



This is the first affidavit of Gary Luddu
in this case and was made on September 19, 2023

No. S-236214
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1392752 B.C. LTD.

PETITIONER

AND:

**SKEENA SAWMILLS LTD.
SKEENA BIOENERGY LTD.
ROC HOLDINGS LTD.**

RESPONDENTS

AFFIDAVIT

I, Gary Luddu, Manager of Contributions, 2100-3777 Kingsway, Burnaby, British Columbia, affirm that:

1. I am the Manager of Contributions for the Trustees of the IWA – Forest Industry Pension Plan (the “Pension Plan”) And the Trustees of the IWA – Forest Industry Ltd Plan (the “LTD Plan”), (collectively, the “Plan Office”), and as such have personal knowledge of the matters hereinafter deposed to, save where stated to be made on information and belief and where so stated I verily believe same to be true.
2. Skeena Sawmills Ltd. is a participating employer in both the Pension Plan and LTD Plan.
3. I have attached as exhibits to my affidavit copies of the following documents:
 - a. Exhibit A – Letter of Undertaking
 - b. Exhibit B – Pension Participation Agreement
 - c. Exhibit C – LTD Participation Agreement
 - d. Exhibit D – Collective Agreement in place between Skeena Sawmills LTD and United Steelworkers Local 1-1937 between January 1, 2020 and June 30, 2024, Article 14 and Article 22.

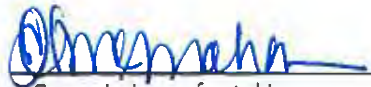
- e. Exhibit E – Pension Trust Agreement, Sections 17
 - f. Exhibit F – Pension Plan Text, Article 5
 - g. Exhibit G – LTD Trust Agreement, Section 6
4. These documents outline Skeena Sawmills Ltd.'s obligations with respect to reporting and paying contributions to the Pension Plan and the LTD Plan.

AFFIRMED

BEFORE ME at

Burnaby, British Columbia,

on September 19, 2023



A Commissioner for taking
Affidavits for British Columbia

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GARY LUDDU

Heather McMahon
Barrister & Solicitor
IWA-Forest Industry Pension & LTD Plans
heather.mcmahon@iwafibp.ca
D 604.454.5450 F 604.433.7897
2100 - 3777 Kingsway, Burnaby, BC V5H 3Z7

This is Exhibit "A" referred to in
the Affidavit of Guido
made before me at Burnaby
BC this 19 day of Sept 2023

Donna Mah

A commissioner for taking
Affidavits within British Columbia

IWA – FOREST INDUSTRY PENSION PLAN

LETTER OF UNDERTAKING



UNDERTAKING

We/I, the undersigned, Skeena Sawmills Ltd. (name of Company and Division (if applicable) with respect to the employees for whom United Steelworkers (USW) is the bargaining agent, acknowledge that We/I are an Employing Company referred to in the Participation Agreement, a copy of which signed by us is attached hereto, and

We/I undertake with the Board of Trustees of the IWA – Forest Industry Pension Plan:

- a) To make contributions to the IWA – Forest Industry Pension Plan (hereinafter referred to as the Plan) at a rate of Four dollars and thirty cents (\$4.30) per hour per employee for every hour they work(ed) effective _____ (date) and to make contributions at any other rate as negotiated between USW and Forest Industrial Relations, Interior Forest Labour Relations Association or CONIFER; and

- b) To be bound in all other respects by the terms of the Trust Agreement and the Plan and the administration of the Plan referred to therein.

Dated at Vancouver, British Columbia, this 29 day of September, 20 11.

Authorized Signature for Company

Witnessed By

Local 1-1937

This is Exhibit "B" referred to in
the Affidavit of B. Ludo
made before me at Simsbury
BC this 19 day of Sept 2023

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Shirley Mah
A commissioner for taking
Affidavits within British Columbia

IWA - Forest Industry Pension Plan

PARTICIPATION AGREEMENT

To: The Trustees of the IWA - Forest Industry Pension Plan



From: Skeena Sawmills Ltd. (Incorporation # BC0906617)
(the "Applicant") (PLEASE TYPE FULL NAME OF EMPLOYING COMPANY)

The Applicant hereby applies to the Trustees for acceptance of the Applicant as an Employing Company in the IWA - Forest Industry Pension Plan (the "Plan") with respect to its Eligible Employees so as to provide pension benefits to those Eligible Employees in accordance with the terms of the Plan. IN CONSIDERATION of the acceptance of the Applicant for participation in the Plan as an Employing Company the Applicant HEREBY COVENANTS AND AGREES as follows:

1. All words used in this Participation Agreement with the initial letter capitalized and which are defined in the text of the Plan, as the same may be amended from time to time, shall bear the meaning given to them in the text of the Plan.
2. The Applicant covenants and agrees to be bound by all of the terms and conditions of the Trust Agreement, as the same may be amended from time to time, as if it had entered into the Trust Agreement as a Participating Employer (as that term is defined in the Trust Agreement), and understands that copies of the Trust Agreement and the text of the Plan are available at the Plan Administrator's office for perusal by the Applicant.
3. The Applicant covenants and agrees to pay to the Pension Fund the Employer's Contributions provided for in the Plan at the times, in the amounts and in the manner set out therein, agrees to pay interest on overdue Employer's Contributions calculated as set out in the Plan, and agrees that the Trustees have a right of action against the Applicant for unpaid Employer's Contributions and the right to prosecute legal proceedings in a court of law to enforce that right of action.
4. The Applicant covenants and agrees to deliver to the Plan Administrator Contribution Reports as required by the Plan.
5. The Applicant acknowledges and agrees that if it does not deliver to the Plan Administrator a Contribution Report in respect of any Contribution Reporting Period by the Contribution Due Date, the aggregate Eligible Hours of the Applicant for that Contribution Reporting Period shall be deemed for the purposes of determining the amount of Employer's Contributions to be paid to the Pension Fund, in the absence of proof by the Applicant of the actual aggregate Eligible Hours for that Contribution Reporting Period, to be the same as the greater of:
 - (a) the aggregate Eligible Hours for the Applicant for the same Contribution Reporting Period of the previous year, or
 - (b) the daily average (based on 260 days) of the aggregate Eligible Hours for the Applicant for the 12 months next preceding that Contribution Reporting Period, multiplied by the number of days (excluding Saturdays and Sundays) in that Contribution Reporting Period.

