Explanatory Notes
Memorandum of Agreement (2023-27)
CONIFER Mainstream Companies

Date of Tentative Agreement: August 12, 2024

Note: Content in this document is intended to provide further explanation on the meaning of the terms of settlement and necessary steps to administer the agreement. Corresponding guidelines appear in larger red italicized font.

Content as contained in the August 12, 2024, MOA appears in black non-italicized font.

MEMORANDUM OF AGREEMENT

BETWEEN

Council on Northern Interior Forest Employment Relations
Member Companies:

Canfor:
- Fort St. John Division
- Houston Division
- Prince George Sawmill Division
- Prince George Chip Plant

Conifex Inc.:
- Mackenzie Division

Dunkley Lumber Ltd.

Hampton Affiliates:
- Babine Forest Products Ltd.
- Fort St. James Forest Products

Lakeland Mills Ltd.

Tolko Industries Ltd.:
- Lakeview Division
- Soda Creek Division

West Fraser Timber Company Ltd.:
- Williams Lake Planer Mill Division

AND

USW, Local 1-2017

It is agreed that acceptance of the terms of this Memorandum of Agreement will be recommended by both parties to their respective principals for final settlement of the July 1, 2023, to June 30, 2027 Collective Agreement.

It is understood that this MOA is designed on the structure of the traditional Conifer member company collective agreement (example; Lakeland Mills Ltd.). The collective agreement of some member companies signatory to this MOA contain different Article and Section structure from what is referenced in this MOA. The ultimate translation of this MOA to those collective agreements will apply to the appropriate corresponding sections accordingly.

Subject to the foregoing, the Parties hereby agree:

1. **Term of Agreement**

That a Collective Agreement is entered into (hereinafter called the "2023 – 2027 Agreement") in the terms of the Collective Agreement described as the 2018-23 Collective Agreement (including supplements), save for the amendments herein set out, and shall be effective from and after the 1st day of July 2023 to midnight the 30th day of June, 2027.

***Note**: The term of the agreement is self-explanatory and is a four-year duration, effective from July 1, 2023 to midnight on June 30th, 2027.*

2. **Article V, Wages**

Following confirmation of ratification of agreement between the parties, the following will apply:

- Effective July 1, 2023, the wages of all hourly rated employees will be increased by three percent (3%).

- Effective July 1, 2024, the wages of all hourly rated employees will be increased by three percent (3%).

- Effective July 1, 2024, the Oiler and Grinderperson hourly pay rate will be adjusted by $0.25 per hour applicable prior to the percentage increase outlined above.

***Note**: The timing of these negotiated wage adjustments results in a retroactive pay obligation. **CONIFER will finalize translation of the negotiated wage adjustments into the Job Evaluation Wage Table, as well as Supplement No. 1 (Wage Scale; Non Evaluated Categories). These documents should be relied upon to accurately calculate retroactive pay and for implementation of correct hourly rates prospectively following confirmation of ratification of the agreement**. The wage rate related documents will be circulated to key contacts at member Companies targeting early September.*
Regular, probationary, and casual employees are all entitled to the retroactive pay. Regarding former employees, the established practice of CONIFER member companies is to process retroactive pay for a former employee upon request from the former employee. Companies have not sought out former employees to provide retroactive pay in the absence of a definitive request.

- Effective July 1, 2025, the wages of all hourly rated employees will be increased by two and one half percent (2.5%). In addition, a lump sum payment of one thousand ($1000) will be processed for all active regular employees as of July 1, 2025.

__Note__: All "active" regular employees on July 1, 2025, are entitled to a $1,000 Lump Sum (LS) payment. Any employee not "active" on July 1, 2025, will be eligible for the $1,000 LS payment, or portion thereof, upon return to "active" status. ***CONIFER will distribute Lump Sum Payment protocol guidelines closer to July 1, 2025****. Any questions on this payment should be directed to your firm's negotiating committee representative, or to the staff at CONIFER.*

MOA Only: Administration of the Lump Sum payment will be accordance with the principles contained in the Conifer–USW LOU (Lump Sum Payment Protocol), dated April 8, 2015. The relevant date for analytical purposes will be July 1, 2025.

- Effective July 1, 2026, the wages of all hourly rated employees will be increased by two and one quarter percent (2.25%).

Article V, Section 1, and Article XXVII, Section 2 (Sawmill and Poleyard Wage Curve) and Supplement No. 1 (Non-Evaluated Categories) will be amended to reflect the aforementioned particulars.

Section 4: Scaling License Premium

- Effective the commencement of the first pay period following formal written notice of ratification of the 2023 to 2027 Collective Agreement the scaling license premium will be increased to fifty-five cents ($0.55) per hour and applicable to employees when working as a scaler.

