AND:

UNITED STEELWORKERS Locals 1-85, 1-1937, 2009
(herein known as the "Union")

OF THE SECOND PART

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

Subject to the foregoing the Parties hereby agree:

TERM OF AGREEMENT

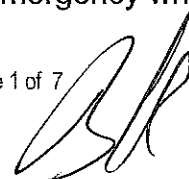
THAT a Collective Agreement is entered into (hereinafter called the "2010 – 2014 FIR Coast Master Logging Agreement") in the terms of the Collective Agreement described as the "2007 – 2010 Coast Master Agreement" (including Supplements), save for the amendments herein set out, and shall be effective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

The 2010 – 2014 FIR Coast Master Logging Agreement is a collective agreement covering logging member companies in Forest Industrial Relations and all articles, clauses, and references relating specifically to the manufacturing sector contained in the 2007-2010 Coast Master Agreement will be appended in the creation of the 2010-2014 FIR Logging Agreement.

ARTICLE II – EMPLOYER'S RIGHTS

Section 3: Non Bargaining Unit Employees

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



regular employees are not available, provided that every reasonable effort is made to find a replacement.

Minutes of Both Parties

(It is understood that FIR Logging Contractors may from time-to-time perform limited bargaining unit work as long as it doesn't result in the lay-off of an employee or prevent the recall or hiring of an employee.)

ARTICLE III – UNION SECURITY

The Companies signatory to this Memorandum will grant the United Steelworkers upon written application reasonable access to their logging operations and the operations will not be unduly interrupted.

ARTICLE X – Wages Signing Bonus

The Company will pay the employees whose names appear on the seniority list on the date of ratification \$250 in the last pay period of December 2010, and will pay the balance of \$250 in the last pay period of December 2011.

ARTICLE X - Wages General Wage Adjustments

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

ARTICLE X – Wages Job Specific Wage Adjustments

Certified Tradespeople: Effective June 15, 2010, a \$1.00/hr increase in the current wage rate for all certified Tradespeople. This increase will also apply to those Uncertified Tradespeople who have been regularly paid as Certified.

Certified Logging Tradespeople (Groups 1 & 2 only): Effective June 15, 2010, certified Tradespeople assigned to work afternoon shift or graveyard shift will be paid a premium of \$1.00/hr over and above the current shift premium. This premium will also apply to those Uncertified Tradespeople who have been regularly paid as Certified. Apprenticeship rates will also be pro-rated.



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

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

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

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

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

Amend as follows:

To provide for Group Life Insurance in the amount of:

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

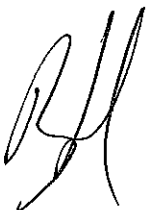
To provide for Accidental Death & Dismemberment Insurance in the amount of:

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

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

Add to EHB coverage:

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



ARTICLE XVII – Health & Welfare
Section 3: Medical Coverage

Effective January 01, 2010, amend the medical travel to provide for two-thousand (\$2000.00) over the four (4) year term of agreement with the maximum of one thousand (\$1000.00) in any one year.

ARTICLE XVII – Health & Welfare
Section 4: General Principles

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

ARTICLE XVII – Health & Welfare
Lay-off Coverage

The Negotiators hereby direct the Trustees of the USW-Coastal Forest Industry Health and Welfare Plan to consider changing the Plan's administrative practice so that, after a layoff has occurred and a laid off employee has become re-employed with another participating Employer in the Plan, responsibility for benefit coverage will shift to the employer who regularly employs the laid off and covered employee after the first month of employment.

If such employee subsequently is laid off by the second employer within the term of the employee's layoff coverage retention from the first employer, his remaining layoff coverage will be the responsibility of the first employer.

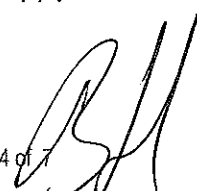
ARTICLE XVIII - Long Term Disability

Amend as follows:

Effective the first of the month following ratification of this Memorandum, contributions from both the Company and the Employee will be one dollar and twenty cents (\$1.20) per hour, per employee per hour worked, of which the Company will contribute sixty cents (\$0.60) per hour, and the Employees will contribute sixty cents (\$0.60) per hour.