The Applicant also acknowledges and agrees that if it is impossible for any reason to calculate the aggregate Eligible Hours of the Applicant by the procedure described above, the aggregate Eligible Hours of the Applicant, and the Eligible Hours of each Eligible Employee of the Applicant, for the Contribution Reporting Period shall be deemed to be the Eligible Hours determined by the Plan Administrator based on available Union records or records of health and welfare plans applicable to the Applicant and, in the absence of proof to the contrary acceptable to the Trustees, the Eligible

PARTICIPATION AGREEMENT CONTINUED Page 2


Hours so determined shall be deemed to be the Eligible Hours of each Eligible Employee of the Applicant and the aggregate Eligible Hours for the Applicant, and the Employer's Contribution payable by the Applicant for that Contribution Reporting Period shall be determined accordingly. Nothing contained in this paragraph 5 shall relieve the Applicant from the liability to pay Employer's Contributions based upon the actual number of Eligible Hours in any such Contribution Reporting Period or impair the Trustees' right to claim and recover from the Applicant the proper amount of Employer's Contributions and interest based on such actual Eligible Hours, if greater than the amount determined by the procedures outlined above.

6. The Applicant acknowledges and agrees that if it fails to pay any amount which it owes to the Pension Fund, it shall reimburse the Pension Fund for and indemnify the Pension Fund against all legal and other costs actually incurred by the Trustees in order to collect the unpaid amount, and the amount of such costs shall be deemed to be part of the next Employer's Contribution due from the Applicant in addition to the amount otherwise due pursuant to the Plan as the Applicant's Employer's Contribution.
7. The Applicant covenants and agrees that the Applicant will furnish to the Plan Administrator forthwith upon request such reports, payroll records, time sheets, accounting information and other data which the Plan Administrator may require for the proper administration of the Plan and the Pension Fund and that the Applicant will provide to the Plan Administrator, or any auditors or other duly authorized representative of the Trustees, free access during normal business hours to the Applicant's premises and to the Applicant's business records for the purpose of obtaining or confirming such information or data as the Plan Administrator may reasonably require for the purposes of the Plan.
8. The Applicant Covenants and agrees to use its best efforts to ensure that each of its Eligible Employees completes such documents and forms as the Plan Administrator may require, and to deliver such completed documents and forms promptly to the Plan Administrator or such other person as the Trustees may direct.
9. The Applicant covenants and agrees to make payroll deductions in accordance with the Applicable Collective Agreement for any Contributions to be made by Eligible Employees pursuant to the provisions of the Plan and to remit the same forthwith to the Plan Administrator, together with all required Employer's Contributions.
10. The Applicant acknowledges and agrees that in the event of any conflict between the provisions of this Participation Agreement and the provisions of the Plan, as the same may be in force from time to time, the provisions of the Plan shall prevail and shall be binding upon the Applicant.
11. The Applicant acknowledges and agrees that the Trustees have the power to amend the Plan and Trust Agreement from time to time in the manner set out therein and all such amendments shall be binding upon the Applicant as if they were incorporated as part of this Participation Agreement.
12. The Applicant acknowledges and agrees that the Applicant may now be deemed, or may hereafter be deemed, to be more than one Employing Company under the terms of the Plan with respect to employees of different divisions, operations or locations of the Applicant and that this Participation Agreement shall apply to each of those divisions, operations or locations and be binding upon the Applicant in respect of each.
13. The Applicant acknowledges and agrees that this Participation Agreement shall be binding upon the Applicant and the Applicant's heirs, executors, administrators and successors and shall enure to the benefit of the Trustees and their successors in the office and shall continue to be in full force and effect for as long as the Applicant is obliged to make contributions to the Plan pursuant to an Applicable Collective Agreement or pursuant to the terms and conditions of the Applicant's employment of Plan Members, provided that any obligations incurred with respect to periods prior to the termination of this agreement shall survive such termination until satisfied.

PARTICIPATION AGREEMENT CONTINUED Page 3

EXECUTED BY THE APPLICANT ON THE _____ DAY OF _____, 19____

(if the Applicant is a company):

THE CORPORATE SEAL of)
Skeena Sawmills Ltd.)
was hereunto affixed in the)
presence of:)
)
Sept. 30, 2011)
Authorized Signatory)

C/S

(if the Applicant is an individual or a partnership):

SIGNED, SEALED AND DELIVERED
by
in the presence of:

Name of Witness

Address

Occupation

The foregoing application has been approved and the Applicant accepted by the Trustees for participation in the Plan as an
Employing Company with an Effective Date of the 19 day of July, 19 20 11

EXECUTED ON BEHALF OF THE TRUSTEES OF THE IWA FOREST INDUSTRY PENSION PLAN BY:


Authorized Signatory

This is Exhibit "C" referred to in
the Affidavit of G. Ladd
made before me at Burnaby
BC this 19 day of Sept 2023

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Shmahan

A commissioner for taking
Affidavits within British Columbia

The IWA-Forest Industry LTD Trust and Plan

PARTICIPATION AGREEMENT

Skeena Sawmills Ltd. (Incorporation # BC0906617)

Please type or print full name, including division name if applicable, of the Participating Employer (the "Employer")

This Participation Agreement (this "Agreement") is made by the Employer with the Trustees of the IWA-Forest Industry LTD Trust and Plan (hereinafter called the "Trustees") in order to qualify as an Employer as defined in the Trust Agreement (as defined below) pursuant to which the IWA-Forest Industry LTD Plan (hereinafter called the "Plan") has been established, and in consideration of the Trustees providing coverage under the Plan for the Employer's Employees (as defined below) the Employer hereby covenants and agrees with the Trustees as follows:

- I. In this Agreement the following expressions have the following meanings:
 - (a) *Collective Agreement* - means an agreement in writing made between the Employer, or an employer organization on an Employer's behalf, and any Local of the United Steelworkers of Canada operating in British Columbia which contains a provision requiring Contributions to be paid to the Plan.
 - (b) *Contributions* - means:
 - (i) for any given Contribution Reporting Period the amount of money which is the product of the number of Eligible Hours worked by Employees of the Employer and the Contribution Rate, and
 - (ii) the amount of money which represents a Termination Assessment or a Penalty Assessment as provided for in the Trust Agreement.
 - (c) *Contribution Due Date* - means the 30 days following the end of a Contribution Reporting Period for Contributions based on Eligible Hours worked or with respect to Contributions which are a Termination Assessment or a Penalty Assessment the Contribution Due Date means the date 30 days following issuance for demand for payment by the Trustees for Contributions which are a Termination Assessment or a Penalty Assessment.
 - (d) *Contribution Rate* - means the sum of the rates per hour set out in the Collective Agreement which an Employer and its Employees are required to pay to the Trustees to fund the benefits provided under the Plan.
 - (e) *Contribution Report* - means a report completed by the Employer listing the name of each Employee who has worked during the Contribution Reporting Period, the social insurance number for each Employee, the number of hours worked by each Employee during that period and the names of those Employees whose employment with the Employer has terminated for any reason during the applicable Contribution Reporting Period.



- (f) *Contribution Reporting Period* – is the period, not to exceed 31 days in length, which is chosen by each Employer to report hours worked by its Employees and to remit Contributions to the Trustees.

If an Employer does not make a choice, the Contribution Reporting Period will be based on calendar months.

The first Contribution Reporting Period will begin on the day on which an Employer is required to report to the Trustees the hours worked by its Employees and each subsequent Contribution Reporting Period will begin the day after the end of the preceding Contribution Reporting Period.

- (g) *Eligible Hours* - means the hours actually worked by an Employee, following the successful completion of his probationary period or immediately if the Employee was an Employee with an Employer in the eighteen (18) month period immediately prior to his employment with another Employer and continuing until six (6) months prior to his attainment of sixty (60) years of age, adjusted as follows:

- (i) overtime hours at straight time hours;
- (ii) hours worked while temporarily in a class of employment not covered by a Union bargaining unit;
- (iii) hours an Employee spends attending apprenticeship programs, seminars, course or training for which the Employee was paid wages;
- (iv) hours spent travelling for crew bus drivers;
- (v) hours worked on a graduated return to work through the Plan;
- (vi) hours an Employee is detained by his Employer and for which the Employee is paid call time;
- (vii) hours spent fighting a forest fire that is the responsibility of his Employer;
- (viii) hours worked under an alternate work schedule or compressed work week in accordance with a Collective Agreement;
- (ix) in the case where fallers and buckers, graveyard shift Employees worked a six and one half (6.5) hour shift and are paid for eight (8) hours, the eight (8) paid hours are the Eligible Hours and if an Employee worked less than the full six and one half (6.5) hours then the actual hours worked, multiplied by 1.23 are considered Eligible Hours; and
- (x) hours spent working on Union business;
- (xi) while on a leave in accordance with the British Columbia Employment Standards Act Part 6, if the Employee remits his or her required Contributions then the Employer shall also remit its required Contributions and Eligible Hours shall only be credited in respect of periods where all required Contributions are remitted to the administrator;
- (xii) for an award of compensation for a period of time as a result of the settlement or arbitration of a grievance shall be deemed to have worked

such period of time at the rate of forty (40) hours per week or in such other manner as is consistent with the settlement or arbitration of the grievance.

- (h) *Employee* - means an employee, except an Opted-Out Owner Operator, for whom an Employer is required to pay Contributions to the Trust Fund pursuant to the terms of the Trust Agreement and the Employer's Collective Agreement.
 - (i) *Trust Agreement* - means the Agreement and Declaration of Trust dated the 15th day of June, 1982, pursuant to which the Plan was established, as amended from time to time.
2. The Employer will comply fully with the terms of the Trust Agreement (selected excerpts from which are attached to this agreement), and agrees that the Trustees shall have a right to bring action against the Employer for the collection of Contributions.
 3. The Employer is subject to and bound by all terms and provisions of the Trust Agreement as same may be amended from time to time, and understands that a copy of it is available for inspection at the plan administrator's office during usual business hours. If there is any conflict between the terms of this Agreement and the Trust Agreement, the terms of the Trust Agreement will prevail.
 4. The Employer will make payroll deductions in accordance with the Employer's Collective Agreement with respect to the Contributions required to be made by Employees and will remit same together with the Contributions required to be paid by the Employer, promptly to the plan administrator, or otherwise as directed by the Trustees.
 5. On or before each Contribution Due Date, the Employer will deliver to the plan administrator, or otherwise as directed by the Trustees:
 - (a) a Contribution Report, and
 - (b) payment, in a form acceptable to the plan administrator, of the amount of Contributions required.
 6. If the Employer does not pay the required Contributions when due:
 - (a) the balance of outstanding Contributions shall bear interest as provided for in the Trust Agreement, for the period commencing on the Contribution Due Date and ending on the date of payment, and,
 - (b) the Employer will reimburse the Trustees and indemnify the Trustees against all legal and other costs actually incurred by the Trustees to collect the unpaid amount.
 7. If the Employer fails to deliver to the plan administrator (or otherwise as the Trustees may direct) a Contribution Report with respect to any Contribution Reporting Period by the applicable Contribution Due Date, then the Trustees shall estimate the amount of Contributions which are due from and payable by the Employer (including Employee Contributions deducted or which ought to have been deducted by the Employer as required by paragraph 4, hereof), in respect of the applicable Contribution Reporting Period, by multiplying the rates of Contributions set forth in the Employer's Collective Agreement by the greater of:
 - (a) the aggregate Eligible Hours for the corresponding Contribution Reporting Period in the immediately preceding year, if such exists, and

