

COLLECTIVE AGREEMENT

between

CHEMAINUS FOREST PRODUCTS LTD.

and

UNITED STEELWORKERS LOCAL 1-1937

OCTOBER 31, 2011 - OCTOBER 30, 2015

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COLLECTIVE AGREEMENT

BETWEEN

CHEMAINUS FOREST PRODUCTS LTD.
(hereinafter known as the Company)

AND

UNITED STEELWORKERS LOCAL 1-1937
(hereinafter known as the Union)

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 cooperate 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.

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

1. BARGAINING AGENCY

Section 1: Recognition

The Company agrees to recognize the Union as the sole bargaining agency for the employees of the Chemainus Forest Products except those employees with the authority to hire or fire and to discipline or discharge or confidential employees.

Section 2: Access to Operation

Official Union Representatives shall obtain access to the company's operations for the purpose of this Agreement by written 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.

2. EMPLOYER'S RIGHTS

The Union recognizes that the Company has the exclusive right to direct the work force, hire employees and to discipline or discharge them for proper cause.

3. UNION SECURITY

Section 1: Cooperation

The Company will cooperate 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

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 last occurs, 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 of the said employee's refusal to maintain his membership.

Section 5: Union Membership

- (i) No employee shall be subject to any penalties against his application for membership or reinstatement, except as may be provided for in the USW Constitution, and in accordance with the By-Laws of Local Union No. 1-1937
- (ii) 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 the following assignment of wages in duplicate, the form 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.

USW-CANADA CHECK-OFF

Starting date _____
Name of Employer _____ Name of Employee _____
Address _____ Postal Code _____
Phone _____ Social Insurance Number _____
Are you a member of USW? _____ Local Union No. _____
In which USW operation were you last employed? _____

I HEREBY AUTHORIZE AND INSTRUCT YOU TO DEDUCT FROM MY WAGES AND REMIT TO LOCAL 1-1937 THE FOLLOWING IN PAYMENT OF THE AMOUNT SET OUT BELOW:

1. Union Initiation Fees in the amount of \$.....
2. Union Back Dues in the amount of \$.....
3. Union Dues \$..... per month, commencing.....
4. Union Assessment in the amount and at the time stated in notice received by you from the Local Union designated above.

APPLICATION FOR MEMBERSHIP

I hereby request and accept membership in the USW, Local 1-1937 and agree to abide by the constitution and by-laws of the organization. In case of misstatement of qualifications for membership I agree to forfeit all rights and privileges.

This 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 the new employees and copies of such letter shall be furnished to the employees 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 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.

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.

4. UNION COMMITTEE

The Company agrees to recognize a Union or Shop Committee, said Committee shall be comprised of not less than three (3) and not more than seven (7) employees.

5. HOURS OF WORK

Section 1: Hours of Work

- (i) The Company and the Union agree that the regular hours of work will be eight (8) or ten (10) hours per day and forty (40) hours per week.
- (ii) The regular hours scheduled shall be five (5) consecutive eight (8) hour shifts or four (4) consecutive ten (10) hour shifts. The Company shall give four (4) calendar days' notice when changing from eight (8) or ten (10) hours schedules.
- (iii) When implementing four (4) consecutive ten (10) hour shifts, it must apply to the whole operation. The exception to this is the compactor and shipping crews who may work the opposite shift. I.E. If the planer mill is running a eight (8) hour shift the compactor or shipping crew may operate on ten (10) hour shifts. To do this the Company must operate the compactor or shipping crew on a Monday to Friday basis.
- (iv) Employees who have their shift changed during the work week between eight (8) and ten (10) hour shifts, shall be entitled to work, seniority competency considered to receive forty (40) hours per week. Said employees shall also have the option to work hours beyond forty (40) per week when forty (40) hours are reached after the start of a shift. If the employee wishes to decline the hours beyond forty (40), he must notify the Company the previous day.
- (v) Where the Company operates the plant or any part thereof on a three-shift basis, all employees shall receive eight (8) hours pay upon completion of the full hours established as their regular hours.
- (vi) Hours worked in excess of eight (8) in a scheduled eight (8) hour day or ten (10) hours in a scheduled ten (10) hour day or the regular hours per week shall be paid overtime rates in accordance with the Employment Standards Act of British Columbia.
- (vii) Swing Shift - The working force on the day shift shall alternate with the working force on the afternoon shift on a regular basis as agreed upon by the Company and the Shop Committee.
- (viii) Hourly employees working overtime have the option to bank overtime for time off at a later date at straight time rates or may elect to be paid at time and one half.

