

**Letter of Understanding
Between
Tolko Industries Ltd. – Heffley Creek Division
And
USW Local 1-417**

Production 3 X 8, 5 X 10 Shift Schedule

Preamble

The Tolko Heffley Creek operation recognizes that alternate schedules will be required to maximize opportunities for productivity improvements, operational uptime and maintenance. This shift schedule plays a key role in achieving these goals.

This Letter of Understanding outlines the shift details and must be read and administered in conjunction with the Southern Interior Master Agreement. If a provision is not listed in this LOU, the Southern Interior Master Agreement prevails.

1. SHIFT SCHEDULES:

1.1 The Production schedule will be a combination of 8-hour shifts and 10-hour shifts. The actual positions and their assignment to either 8's or 10's, may be adjusted after mutual agreement between the parties. For clarity, the 8-hour schedules are included below for information only. The 10-hour alternate shift is outlined below:

8-hour shift positions will include the following postings; Lathe, Bucking Saw, Utility, GE Shipping Forklift, Forklift Operator/Block Supply, 980 Loader, Dryer 1 Feeder, and Dryer 1 Grader.

10-hour shift positions will include the following; Relief, Clipper, Stacker, GE Clean-Up, GE Forklift, and Core Extractor.

2. HOURS OF WORK:

2.1 While start and stop times may be changed if mutually agreed to by both parties, the hours of work shall be;

For 8-hour shifts

- Monday to Friday:
 - Day Shift 7:00AM – 3:30PM
 - Afternoon Shift 3:30PM – 12:00AM
 - Graveyard Shift 12:00PM – 7:00AM

Days and Afternoons will rotate every 2 weeks and postings and reliefs will remain as current. Graveyards shift will be reposted and be permanent in 1 year.

For 10-hour shifts

- Day Shift:
Monday to Friday 5:00AM – 3:30PM
- Afternoon Shift:
Monday to Thursday 3:45PM – 2:45AM (10.5 hours)
- Friday 3:45PM – 12:00AM (8 hours)

Days and Afternoons will rotate every 2 weeks. All employees working the 10-hour schedule will be scheduled one day off per week in advance and it will rotate each week.

2.2 Shift differential will be paid for hours outside the regular day shift.

2.3 Over a defined four (4) week period, Employees who exceed 160 regular working hours will be paid rate and one-half.

2.4 The Company retains the right to flex to a 4 day x 10 hr shifting arrangement to manage log inventories or veneer needs on an as needed basis.

3. REST PERIODS and MEAL BREAKS:

3.1 Rest Periods and Meal Breaks will be consistent with the language outlined in the SIMA

4. OVERTIME:

4.1 Overtime provisions will be as per SIMA Article VII, Section 1 for the 8-hour shift schedule and 4.2 and 4.3 below for the 10-hour shift schedule.

4.2 Rate and one-half shall be paid for the following:

- (i) After the completion of the regularly scheduled shift.
- (ii) Hours worked in excess of forty (40) hours per week or forty (40) hours average when there is an averaging period.
- (iii) The first eleven (11) 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, unless otherwise agreed to by the Parties, except those included in the casual section.

4.3 Double straight-time rates shall be paid for the following:

- (i) All hours worked in excess of eleven (11) hours in any day of the week except for twelve (12) hour shifts.
- (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.

5. STATUTORY HOLIDAYS and FLOATING HOLIDAY:

5.1 Statutory and Floating Holidays shall be scheduled and paid as per the Southern Interior Master Agreement ARTICLE XIII-STATUTORY HOLIDAYS AND FLOATING HOLIDAY & SUPPLEMENT 8, F. SHIFT PRINCIPLES, 2. Statutory and Floating Holidays.

6. BEREAVEMENT LEAVE and JURY DUTY:

6.1 The applicable sections of the collective agreement will be followed.

7. VACATIONS:

7.1 Employees on the Production Alternate Schedule will be considered to have taken one-week vacation time for each rotation on the schedule.

8. IWA - FOREST INDUSTRY PENSION PLAN and LONG-TERM DISABILITY PLAN:

8.1 The Company and employees will make the required contributions to the pension plan and long-term disability plan.

9. IWA FOREST INDUSTRY HEALTH AND SAFETY FUND and EDUCATION FUND:

9.1 The Company will make contributions to the health and safety fund and the education fund for hours worked.

10. PROBATIONARY PERIOD:

10.1 The applicable sections of the collective agreement will be followed.

11. JOB POSTINGS:

11.1 All 5x10 positions will be posted permanently as per the Job Posting LOU.

12. Spareboard (non-posted, nonscheduled employees) Scheduling:

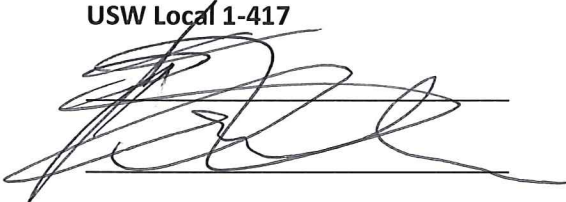
Unscheduled employees will be required to be available at the call of the company for dayshift, afternoon shift and graveyard shift. In the event an employee works afternoon shift and is called for dayshift the following day, he/she will have the option to decline the shift without penalty and remain available for the next call in/afternoon shift work. Missed shifts under these circumstances will not disentitle employees to sign up for weekend work. Spare board employees who work afternoon shift (ending at 2:45 am) will be ineligible for the following dayshift

13. TERMINATION: Either party to this Letter of Understanding can cancel the agreement by providing thirty (30) days written notice to terminate this agreement.

Effective Date:

Signed this 20TH day of November 2019.

Signed on behalf of
USW Local 1-417



Signed on behalf of
Tolko Heffley Creek Division