__Note__: The $0.05/hour increase from $0.50/hour to $0.55/hour becomes applicable on the first day of the first new pay period FOLLOWING the date of notice of ratification from the USW to the Company.

Section 5: First Aid Attendants

- It is agreed to amend sub-section 'c' to provide for an adjustment to the Level 3 premium to $1.50 per hour, effective the first pay period following notice of ratification.

__Note__: It is important to emphasize that this change from the previous Level 3 premium of $1.00/hour to $1.50/hour is for ***designated*** *first aid ticket holders and is to become effective on the first day of the first new pay period following the date of notice of ratification from the USW to the Company.*

Section 9: Shift Differential

- It is agreed to amend this section to provide for an adjustment to the shift differential premium to $0.50 per hour, effective the first pay period following notice of ratification.

***Note**: This increase from $0.40/hour to $0.50/hour is to become effective on the first day of the first new pay period following the date of notice of ratification from the USW to the Company.*

3. **Article VII, Hours of Work and Overtime**

Section 4: Alternate Shift Scheduling

It is agreed to add an additional shift configuration to the bulleted list under Article VII, Section 4, a) as follows:

- Week 1 – 4x9 & 1x8, Week 2 – 4x9 – Monday to Friday (no alternating down days)

***Note:** This shift arrangement is commonly referred to as the "Nine-day Fortnight Shift". The "no alternating down days" content was included in this language to address the Union's concern conveyed at the bargaining table that Companies would alter the sequence of the weeks to open up bigger maintenance windows or isolate a Statutory Holiday on a nonscheduled workday. The Union was concerned about members' ability to have "predictability" about their work schedule. Hence, the "no alternating down days" language was included. Consequently, the shift must follow the sequence as outlined; 4 x 9 & 1 x 8 in one week, followed by 4 x 9 in the next week with no alteration to the timing of the week two down day.*
*This language **does NOT stop an operation** from having a different nine-day fortnight sequence in one department relative to another. For example, the sawmill is on the 4 x 9 & 1 x 8 work week, while the planer is on the 4 x 9 work week. Such an offsetting sequence would allow for optimal deployment of maintenance resources across the site.*

It is agreed to add additional content under Article VII, Section 4, a) General Principles, Item #9, as follows:

9 Day Fortnight Shift Schedule

For all statutory holidays falling by calendar on a scheduled work day, the statutory holiday will be observed on that day unless otherwise agreed to by the Company and the Plant Committee. Employees will be paid nine (9) hours statutory holiday pay at their regular job rate.

For all statutory holidays falling by calendar on a rest day, employees will be required to work their full regular schedule and will receive their regular pay. In addition, employees will be paid nine (9) hours statutory holiday pay at their regular job rate.

Section 8

It is agreed to amend Section 8 as follows:

Any employee called for work and finding no work available due to reasons beyond their control shall be entitled to two (2) hours pay at the usual rate. This shall apply unless the Company gives notice canceling the said call. Such notice shall be considered given by phone call or text message not later than one hour before the shift is scheduled to commence.

***Note**: This amendment ends the former reliance on the local radio station for communication purposes.*

It is agreed to delete Section 2 b) of Supplement No. 2.

4. Article XI, Statutory Holidays

Section 1:

It is agreed to amend Section 1 a) as follows:

a) All hourly-rated employees who work on New Year's Day, Family Day, Good Friday, Victoria Day, Dominion Day, British Columbia Day, Labour Day, National Day for Truth and Reconciliation, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day shall be paid rate and one-half for all hours so worked.

National Day for Truth and Reconciliation will be observed on September 30th unless otherwise mutually agreed to by the parties.

<u>Note</u>: *It is important to emphasize the implication of the additional sentence "National Day for Truth and Reconciliation* ***<u>will be</u>*** *observed on September 30th <u>unless otherwise mutually agreed to by the parties</u>".*

For all other Statutory Holidays that may fall on a weekend there are provisions in the Statutory Holiday Article that create an obligation to move them for observance purposes to the preceding Friday or following Monday. The effect of this additional sentence is such that there is ***<u>NO obligation to move NDTR to a Friday or Monday for observance purposes when it falls on a weekend</u>*** *(unless otherwise mutually agreed to by the parties). Furthermore, when NDTR falls on a Tuesday, Wednesday, or Thursday, there is NO obligation to move it for observance purposes, "unless otherwise mutually agreed to by the parties". A further elaboration with corresponding examples will be included in the CONIFER administration manual accordingly.*

Section 2:

It is agreed to amend the second paragraph of Section 2 a) as follows:

> New Year's Day, Family Day, Good Friday, Victoria Day, Dominion Day, British Columbia Day, Labour Day, National Day for Truth and Reconciliation, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day.