- (ix) Production Shifts scheduled on Saturdays may be averaged over the next pay period. To do this the Company must not run for an equivalent period in the next pay period. The Company may however use laid off employees from either Copper Canyon Timber Ltd. or Chemainus Forest Products to operate during this Shift curtailment.
- (x) 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.
- (xi) The foregoing shall not be construed as quarantining to any employees any number of hours of work per day or per week.
- (xii) Casual work will be paid at casual rates.

Section 2: Alternate Shift Scheduling

- (i) Management, Plant Committee and 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.
- (ii) When alternative schedules have been implemented in accordance with (i) above, the following overtime provision will apply:
 - A. Rate and one-half be paid for the following:
 1. All hours worked in a day in excess of the normal daily hours of the established schedule.
 2. Hours worked in excess of forty (40) hours per week or forty (40) hours average when there is an averaging period.
 3. 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.

6. TECHNOLOGICAL CHANGE

The Company agrees it shall notify the Union and the Union Committee not less than ten (10) weeks' notice in advance of intent to institute changes in working methods or facilities which would involve the discharge or laying off of employees.

Employees discharged, permanently laid off from their regular job because of mechanization, technological change or automation shall be entitled to severance pay of one week's pay for each year of service with the Company. A permanent layoff is

deemed to occur after six (6) months or the expiration of an employee's seniority retention, whichever occurs first.

7. WAGES

All rates of pay in the collective agreement shall be increased as follows;

- Two (2) percent retroactive to October 31, 2011
- Two (2) percent effective October 31, 2012
- Two (2) percent effective October 31, 2013
- Two (2) percent effective October 31, 2014

Section 1: Categories and Hourly Rates

	Oct 31/03	Oct 31/11	Oct 31/12	Oct 31/13	Oct 31/14
Planer Mechanic	23.30	23.77	24.25	24.73	25.22
Planerman	21.15	21.57	22.00	22.44	22.89
Chargehand	21.15	21.57	22.00	22.44	22.89
Grader	21.05	21.47	21.90	22.34	22.79
Planer Feeder	19.80	20.20	20.60	21.01	21.43
Tallyman	19.80	20.20	20.60	21.01	21.43
Forklift	19.80	20.20	20.60	21.01	21.43
Resaw Operator	19.80	20.20	20.60	21.01	21.43
Tilt/Hoist Trim	19.55	19.94	20.34	20.75	21.16
Trim	19.55	19.94	20.34	20.75	21.16
Compactor Operator	19.55	19.94	20.34	20.75	21.16
Package Saw	19.55	19.94	20.34	20.75	21.16
Tilt Hoist	19.05	19.43	19.82	20.22	20.62
Stacker	19.05	19.43	19.82	20.22	20.62
Stenciller	18.90	19.28	19.67	20.06	20.46
Bundling	18.90	19.28	19.67	20.06	20.46
Chipper	18.90	19.28	19.67	20.06	20.46
Planer Chain	18.90	19.28	19.67	20.06	20.46
Stamper	18.90	19.28	19.67	20.06	20.46
Clean up (casual)	13.25	13.51	13.78	14.06	14.34

Temporary chargehands shall in addition receive fifty (\$.50) cents per hour worked.

Section 2: First Aid Tickets

All employees holding First Aid Tickets shall receive an hourly premium rate in addition to their regular rate as follows,

- Level 2 \$0.30 per hour
- Level 3 \$0.50 per hour

Section 3: Industrial First Aid Training

The Company will pay the cost of training and retraining of Industrial First Aid ticket holders.

Section 4: Grading Tickets

The Company shall pay course costs for employees who attend 80% of grading classes and achieve a 60% grade. A premium of \$0.15 cents per hour to all employees who hold a valid grading ticket, with the exception of the graders who have this premium built into their rate.