- (b) the daily average (based on 260 days) of the aggregate Eligible Hours recorded for the Employer in the twelve month period immediately preceding the Contribution Reporting Period in question, multiplied by the number of days (excluding Saturdays and Sundays) in the Contribution Reporting Period in question.
8. If, for any reason it should be impossible for the Trustees to estimate the amount of Contributions in the manner referred to in paragraph 7 hereof, then the Trustees shall estimate the same by multiplying the rates of Contributions set forth in the Employer's Collective Agreement by a deemed number of Eligible Hours based upon available information contained in records of health and welfare plans applicable to the Employer or in available union records applicable to the Employer.
9. In the absence of satisfactory proof by the Employer of the actual Eligible Hours, the estimates made by or on behalf of the Trustees in accordance with the provisions of paragraph 7 and 8 hereof shall be deemed to be the correct amount of the Contributions in question and the same shall be paid by the Employer immediately on demand by the Trustees. Nothing contained in this paragraph or in paragraphs 7 and 8 hereof relieves the Employer from its obligation to pay Contributions based upon the actual number of Eligible Hours in any such Contribution Reporting Period or impair the Trustees' right to claim from the Employer the proper amount of Contributions and interest based on such actual Eligible Hours.
10. The Trustees may, at any time, and from time to time, conduct an audit of such books and records of the Employer as the Trustees' auditors consider relevant, for the purpose of determining whether or not the Employer has paid to the Trustees the proper amount of Contributions. If the audit determines that the Employer has not paid the proper amount of Contributions, then the Employer shall promptly pay to the Trustees, on demand, the fees and expenses associated with such audit. If the Employer does not pay the fees and expenses, the Trustees can initiate legal action against the Employer for payment of such amount and that amount will bear interest as provided in paragraph 6 from the date of demand to the date of payment.
11. The Employer's Effective Date as defined in the Plan is: July 19, 2011

Wherever the singular and masculine is used throughout this Agreement, the same shall include the plural and feminine and a body corporate or politic wherever the context or the Trustees and/or the Employer so require.

This agreement is binding upon the Employer and its successors and assigns, and enures to the benefit of the Trustees and their successors in office.

EXECUTED ON BEHALF OF THE
EMPLOYER BY:

Employer's Authorized Signatory
sign on this line and print name and date below:

Xiaopeng Cui Sept. 25th, 2011
NAME DATE

EXECUTED ON BEHALF OF THE
TRUSTEES OF THE IWA - FOREST
INDUSTRY LTD PLAN BY:

Authorized Signatory
sign on this line and print name and date below:

BARRY CHU July 19/11
NAME DATE

COPY OF SELECTED SECTIONS OF THE TRUST AGREEMENT

Section 6 - OBLIGATION OF PARTICIPATING EMPLOYERS TO MAKE PROMPT PAYMENT OF CONTRIBUTIONS

6.2 Delivery of Contribution Report

Each Participating Employer shall deliver to the Trustees, not less frequently than monthly, a Contribution Report which will:

- (a) be in writing or such other electronic form as approved by the Trustees, and
- (b) list the name of each Employee who has worked during the Contribution Reporting Period, the social insurance number for each Employee, the number of hours worked by each Employee during that period and the names of those Employees whose employment with the Participating Employer has terminated for any reason during the applicable Contribution Reporting Period.

6.5 Payment of Contributions

- (a) On or before a Contribution Due Date a Participating Employer will make the payroll deductions from its Employees for that portion of the Contributions to be paid by the Employees and will pay to the Trustees, in a form acceptable to the Trustees' plan administrator the Contributions which are then due.
- (b) A Participating Employer will pay to the Trustees, in a form acceptable to the Trustees' plan administrator, the required Participating Employer Contributions then due on the Contribution Due Date.
- (c) All Contributions deducted from payroll and all Contributions due are deemed to be held in trust by the Participating Employer.
- (d) If a Participating Employer fails to pay any Contributions when they are due the Trustees will have the right to commence legal action against such defaulting Participating Employer for payment of all outstanding Contributions.
- (e) The Trustees' right of action against the Participating Employer is independent of any other remedy which may be available to the Trustees, to the Union, or to any other person or persons whomsoever, including Employees, or any one or any more of them and no Participating Employer shall be entitled to have such action delayed or dismissed on the ground that the claim of the Trustees for payment of Contributions is also a claim capable of being advanced by the Union or a Employee pursuant to the terms of a Collective Agreement.

6.6 No Contributions for Opted-Out Owner-Operator

A Participating Employer is not required to remit, and the Trustees will not accept, payment of Contributions for hours worked by an Owner-Operator after the date on which he becomes an Opted-Out Owner -Operator.

6.7 Termination Assessment

- (a) When a Participating Employer ceases to participate in the Plan, on a date the Trustees, in their sole discretion, may declare as the date of the cessation of participation in the Plan, for one of the following reasons:

- (i) the decertification of the Union as the certified bargaining agent of the Participating Employer's Employees;
- (ii) the withdrawal of the Participating Employer from the Plan pursuant to an agreement negotiated between the Participating Employer and any local of the Union; or
- (iii) the closure by a Participating Employer who operates more than one place of business, of one or more, but not all, of the Participating Employer's businesses; or
- (iv) the closure by the Participating Employer of its place of business in British Columbia when the Participating Employer intends to re-open that place of business in the United States of America, Mexico or a province of Canada other than British Columbia, or
- (v) its failure to agree in a Collective Agreement with the Union to pay Contributions at a rate which the Trustees have determined are required to fund the benefits provided pursuant to the Plan and to amortize the unfunded actuarial liability of the Plan; or

AND:

- (vi) the Plan has an unfunded actuarial liability on the effective date of the last actuarial valuation prior to any of the events referred to in subparagraphs 6.7(a)(i), 6.7(a)(ii), 6.7(a)(iii), 6.7(iv) and 6.7(v);

then the Participating Employer will pay to the Trustees a Termination Assessment calculated in accordance with section 6.7(b),

- (b) The Termination Assessment is calculated by:

- (i) dividing the amount of the unfunded liability of the Plan according to the actuarial valuation of the Plan referred to in sub-paragraph 6.7a(vi) by the total number of Employees in the Plan at the effective date of such actuarial valuation, and
- (ii) multiplying that quotient by the number of Employees affected by the termination as determined in subparagraph 6.7(b)(iii).
- (iii) the number of Employees affected by the termination will be the average of the number of Employees for whom the Participating Employer was required to pay Contributions in the twelve months immediately prior to the date of the event referred to in subparagraph 6.7(a)(i), 6.7(a)(ii), 6.7(a)(iii), 6.7(iv) or 6.7(v).