Section 3: Personal Floating Holiday

It is agreed to amend Section 3 b) vii) as follows:

> Where an employee chooses Saturday or Sunday as a Personal Floating Holiday, straight time rates will apply with the exception of compressed schedules that have a premium or overtime built in.

<u>Note</u>: *This amendment captures what was largely occurring in practice within the CONIFER membership historically. This new content provides that if a weekend shift employee is granted their floater on a day that a premium is payable associated with the weekend shift, then such premium will continue to be included with the personal floating holiday pay.*

As outlined in the CONIFER CA Administration Manual, scheduling of an individual "floater" is to be at a time suitable for both the Company and the Employee so that production is not adversely impacted.

5. **<u>Article XII, Safety and Health</u>**

Section 5: Safety and Health Research Program

It is agreed to amend Section 5 (SHARP) by adding a subsection b) iii) as follows:

> There will be a contribution holiday when funds in the Plan are in excess of $300,000 and contributions will recommence when the fund decreases to $200,000.

<u>Note:</u> *The implication of this amendment is such that upon ratification of the August 12, 2024, MOA, the obligation to continue to contribute to SHARP will cease until the trust fund drops below $200,000. Guidance circulars will be distributed by CONIFER on this subject as circumstances evolve going forward.*

6. **<u>Article XVII, Health and Welfare</u>**

Health and Welfare, Section 1: Medical

It is agreed to amend subsection d), as follows:

> d) Medical coverage eligibility shall be the first of the month following the date of completion of thirty (30) working days within the three (3) calendar months following the date of entering employment.

<u>Note:</u> *This language pertains to the obligation to commence Extended Health Care (EHC) coverage for an employee. Traditionally, EHC coverage commencement was the first of the month following the date of hire. <u>This amendment will align EHC commencement with ALL other health and welfare benefit coverage.</u> It was committed in negotiations that this amendment would apply to employees hired after the date of notice of ratification of the 23-27 collective agreement. Employees hired prior to that date would still have EHC coverage commence the first of the month following the date of hire.*

It is agreed to amend subsection i), as follows:

> i) Effective January 1, 2025, the vision care limit will be increased by one hundred dollars ($100) from the four hundred dollars ($400) per member or dependent to five hundred dollars ($500) in any 24-month consecutive period.

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It is agreed to amend subsection k), as follows:

k) Effective January 1, 2025, the coverage for Psychologist or Registered Counsellor will be increased to $1,500 per member or dependent per calendar year.

It is agreed to amend subsection l), as follows:

l) Effective January 1, 2025 the combined Chiropractor/Naturopath Physicians' limit will be de-coupled. The Chiropractor limit will be set at seven hundred and fifty dollars ($750) per member or dependent per calendar year, and the Naturopath Physicians' limit will be set at five hundred dollars ($500).

Note: *The amendments outlined under i), k), and l), are self-explanatory. Any questions can be directed to Elna Martell at CONIFER.*

Health and Welfare, Section 2: Insurance Coverage

It is agreed to amend subsection b), with additional content as follows:

Effective first of the month following notice of ratification of the 2023-2027 Collective Agreement, Group Life Insurance for each qualified employee will be increased to $150,000.

It is agreed to amend subsection c), with additional content as follows:

Effective first of the month following notice of ratification of the 2023-2027 Collective Agreement, Accidental Death and Dismemberment Insurance for each qualified employee will be increased to $150,000.

Note: *The amendments outlined above under Section 2; Insurance Coverage are self-explanatory. Any questions can be directed to Elna Martell at CONIFER.*

7. Article XXI, Apprenticeship Training Program

Section 1

It is agreed to amend Section 1: b), i) Living Away From Home Allowance, as follows:

Fifty dollars ($50) per day to a maximum of three hundred fifty dollars ($350) per week, for apprentices who are required to maintain a second residence while attending school.

CONIFER Committee _______ USW Committee_______

It is agreed to amend Section 1: b), ii) Travel Allowance, as follows:

> Fifty cents ($.50) per kilometer based on the distance for two (2) round trips to school per technical training period. This distance will be as per a schedule based on the distance between town of employment and the school.