8. PAY DAYS

- (i) The Company shall provide for pay days every second week.
- (ii) Each employee shall be furnished with an itemized statement of earnings and monthly deductions.

9. STATUTORY HOLIDAYS

- (i) The Company and the Union agree the following statutory holidays shall be observed: New Year's Day, Easter Holiday, Victoria Day, Canada Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day.
- (ii) In the event that "Family Day" is recognized in the Province of BC, the new employer paid statutory holiday shall become effective on the appropriate day in February 2014 and each year thereafter.
- (iii) Employees, who have been on the payroll thirty (30) calendar days immediately prior to a statutory holiday, have worked fifteen (15) of the thirty working days prior to a statutory holiday and work their first scheduled shift after the statutory holiday, providing the first scheduled shift occurs not more than fourteen (14) days after the statutory holiday, shall be paid for the statutory holiday.
- (iv) Employees who work on a statutory holiday shall be paid at straight time rates for all hours worked and shall receive another day off with pay, or take the day's pay, at the employee's option, providing the employee qualifies under (iii) above.
- (v) Employees shall be paid statutory holiday pay at the rate of their job scheduled prior to the statutory holiday.
- (vi) Employees who are working a ten hour shift schedule when a statutory holiday occurs shall be paid 10 hours statutory holiday pay.

10. VACATIONS WITH PAY

- (i) With respect to annual vacations and vacation pay the following provisions will apply:

- (a) Less than (1) year of service, four percent (4%) of gross earnings.
 - (b) After one (1) year of service, two (2) weeks' vacation with pay at four percent (4) of gross earnings.
 - (c) After five (5) years' service, three (3) weeks' vacation with pay at six percent (6%) of gross earnings.
 - (d) After eight (8) years of service, three (3) weeks' vacation with pay at seven percent (7%) of gross earnings.
- (ii) All earned vacation must be taken except in the case of employees with three weeks' vacation time, these employees must take at least two weeks, annually.

11. 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 canceling 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.

12. HEALTH AND WELFARE BENEFITS

The Company and the Union agree that employees, upon having worked forty-five (45) days shall be enrolled in the health and welfare plan and shall be eligible for the following health and welfare benefits:

- (i) Basic medical coverage under the Medical Services Plan of British Columbia shall be provided for employees and their dependents at no cost to the employees.
- (ii) Group Insurance
 - (a) Life Insurance based on double an employee's annual wages or salary, with a minimum of \$65,000.00 up to the maximum of \$100,000.00.
 - (b) Accidental Death Insurance based on an additional amount equal to an employee's life insurance.
 - (c) Accidental Dismemberment Insurance shall remain as is presently provided by the Company as noted in the Group Insurance booklet.

- (d) Weekly indemnity benefits shall be paid based on sixty percent (60%) of an employee's weekly earnings, to a maximum required under the Unemployment Insurance Act, payable for a maximum of twenty-six (26) weeks. Benefits shall be payable immediately in case of an accident and after one (1) week in case of sickness
- (e) Long Term Disability. Employees shall receive sixty-seven percent (67%) of their monthly earnings, to a maximum of Three thousand five hundred dollars (\$3,500.00) per month, starting after the employee has been disabled for one hundred and eighty-two (182) days and shall continue to the employee's sixty-fifth (65th) birthday, as long as the employee remains totally disabled.
- (f) Premium cost for these Group Insurance benefits shall be paid by the Company.

Dental coverage shall be provided to all employees on the following basis (as per the attached Plan description).

- (g) Regular (basic) Dental Services, 80% coverage.
 - (h) Major Dental (crowns, bridges, prosthetics), 50% coverage
 - (i) Premium cost shall be paid by the Company.
- (iii) Health and welfare coverage for laid off employees shall be two (2) months following the month the employee was laid off in. Full lay off coverage shall recommence once the employee has returned to work for ten (10) days within a thirty (30) calendar day period.