ARTICLE XXVIII – Education Fund

1. The Company will contribute to the Fund three cents (3¢) per hour per Employee per hour worked. Effective June 15, 2013, the contributions will be increased to five cents (5¢) per hour worked per Employee.



2. The Company shall remit the contributions to the Local Union no less than once each month, with a written statement of names of the Employees for whom the contributions were made and the hours worked by the Employee.

ARTICLE XXXIV - Permanent Partial Closure

Amend as follows:

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



ARTICLE XXXX – Duration of Agreement

1. The Parties hereto mutually agree that this Agreement shall be effective from and after the 15th day of June, 2010, to midnight the 14th day of June, 2014, and thereafter from year to year unless written notice of contrary intention is given by either Party to the other Party within four (4) months immediately preceding the date of expiry. The notice required hereunder shall be validly and sufficiently served at the Head Office of the Party of the First Part, or at the Local Office upon the Local Officers of the Union, Party of the Second Part, within four (4) months immediately preceding the 15th day of June, 2014. If no agreement is reached at the expiration of this Contract and negotiations are continued, the Agreement shall remain in force up to the time an agreement is reached or until negotiations are discontinued, by either Party.
2. The Parties hereto agree that the operation of Sections 50(2) and 50(3) of the Labour Relations Code of British Columbia, R.S.B.C. 1996, c. 244, is excluded from the Master Agreement.

A handwritten signature in black ink, appearing to be the initials 'B.H.' or similar, located in the bottom right corner of the page.

Maintenance Service Time

Absent an agreement with the Local Union involved, the Company will pay maintenance service time as per the attached Western Forest Products Letter of Understanding.

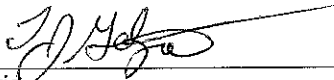
Dated this 17 day of SEPTEMBER, 2010.

FOR:

Forest Industrial Relations Ltd.

FOR:

United Steelworkers Locals 1-85 & 1-1937, 2009



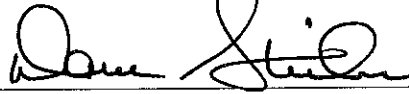
Tom Getzie,
Forest Industrial Relations



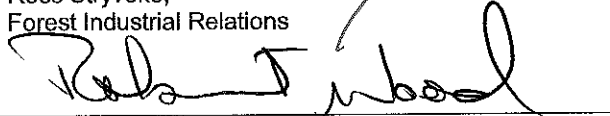
Bob Matters,
USW Wood Council Chair



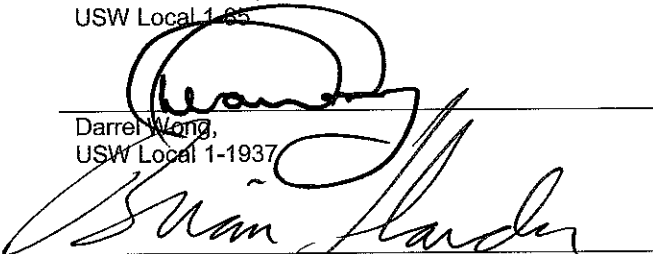
Ross Stryvok,
Forest Industrial Relations



Dave Steinhauer,
USW Local 1-85



Robert Wood,
Holbrook Dyson Logging Ltd.



Darrel Wong,
USW Local 1-1937



Brian Harder
Behalf of USW Local 2009

E. & O.E.

**Letter of Understanding
Between
United Steel Workers Local 1-1937 and Local 1-85 and Council of Locals
(The Union)
And
Western Forest Products Inc.
(The Company)**

Collectively referred to as "the parties"

Re: Maintenance Service Time and Hook Tender Responsibilities

The purpose of this document is to clarify the duties and responsibilities of machine operators and hooktenders with the additional 40 minutes (2/3 hour) paid to employees working in those job categories at Western Forest Products logging operations. This policy is not intended to replace current practices that specifically address Maintenance Service Time.