6.8 Penalty Assessment

- (a) When a Participating Employer owes Contributions for hours worked for any of its Employees which have been outstanding for more than ninety days past their due date

and one of its Employees first becomes Disabled as defined in the Plan when such Contributions are owing then the Participating Employer will pay to the Trustees a Penalty Assessment calculated in accordance with Section 6.8(b).

- (b) The Penalty Assessment will be the full amount or the capitalized value of compensation payable by the Trustees in respect of the injury to or illness of the Employee referred to in Section 6.8(a). For the purpose of calculating the Penalty Assessment the expression "compensation payable by the Trustees" will include the cost of monthly benefits, the cost of medical, dental and extended health care coverage and the cost of any rehabilitation services provided to the disabled Employee.
- (c) The Participating Employer described in Section 6.8(a) will pay the Penalty Assessment to the Trustees immediately after receipt of a written notice setting out the amount of the assessment.

6.9 Interest Charges

- (a) If a Participating Employer does not make a payment required by Section 6.4, 6.7 or 6.8, or such payment is not honoured upon presentation or is otherwise ineffective, the unpaid amounts shall bear interest at the rate specified in Section 6.9(b) from the date such amount was due until the date of payment. Interest shall be calculated and compounded as of the last day of each month and shall be paid by the Participating Employer on demand. The Trustees may, in their discretion, waive, in whole or in part, the requirement to pay interest.
- (b) For the purposes of Section 6.9(a), the rate of interest that will be used in each month end calculation will be the equal to the prime interest rate of the HSBC Bank Canada in effect on the first business day of the calendar quarter in which such month falls, multiplied by 1.5 and rounded to the nearest one-half percent.

6.10 Costs of Collection

If a Participating Employer fails to pay any amount of Contributions when due, it shall reimburse the Trustees for and indemnify the Trustees against all legal, audit and other costs actually incurred by the Trustees in order to collect the unpaid amount.

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MULTIPAGE

This is Exhibit "D" referred to in
the Affidavit of G. Luby
made before me at Kimberly
BC this 1 day of Feb 2023

Alm Mahan
A commissioner for taking
Affidavits within British Columbia

January 1, 2020 – June 30, 2024

COLLECTIVE AGREEMENT

BETWEEN

UNITED STEELWORKERS LOCAL 1-1937

(the Union)

AND

SKEENA SAWMILLS LTD.

(the Company)

all other coastal forest industry employers, USW-Coastal Forest Industry Health and Welfare Plan and the Union, and there shall be no waiting period for qualified employees changing employers within the industry.

- (c) Coverage during layoff will be provided as follows:
 - (i) Employees with one (1) or more years seniority – six (6) months.
 - (ii) Employees with more than four (4) months but less than one (1) year – three (3) months.
- (d) There will be no duplication of Weekly Indemnity and Pension Plan payments.
- (e) Weekly Indemnity coverage will be eliminated for an employee on an extended leave of absence under Article 16.5 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. In the case of a compassionate appeal dealing with a disability incurred during an extended leave of absence, the Trustees have the right to review certain circumstances.
- (f) Employees on extended leave of absence under Article 16.5 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 employer during such extended leave of absence
- (g) All medical notes requested by the Company, for clearance to return to work, shall be paid for by the Company.

ARTICLE 14 - LONG-TERM DISABILITY

The Company will participate in the IWA Forest Industry LTD Plan.

Effective the first of the month following ratification of this agreement, contributions from the employer and the employee to the Plan will be reduced from \$1.20 per employee per hour worked (60 cents per hour from the employee and 60 cents per hour from the employer) to 76 cents per employee per hour worked (38 cents per hour from the employee and 38 cents per hour from the employer).

The Plan Actuary will update the Board of Trustees on the estimated financial position of the Plan as a standing agenda item every Board meeting. Effective the first of the month following the Board meeting where the Plan Actuary estimates the Plan is at or below a 120% funded ratio, the contributions to the Plan will be adjusted to a level so as to maintain the 120% funded ratio position (using the same methodology as used to determine the 172% as of September 30, 2017 valuation).

The maximum total contribution rate will be a total of \$1.20, split 50/50 between Employer and Employee.

ARTICLE 22 - PENSION PLAN

The Company will participate in the IWA Forest Industry Pension Plan.

Effective the ratification date, contributions by the Company to be increased by \$1.00 per hour worked to a total of \$3.675 per hour worked and the contributions by the employee to be increased by \$0.60 per hour worked to a total of \$2.225 per hour worked.

It is understood that the \$0.275 contributions provided for in this Article are recognized as permanent.

ARTICLE 23 - PERMANENT CLOSURES

The Company agrees that employees affected by a permanent closure of operations shall be given sixty (60) days' notice of closure.

ARTICLE 24 - SEVERANCE PAY FOR PERMANENT PLANT CLOSURE

- 24.1** Employees terminated by the employer because of permanent closure of a manufacturing plant shall be entitled to severance pay equal to ten (10) days' pay 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 Section 5.1 and Supplement No. 8, the severance pay available shall not exceed the maximum severance pay based on an eight-hour shift equivalent.
- 24.2** Where a plant is relocated and the employees involved are not required to relocate their place of residence and are not terminated by the employer as a result of the plant relocation, they shall not be entitled to severance pay under this Article.

ARTICLE 25 - PERMANENT PARTIAL CLOSURES

- 25.1** A permanent partial closure occurs when a major operating component of a manufacturing facility is declared closed by the Company or has not operated for a period of twenty-four (24) months. The major operating components of a manufacturing facility are defined as a sawmill, planer mill, and dry kiln.
- 25.2** In the event one of the identified major operating components of a manufacturing operation closes, but restarts in a reduced capacity prior to permanent partial closure, those employees who remain on layoff will have their seniority retention extended by twenty-four (24) months to a maximum of forty-eight (48) months unless severance pay is paid as per the terms of Article 24 or Article 25.
- 25.3** In the event a permanent partial closure is declared by the Company, or the facility has not operated for a period of twenty-four (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.