13. SENIORITY PRINCIPLE

- (i) The Company agrees to recognize the principle of seniority, competency and efficiency considered. For the purpose of this agreement, the Company and Union agree that efficiency shall mean the ability to perform all aspects of a job to management's standards.
- (ii) When vacancies occur during the work week the position will be filled by the senior qualified person on shift, if at all possible. If the vacancy still exists the following work week it shall be filled by the senior qualified person overall.
- (iii) Seniority Retention, employees with less than one (1) years' service shall have six (6) month's seniority retention upon being laid off. Employees with one (1) years' service shall have one year's seniority retention, with one additional month seniority retention for each additional year of service up to a maximum of eighteen (18) months.
- (iv) The Company shall post and supply the Union and shop committee with a typed copy of the seniority list showing the name and starting date of each employee twice annually.

- (v) 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. During the probationary period employees are considered temporary workers only, and no seniority rights shall be recognized and the Company may terminate their employment if they prove unsuitable for long term employment. Probationary employees shall be called to work in accordance with their hire date.
- (vi) Wages for new employees will be based on eighty percent (80%) that paid to regular employees for the new employee's first thirty (30) working days.
- (vii) All vacancies shall be filled by senior trained employees.
- (viii) All training opportunities for positions with hourly rates higher than the planer chain shall be posted in advance for three (3) working days. The selection process will take into consideration: Seniority and a reasonable amount of training must be given to trainees.
- (ix) When training is posted it shall be posted for all Chemainus Forest Products employees. Successful applicants shall be posted within seven (7) days of the posting being taken down.
- (x) As of the date of signing employees who have a regular job position of Tilthoist/Trim, Compactor Operator, Trim or lower may bid on and be trained on two (2) training postings per twelve (12) month period. Employees who have a regular job position above Tilthoist/Trim, Compactor Operator, Trim may bid on and be trained on two (2) training postings per twelve (12) month period. Employees bidding from the lower rated jobs to the upper rated jobs may only bid on one (1) training posting per twelve (12) month period. No employee shall bid down to a lower rated job than his regular job. Employees can bid up and to jobs of equal pay.
- (xi) Employees absent when posting was up shall have the right to see all postings that were posted in their absence for a period not exceeding ninety (90) days and will have three (3) working days following their return to work to put their name on the posting.
- (xii) In the application of seniority, a senior employee who is trained after a junior incumbent employee shall not displace the junior incumbent so long as both have enough seniority to entitle them to work.
- (xiii) The Company will endeavor to post weekly crew lineups by the end of the day shift Thursdays.
- (xiv) Regular laid off employees shall have the right to fifty percent (50%) of casual weekend work positions. Also regular laid off employees shall have preference for casual work performed Monday through Friday. Employees wanting to work weekend cleanup must phone in by 11:00 a.m. Thursday morning to advise the Company if they wish to exercise their right to casual work.
- (xv) The Company agrees to give the committee once annually an updated posted job holder list, including a list of all qualified operators.
- (xvi) The Company and the Union agree that the Company may employ a planerman per shift out of line with their seniority.
- (xvii) The Union agrees to chargehands being selected by management, without reference to seniority.

14. LEAVE OF ABSENCE

- (i) The Company shall grant leave of absence to employees suffering injury or illness, subject to a medical certificate if requested by the employer.
- (ii) The Company will grant a reasonable period of extended maternity / parental leave without pay to all employees in accordance with employment standards and the employment insurance program, where there is a valid reason.
- (iii) The Company will grant leave of absence to employees to attend to Union business when requested by the Local Union in writing five (5) calendar days in advance.
- (iv) Leave of Absence may be granted for up to six (6) months without pay to employees for compassionate reasons or for educational reasons or for extended vacation purposes. During said leave of absence health and welfare benefits will only be continued if the premiums are fully paid by the employee.
- (v) 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/she shall be compensated at his/her regular straight-time hourly rate of pay, or salary, for a maximum of three (3) days' pay. 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-law, daughters-in-law,, step-children, step-parents, grandparents, grandparents-in-law and grandchildren.

15. ACCIDENT PREVENTION COMMITTEE

- (i) The Company and the Union agree that the Company shall maintain an Accident Prevention Committee consisting of an equal number of representatives of the Company and the employees and shall have not less than four (4) nor more than twelve (12) members.
- (ii) The employee representatives will be elected by a vote supervised by the Union.
- (iii) The company will pay their regular straight-time job rates to employees for actual time spent attending meetings of the Accident Prevention Committee.