1. MACHINE OPERATORS

Maintenance Service Time

Definition

Maintenance Service Time refers to the performance of daily service checks and lubrication prior to the start of the shift and minor repairs/adjustments performed during the shift. Those employees whose job requires them to perform duties which fall under the heading of "Maintenance Service Time" will be paid 40 minutes at the overtime rate provided the regular work day is completed.

Eligible Employees

Those employees who are the operators of designated machines are covered by this policy. *Note: employees newly assigned to operating a piece of equipment will receive an orientation with the Master Mechanic regarding the proper servicing.*

Designated Equipment

No changes from current practice.

Duties and Responsibilities

- Gather up the supplies, parts, etc. required for the worksite prior to marshalling time
- Complete the applicable checklist for the machine (i.e. logging truck drivers' pre-trip checklist)
- If there is no designated inspection checklist the operator should conduct a pre-operational inspection/walk-around consisting of:
 - a visual inspection for damage or leaks
 - checking the engine fluid levels, hydraulic fluid levels, and radiator coolant levels
 - performing all lubrication and greasing requirements in accordance with the manufacturer's specifications or as demonstrated during an orientation

- The equipment operators will be required to warm up the machine prior to the start of the shift.
- Monitor the operating performance of the machine throughout the shift and document and report all malfunctions. Check with the maintenance department to see that repairs were completed as required.
- Perform minor maintenance including but not limited to: removing and replacing damaged hoses, tightening loose bolts, brake adjustment, tightening belts, fixing minor air leaks, etc. as required. Assist mechanics where possible
- Fuel machine as required, outside the regular shift if necessary.

Note: where a machine operator travels with a crew to a remote site, servicing will be completed as quickly and efficiently as possible at the beginning or the end of the shift to minimize the disruption to the workday. At a minimum, before the shift begins the operator will

- conduct a Pre-Trip walk-around looking for damage or leaks
- check engine fluid, hydraulic oil, and radiator coolant levels
- warm up the machine

During lunch time or other idle time opportunities the operator will complete the remainder of the necessary servicing.

Tools

Tools are the responsibility of the operator; however, tools broken on the job will be replaced in kind when presented to the master mechanic

2. Hooktenders

Western Forest Products holds that hooktenders are leaders who take responsibility on their side in a number of key areas:

- safety, including training, work practices and procedures, and equipment
- communications with the crew as well as supervisors and others
- equipment management
- efficiency, quality, and production
- operating mobile backspars

Hooktenders who assume these responsibilities will be paid 40 minutes at the overtime rate provided the regular work day is completed.

Eligible Employees

Hooktenders

Duties and Responsibilities

- Set a high standard of safety by example and monitor practices on the side with teaching and interventions as required
- Ensure necessary equipment and supplies are gathered prior to marshalling time
- Discuss work plans with the supervisor prior to leaving the marshalling yard and debrief with the supervisor upon return to the marshalling yard at the end of the day
- Coordinate activities of the worksite during the shift to optimize quality, efficiency, and production

- In the case of a mobile back spar, complete the designated inspection checklist or conduct a pre-operational inspection/walk-around consisting of:
 - a visual inspection for damage or leaks,
 - checking the engine fluid levels, hydraulic fluid levels, and radiator coolant levels
 - performing all lubrication and greasing requirements in accordance with the manufacturer's specifications or as demonstrated during an orientation
- Warm up backspar and be ready to start at the beginning of the shift if necessary
- Monitor the operating performance of the machine throughout the shift and document and report all malfunctions on a work order. Check with the maintenance department to see that repairs were completed as required.
- Assist mechanics where possible performing minor maintenance and repairs.
- Fuel machine as required, outside the regular shift if necessary

Read, Agreed and Accepted this 15th day of June, 2010.

Bob Matters, Chair
Wood Council
United Steel Workers

Harold Mercer, Manager
Labour Relations
Western Forest Products Inc.