It is agreed to add a new Section 3: Apprenticeship Loyalty Agreement, as follows:

Section 3 – Apprenticeship Loyalty Agreement

An employee upon completion of an apprenticeship opportunity is encouraged to work in the journeyperson position for a minimum of four (4) years as a return to service commitment. Should the employee voluntarily leave the Company within the four (4) years, the employee's obligation for repayment of costs for schooling (tuition and books) and out-of-town expenses will be reimbursed by the employee on the basis of the following:

- Leaves before serving one (1) year – 100% reimbursement.
- Leaves after serving one (1) year but before serving two (2) years – 75% reimbursement
- Leaves after serving two (2) years but before three (3) years – 50% reimbursement
- Leaves after serving three (3) years but less than four (4) years – 25% reimbursement

MOA Only: This repayment will apply to new apprentices entering into the apprenticeship after ratification.

Note: *The language under the "apprentice loyalty agreement" is new content in the CA. CONIFER will be developing further guidelines under this language in the final quarter of 2024 for distribution by CONIFER circular and inclusion in the administration manual accordingly. The focus will be on advisable procedural steps to follow should an employee depart in a manner that triggers the reimbursement obligations. This may include the process to initiate a "management" grievance under the CA.*

8. <u>Article XXXI, Education Fund</u>

It is agreed to amend this article to provide for the following:

> Effective July 1, 2026, contributions to the fund will be increased by $0.01 per hour for a total of $0.10 per hour worked per employee.

<u>Note:</u> *This amendment will increase the funding obligation to the Education Fund from the current $0.09/hour to $0.10/hour on July 1, 2026, for hours worked on/after July 1, 2026. Administrative staff responsible for this remittance should be made aware of this change for July 1, 2026 accordingly.*

9. <u>Supplement No. 1, Wage Scale, Non-Evaluated Categories</u>

It is agreed to amend the specific hours increments in each trade category to be aligned with the current Trade Program Profiles as prescribed by Skilled Trades BC. The number of wage rate increments will be maintained as currently designed.

It is agreed to add the following footnote to Supplement No. 1:

> <u>Apprenticeship Wage Rate Progression</u>:
> For an apprentice to progress to the subsequent wage rate (as outlined in the Supplement No. 1 Wage Table) in their respective trade the apprentice must have completed the requisite on-the-job training hours AND the corresponding level of technical training. In a case whereby the technical training is scheduled and completed after the realization of the hours increment (through no fault of the apprentice), the apprentice will be entitled to a retroactive adjustment to the hours increment upon successful completion of the corresponding technical training period.
>
> In accordance with Supplement No. 4, Article V, Section 4: Journeyperson Qualifications, an apprentice must complete both the STBC required on the job training hours AND successfully pass the red seal trade certification exam in order to be eligible for the Certified wage rate. In the event the Company contributes to any delay in attendance in the last phase of technical training and completion of the red seal certification exam, the Apprentice will be eligible for a retroactive adjustment based on the certified rate for the corresponding period of delay.

<u>Note:</u> *The "Apprenticeship Wage Rate Progression" language was proposed by the CONIFER committee in negotiations. This additional content to be footnoted at the bottom of Supplement No. 1 (non-evaluated wage scale) is intended to eliminate on-going routine confusion associated with the basis for an apprentice to escalate to the progressively higher wage rates as they move through the program. Any questions on this can continue to be directed to the staff at CONIFER.*

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10. <u>Disciplinary Action (Sunset Clause)</u>

It is agreed that the following sentences will be uniform content to be contained in the Disciplinary Action "sunset" clauses of all Companies signatory to this Memorandum of Agreement for the relevant divisions listed:

> In disciplinary cases involving harassment the time limits may be extended. The employee must be informed of this decision at the time of the discipline.

<u>Note:</u> *This amendment will result in common Disciplinary Action (Sunset Clause) content across the entire CONIFER membership. Canfor formerly had a variation of this language due to the particulars of the bargaining history and historical settlement sequencing.*

11. <u>Housekeeping Amendments/Deletions</u>

Upon incorporation of this Memorandum of Agreement to produce the 2023-2027 Collective Agreement, all pro-noun references (he, she, his, her) will be amended to they, them, or their accordingly.

It is agreed to delete the following content from the Collective Agreement:

- Article V, Wages, Section 8 – Fallers and buckers final scale slip.
- Article VII, Section 3 - Firefighters, Boatmen, First Aid Men, Cook and Bunkhouse Employees.
- Article XVI, Section 2: Board and Lodging.
- Article XXII – Travel Time.
- Article XXVI – Firefighting Agreement (& Supplement no. 5).
- Article XXVIII – Plywood Job Evaluation (& Supplement no. 7).
- Article XXX – New and Evolving Work (& Supplement no. 9).

<u>Note:</u> *Housekeeping amendments are self-explanatory. This is simply an array of obsolete, non-applicable, historical content in the CA that there is an agreement to delete.*

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