16. SAFETY EQUIPMENT

- (i) The Company shall, where applicable, make the following safety equipment available at no cost to employees:

- Hearing protection (ear muffs and ear plugs)
- Eye protection
- Cloth Coveralls for maintenance
- Coveralls for compactor employees
- Respiratory protection
- Chain saw pants (if required by WorkSafe BC)
- Leather aprons

Gloves

Five (5) pairs of gloves per week shall be supplied at no cost.

Worn out equipment must be turned in by employees before the Company will issue a replacement.

(ii) The Company will pay each employee a safety equipment allowance of seventy five dollars (\$75.00) per contract year. To be eligible an employee must work 1200 hours per contract year

17. PENSIONS

Section 1: Contributions

The Company shall contribute to eligible employees' Registered Retirement Savings Plans ninety cents (\$.90) per hour worked by the individual employee. If individual employees contribute thirty cents (\$.30) per hour worked, the Company will contribute an additional twenty cents (\$.20) per hour worked. The Company shall increase the initial contribution by twenty cents (\$.20) during the term of the Agreement as follows;

Five (5) cents retroactive to October 31, 2011

Five (5) cents effective October 31, 2012

Five (5) cents effective October 31, 2013

Five (5) cents effective October 31, 2014

Section 2: Eligibility

To be eligible an employee must be a regular employee who has completed his/her probationary period and have been employed by the Company for a period of one (1) year or 1,500 hours have been worked.

Section 3: Access

Individual funds in the Plans may only be withdrawn upon retirement or termination of employment, or Government pay back plans, i.e. 1st time home buyer plan.

18. PERMANENT CLOSURE

- (i) The Company agrees that employees affected by a permanent closure of the operation shall be given ninety (90) days' notice of closure.
- (ii) Employees with one or more years' service with the Company who are terminated by the employer because of a permanent closure shall be entitled to severance pay equal to one (1) weeks' pay for each year of continuous service with the company up to a maximum of eight (8) weeks pay.

19 ADJUSTMENT OF GRIEVANCES AND ARBITRATION

(i) 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 following manner:

Step One

The individual employee involved shall first take up the matter with the supervisor directly in charge of the work within fourteen (14) days of the date of the said grievance.

Step Two

If the grievance is not satisfactorily settled in this way, the same individual, with the Shop Committee, shall take up the problem with the person designated by the Company.

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 Section (iii) of this Article.

(ii) Time Limits

If a grievance is not advanced to the next stage under 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 the absence of the aggrieved employee or the Shop 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.

(iii) 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 (i) of this Article, the matter shall be determined by arbitration in the following manner:

- a) 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: - 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 USW, or a company directly engaged in the forest products industry.

- c) The Parties shall select a single arbitrator by mutual agreement. If the Parties fail to agree on the selection of the single arbitrator within twenty-one (21) days following the serving of notification in accordance Section (iii) (a) of this Article, they shall request the Honorable Minister of Labour of the Province of British Columbia to appoint an arbitrator.
- d) The decision of the arbitrator shall be final and binding on both Parties.
- e) The arbitrator shall be required to hand down his decision within fourteen (14) days following completion of the hearing.

20. CONTRACTOR AND SUB CONTRACTORS

As of the date of 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. Contracting out that takes place as of the signing date of this Agreement shall continue. i.e.: (Chipper knife and saw sharpening).

21. 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.

22. CENTURION LUMBER

The Company and the Union recognize that it is the practice of Centurion Lumber truck drivers to load and unload trucks and perform other associated trucking duties in the Chemainus Forest Products' yard and both parties agree that this practice may continue.

23. SHAREHOLDERS

- (i) The five (5) Shareholders of Chemainus Forest Products shall have the right to perform all duties within the operation.
- (ii) If any Shareholder exercises this right, the performance of said duties shall not result in the lay-off or displacement of employees within the bargaining unit.

Example (a)

If a Shareholder were to load trucks on a Saturday, this would comply with the Article above, as it would not result in an employee being laid-off. In this case the work is considered overtime work.