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17. **CONTRIBUTIONS**

- (a) A Participating Employer will make payroll deductions from its Eligible Employees for the employees' portion of the contributions to be paid, and remit both the employees' employers' contributions to the Trustees on or before the date due.
- (b) All contributions deducted from payroll for Eligible Employees and all contributions due from a Participating Employer are deemed to be held in trust for the Trustees by the Participating Employer.
- (c) All contributions required to be made under the Plan by Participating Employers shall be remitted to the Trustees or to the general manager or pension administrator employed by them. The Trustees are hereby authorized and directed by the parties to take such steps as the Trustees see fit to collect contributions required to be made under the Plan including judicial proceedings against Participating Employers and others to compel payment of contributions.
- (d) The Trustees may, and are hereby authorized to appoint an agent to, inspect, copy and cause an audit to be performed of the payroll and time records of a specified Participating Employer relating to Eligible Employees (as defined in the Plan) and such agent shall conduct such audit upon reasonable notice during normal business hours and in accordance with the instructions of the Trustees. Each Participating Employer will on request by the Trustees make such records available for such inspection, copying and audit.

18. **NON-CONFORMING PARTICIPATING EMPLOYERS**

- (a) For the purposes of this section 18, the following terms shall have the following meanings:
 - (i) **"Contract Payments"** means payments owing and payable from time to time by a Contracting Employer to a Non-Conforming Participating Employer;
 - (ii) **"Contracting Employer"** means, in respect of any Non-Conforming Participating Employer, an entity which the Trustees have reason to believe has entered into an agreement with the Non-Conforming Participating Employer pursuant to which the entity has agreed to make payment(s) to the Non-Conforming Participating Employer in consideration of product supplied and/or services rendered by the Non-Conforming Participating Employer;
 - (iii) **"Contribution Due Date"** means the date which is 30 days following the end of each Contribution Reporting Period applicable to a given Participating Employer, on or before which date each Participating Employer is required to pay to the Trustees the contribution amounts then due and owing under the Plan;
 - (iv) **"Contribution Report"** means the report a Participating Employer is, under the Plan, required to deliver to the Trustees on or before each Contribution Due Date;
 - (v) **"Contribution Reporting Period"** means the successive periods, not to exceed

Article 5 - Contributions

This is Exhibit "E" referred to in
the Affidavit of Ed Lyddy
made before me at Pumaby
BC this 11 day of Sept 2023

5.01 Applicable Collective Agreement

Shirley Mahan

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Applicable Collective Agreement means:

- a) with respect to the member companies of Forest Industrial Relations Limited, the collective agreement entered into between the Union and Forest Industrial Relations Limited, on behalf of its member companies, effective June 15, 1972, and dated August 11, 1972, and subsequent collective agreements (the "Coast Master Agreement");
- b) with respect to the member companies of the Interior Forest Labour Relations Association, the collective agreement entered into between the Union and the member companies, effective July 1, 1972, and subsequent collective agreements;
- c) with respect to the member companies of the Council on Northern Interior Forest Employment Relations (previously known as the North Cariboo Forest Labour Relations Association), the collective agreement entered into between the Union and the member companies, effective September 1, 1972, and subsequent collective agreements;
- d) with respect to the Union, the national office of the Union and I.W.A. Canada Locals 1-700, 2693, 1-2995 and, effective November 3, 1998, Local 1-1000 in their capacity as Employing Companies, the Coast Master Agreement;
- e) with respect to Employing Companies not included in the foregoing, but who have entered into an agreement with the Union to abide by the terms of the Coast Master Agreement, or other Master Agreement; and
- f) with respect to an Employing Company not included in the foregoing, the collective agreement governing the entry of the Employing Company to the Plan or to one or more of the Prior Plans, and subsequent collective agreements.

5.02 Establishing the Employing Company's Contribution Reporting Period

- a) An Employing Company's first Contribution Reporting Period starts on its Effective Date and ends on a date designated by the Employing Company, such date not to be more than 31 days following its Effective Date.
- b) Each subsequent Contribution Reporting Period starts the day after the previous Contribution Reporting Period and ends on a date designated by the Employing Company, such date not to be more than 31 days following the end of the previous Contribution Reporting Period.

5.03 Contribution Report

Prior to or coincident with each Contribution Due Date, an Employing Company shall deliver to the Pension Administrator a Contribution Report which includes, but is not limited to, the information described below:

a) Eligible Hours

The Contribution Report shall include the Eligible Hours for each Eligible Employee of the Employing Company during the applicable Contribution Reporting Period which shall be equal to the hours actually worked by each Eligible Employee, adjusted as follows:

- i) An Eligible Employee who works a short shift but is paid as though a full 8 hour shift was worked shall be deemed to have worked 8 hours.
- ii) An Eligible Employee who has an alternate work schedule whereby he is paid for a greater number of hours than those actually worked, shall be deemed to have worked the hours paid.
- iii) An Eligible Employee who is detained on company premises at the Employing Company's direction, and is paid call time while so detained, shall be deemed to have worked the call time (but not travel time).
- iv) An Eligible Employee who works on Union business on a temporary or part time basis shall be deemed to have worked at the rate of 8 hours for each day, with pro-rata allowance for part days, while on Union

business. Such hours worked shall be reported and paid for by the Union.

- v) Subject to the remainder of this paragraph 5.03(a)(v), an Eligible Employee shall be deemed to work at the rate of 40 hours for each week while on a leave of absence for which Credited Service continues to accrue under section 56 of the *Employment Standards Act* or any successor provision.

On and after December 31, 1996, if the Eligible Employee is required to remit amounts to the Board of Trustees in respect of the Member Contribution Rate, as described under Subsection 5.06(b), then Eligible Hours shall only be credited under this paragraph 5.03(a)(v) in respect of periods where such amounts are remitted to the Board of Trustees.