Example (b)


If a Shareholder were to grade, and sent the grader home or displaced the grader and sent another employee home, this would be a violation of the Article.

24. DURATION OF AGREEMENT


The Company and the Union agree that this Agreement shall be effective from the 31st day of October, 2011 to midnight the 30th day of October, 2015, and thereafter from year to year unless written notice of contrary intention is given within four (4) months immediately preceding the date of expiry.


Signed at Duncan, BC this 25th day of MAY, 2012.

CHEMAINUS FOREST PRODUCTS LTD. UNITED STEELWORKERS LOCAL 1-1937



RONNIE D. DOMAN





L. W. K. M. R.

BB/cm
USW 1-1937

LETTER OF UNDERSTANDING #1

Between:

CHEMAINUS FOREST PRODUCTS LTD.

And:

UNITED STEELWORKERS LOCAL 1-1937

The Company provides for progressive action to correct unacceptable behaviour. The disciplinary process is designed to support the employee in changing their behaviour so that they can continue to be a valued part of our organization.

Disciplinary Actions in order of severity are:

1. Verbal corrective counseling (not formal discipline, not recorded to file)
2. Official Verbal Warning (recorded to employee file)
3. Letter of Reprimand (copy to employee file)
4. Suspension (recorded to employee file)
5. Termination

The preceding disciplinary Actions are only in order and numbered to indicate the options available to the Company when unacceptable behaviour is at issue. The list in no way represents a progression that will be followed in all cases.


The Company agrees, each employee has the right to have a shop steward be present, when management takes disciplinary action against them.

Signed at Duncan, BC this 25th day of MAY, 2012.

CHEMAINUS FOREST PRODUCTS LTD. UNITED STEELWORKERS LOCAL 1-1937



RONNIE D. DOMAN



KENNETH R. MCKENZIE

BB/cm

USW 1-1937

LETTER OF UNDERSTANDING #2

between:

CHEMAINUS FOREST PRODUCTS LTD.

And:

UNITED STEELWORKERS LOCAL 1-1937

The Company shall award overtime opportunities on a seniority, competency considered basis.

Overtime opportunities for posted positions during the work week shall be first offered to the senior qualified operator performing the job on shift, (afternoon shift vacancy), or from the shift prior (day shift vacancy). If this overtime is declined, it shall fall to the senior qualified operator overall, etc.

Overtime opportunities for non-posted positions, during the work week shall be first offered to the senior competent person on shift (afternoon shift vacancy) or from the shift prior (day shift vacancy). If overtime is declined it shall fall to the next senior competent employee, etc.


Weekend overtime opportunities shall be offered to the senior qualified or competent employee, overall.

If the Company were to operate on a three shift basis, this Overtime Agreement shall apply the same principle as above.

This Overtime Agreement shall run concurrent with the Master Agreement, but may be modified by mutual agreement of the Parties, during this term.


Signed at Duncan, BC this 25th day of MAY, 2012.

CHEMAINUS FOREST PRODUCTS LTD. UNITED STEELWORKERS LOCAL 1-1937



RONNIE D. DOMAN





KENNETH R. MCKENZIE

BB/cm
USW 1-1937

LETTER OF UNDERSTANDING #3

Between:

CHEMAINUS FOREST PRODUCTS LTD.

And:

UNITED STEELWORKERS LOCAL 1-1937


RE: Bidding Down on Training Positions

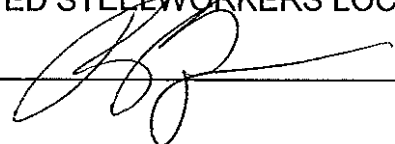
The Company and Union agree that this Letter of Understanding supersedes the Master Agreement between the Parties to allow bidding down under Article 13 (x) for those employees who are posted and qualified on only one job above the base rate.


In addition those employees who for medical reason cannot continue in their posted position will be entitled to bid down.

Signed at Duncan, BC this 25th day of MAY, 2012.

CHEMAINUS FOREST PRODUCTS LTD. UNITED STEELWORKERS LOCAL 1-1937


RONNIE J. DOMAN




KENNETH R. MCKENZIE

BB/cm
USW 1-1937