On and after July 18, 2003, if the Employing Company provides evidence satisfactory to the Pension Administrator that the Eligible Employee has been regularly scheduled to work less than 32 hours per week in the 12 month period prior to a leave of absence for which Credited Service continues to accrue under section 56 of the *Employment Standards Act* or any successor provision, then the rate at which such Eligible Employee shall be deemed to work during such leave of absence shall be equal to the number of hours the Eligible Employee had been regularly scheduled to work during such preceding 12 month period, or such other rate as may be considered appropriate in the circumstances by the Pension Administrator

- vi) An Active Plan Member who has been awarded compensation for a period of time as a result of the settlement or arbitration of a grievance shall be deemed to have worked such period of time at the rate of 40 hours per week or in such other manner as is consistent with the settlement or arbitration of the grievance.
- vii) An Eligible Employee who is an officer or staff member of the Union shall be deemed to work an 8 hour day and a 40 hour week, with pro-rata allowance for part days and part weeks.

- viii) An Eligible Employee who is transferred temporarily to a class of employment not covered by a Union bargaining unit, but who continues to qualify as an Eligible Employee under Subsection 4.03(b), shall be deemed to work an 8 hour day and a 40 hour week, with pro-rata allowance for part days and part weeks.

b) Persons who Cease to be Eligible Employees

The Contribution Report shall include, with respect to each person who ceases to be an Eligible Employee of the Employing Company during the Contribution Reporting Period, the date and the reason such person is no longer an Eligible Employee of the Employing Company.

5.04 Unfunded Hours Report

An Employing Company shall deliver to the Pension Administrator, together with each Contribution Report, an Unfunded Hours Report which contains information for the applicable Contribution Reporting Period with respect to days for which Eligible Employees may receive credit under the Plan, but for which no contributions are required to be made by the Employing Company. Such days include the following:

- a) Actual days of lay-off of a full time Eligible Employee when the lay-off is due to weather or market conditions.
- b) Actual days of paid vacation which an Eligible Employee has taken.
- c) Actual days on which the Eligible Employee was disabled and was in receipt of weekly indemnity benefits or any wage-loss benefits, rehabilitation allowances or income continuity payments received under any *Workers' Compensation Act*, or wage loss benefits received under Part 7 of the Revised Regulations (1984) to the *Insurance (Vehicle) Act* of British Columbia, or any similar act in another province.

5.05 Failure to Submit an Unfunded Hours Report

If an Employing Company fails to deliver an Unfunded Hours Report to the Pension Administrator on or before its Contribution Due Date, the Pension Administration may

assess a fine of \$500.00 which shall be payable immediately by the Employing Company to the Board of Trustees.

5.06 Contribution Rate

The Contribution Rate in respect of an Employing Company shall mean the sum of the Employer Contribution Rate and the Member Contribution Rate, as described in this Section 5.06,

a) Employer Contribution Rate

The Employer Contribution Rate is equal to the cents per hour contributions required to be paid by an Employing Company to the Board of Trustees in respect of its Eligible Employees under the Plan, negotiated between the Union and FIR, IFLRA or CONIFER.

b) Member Contribution Rate

The Member Contribution Rate is the cents per hour contributions which an Employing Company is required to deduct from the earnings of its Eligible Employees and remit to the Board of Trustees on their behalf, as negotiated between the Union and FIR, IFLRA or CONIFER.

5.07 Payment of Contributions

Prior to or coincident with a Contribution Due Date, an Employing Company shall pay to the Board of Trustees an amount equal to the product of (a) and (b), where:

- a) is the sum of the Eligible Hours for each Eligible Employee of the Employing Company during the applicable Contribution Reporting Period, as determined in Subsection 5.03(a); and
- b) is the Contribution Rate per hour applicable to the Employing Company, as determined in Section 5.06.

Each such payment shall be delivered to the Board of Trustees in care of the Pension Administrator, and shall be made by way of a cheque, money order or other form of payment acceptable to the Pension Administrator.

5.07A Contributions for Owner-Operator aged 71 or over

Effective September 21, 2018, an Owner-Operator of an Employing Company is exempt from paying the Member Contribution Rate described in Subsection 5.06(b) as of November 30th of the year he or she attains the age of 71.

For greater certainty, the Employing Company must, in accordance with Section 5.07, pay an amount equal to the product of (a) and (b), where:

- (a) is the sum of the Eligible Hours for each Owner-Operator of the Employing Company during the applicable Contribution Reporting Period, as determined in Subsection 5.03; and
- (b) is the Employer Contribution Rate per hour applicable to the Employing Company, as determined in Subsection 5.06(a).

Each such payment shall be delivered to the Board of Trustees in care of the Pension Administrator and shall be made by way of a cheque, money order or other form of payment acceptable to the Pension Administrator.

5.08 Additional Contributions

- a) From time to time, an Employing Company's Applicable Collective Agreement may provide for additional contributions to be paid to the Board of Trustees. The Employing Company shall pay to the Board of Trustees an amount equal to that required under the Applicable Collective Agreement within the time period specified in the Applicable Collective Agreement or by such other date as agreed upon by the Board of Trustees. Each such payment shall be delivered to the Board of Trustees in care of the Pension Administrator and shall be made by way of a cheque, money order or other form of payment acceptable to the Pension Administrator.
- b) If an Employing Company and the Union enter into an agreement to provide benefits under a Pension Bridging Program to specified Plan Members, as provided in Subsection 21.05(a), the Employing Company shall pay to the Board

of Trustees a lump sum amount equal to the actuarial equivalent of such Bridging Pension. The lump sum amount shall be determined by the Actuary, using an actuarial basis adopted by the Board of Trustees.

5.09 Cost of Collection

If an Employing Company fails to pay any amount which it owes to the Board of Trustees, it shall reimburse the Board of Trustees for and indemnify the Board of Trustees against all legal, audit and other costs actually incurred by the Board of Trustees in order to collect the unpaid amount. The determination of costs incurred by the Board of Trustees in performing an audit of an Employing Company's records shall be determined in Section 5.10.

5.10 Costs of Audit

If the Board of Trustees or the Pension Administrator initiates an audit of an Employing Company and if:

- a) the audit is performed as a result of the Employing Company not paying amounts owed to the Board of Trustees; or
- b) the audit is a random audit which reveals that such Employing Company has not contributed in accordance with the provisions of the Plan;

then the Employing Company shall reimburse the Board of Trustees for the audit costs incurred by the Plan. The manner in which incurred costs will be calculated shall be determined by the Board of Trustees from time to time. The amount of such costs shall be in addition to any amounts otherwise payable to the Board of Trustees and shall be payable as of the Employing Company's next Contribution Due Date.

5.11 Interest Charges

- a) If an Employing Company does not make a payment required by Section 5.07, Section 5.08 or Section 5.09 or such payment is not honoured upon presentation or is otherwise ineffective, the unpaid amounts shall bear interest at the rate specified in Subsection 5.11(b), from the relevant Contribution Due Date to the

date of payment. Interest shall be calculated and compounded as of the last day of each month and shall be payable by the Employing Company on demand. The Board of Trustees may, in its discretion, waive, in whole or in part, the requirement to pay interest.

- b) For the purposes of Subsection 5.11(a), the rate of interest that will be used in each month end calculation shall be equal to the prime interest rate of the Hongkong Bank of Canada in effect on the first business day of the calendar quarter in which such month falls, multiplied by 1.5 and rounded to the nearest one-half percent.

5.12 Suspended Employing Companies

For clarity, an Employing Company which becomes a Suspended Employing Company under Section 23.02 shall retain all of the obligations of an Employing Company under this Article 5 and the Board of Trustees retains the right to sue such company for payment of all amounts owed under this Article 5.

5.13 Deemed Eligible Hours for the Purposes of Determining Amounts Owing

If an Employing Company does not deliver to the Pension Administrator a Contribution Report in respect of any Contribution Reporting Period by the Contribution Due Date, in the absence of alternative proof, the aggregate Eligible Hours for that Contribution Reporting Period shall be deemed for the purposes of this Article only (and not for the purposes of determining Credited Future Service), to be the greater of (a) and (b), where:

- a) is the aggregate of the Eligible Hours for that Employing Company for the same Contribution Reporting Period of the previous year, as determined in Subsection 5.03(a); and
- b) is the aggregate of the Eligible Hours for that Employing Company for the 12 months next preceding that Contribution Reporting Period, as determined in Subsection 5.03(a), divided by 260, and multiplied by the number of days (excluding Saturdays and Sundays) in that Contribution Reporting Period.

If it is impossible for any reason to calculate the aggregate Eligible Hours of work for the Employing Company by the procedure described in this Section 5.13, the aggregate Eligible Hours for the Employing Company for the Contribution Reporting Period shall

be deemed to be the aggregate Eligible Hours determined by the Pension Administrator based on available Union records or records of health and welfare plans applicable to the Employing Company.

**Section 6 - OBLIGATION OF PARTICIPATING EMPLOYERS TO MAKE PROMPT
PAYMENT OF CONTRIBUTIONS**

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6.1 Contribution Reporting Period

A Contribution Reporting Period is the period, not to exceed 31 days in length, which is chosen by each Participating Employer to report hours worked by its Employee and to remit Contributions to the Trustees.

If a Participating Employer does not make a choice, the Contribution Reporting Period will be based on calendar months.

The first Contribution Reporting Period will begin on the day on which a Participating Employer is required to report to the Trustees the hours worked by its Employees and each subsequent Contribution Reporting Period will begin the day after the end of the preceding Contribution Reporting Period.

6.2 Delivery of Contribution Report

Each Participating Employer shall deliver to the Trustees, not less frequently than monthly, a Contribution Report which will:

- (a) be in writing or such other electronic form as approved by the Trustees, and
- (b) list the name of each Employee who has worked during the Contribution Reporting Period, the social insurance number for each Employee, the number of hours worked by each Employee during that period and the names of those Employees whose employment with the Participating Employer has terminated for any reason during the applicable Contribution Reporting Period.

6.3 Deemed Hours

If a Participating Employer fails to deliver a Contribution Report for any Contribution Reporting Period to the Trustees then, in the absence of alternative proof, the number of hours worked by its Employees during the Contribution Reporting Period, will be deemed for the purposes of collecting Contributions due only (and not for the purpose of determining eligibility for benefits under the Plan) to be the greater of:

- (a) the aggregate number of hours worked by the Employees of the Participating Employer for the same Contribution Reporting Period of the previous year, and
- (b) the aggregate number of hours worked by the Employees of the Participating Employer for the 12 months immediately preceding that Contribution Reporting Period divided by 260 and multiplied by the number of days (excluding Saturdays and Sunday) in that Contribution Reporting Period.

If it is impossible for any reason to calculate the number of hours deemed to have been worked by the Employees of a Participating Employer by the procedure set out in this Section 6.3, the total number of hours worked by the Employees of the Participating Employer for the Contribution Reporting Period shall be deemed to be the number of hours determined by the Trustees or their agents or employees based on available Union records, records of the Industry Health and Welfare Plan (as defined in the Plan) in which the Participating Employer participates or such other sources of information as the Trustees may determine are appropriate.

6.4 Eligible Hours

(a) An Employee's Eligible Hours are hours worked:

- (i) commencing on the same date as the Employee becomes eligible for weekly indemnity coverage as a member of an Industry Health and Welfare Plan, or
- (ii) commencing, in accordance with the Collective Agreement applicable to an Employee, immediately if the employee was an Employee with a Participating Employer in the eighteen (18) month period immediately prior to his employment with any Participating Employer, or
- (iii) upon completion of such other qualification period as the Trustees may, in their sole discretion, determine,

and continuing until six months prior to his attainment of sixty (60) years of age, adjusted as follows:

- (i) overtime hours at straight time hours;
- (ii) hours worked while temporarily in a class of employment not covered by a Union bargaining unit;
- (iii) hours an Employee spends attending apprenticeship programs, seminars, course or training for which the Employee was paid wages;
- (iv) hours spent travelling for crew bus drivers;
- (v) hours worked on a graduated return to work through the Plan;
- (vi) hours an Employee is detained by his Participating Employer and for which the Employee is paid call time;
- (vii) hours spent fighting a forest fire that is the responsibility of his Participating Employer;
- (viii) hours worked under an alternate work schedule or compressed work week in accordance with a Collective Agreement;

- (ix) in the case where fallers and buckers, graveyard shift Employees worked a six and one half (6.5) hour shift and are paid for eight (8) hours, the eight (8) paid hours are the Eligible Hours and if an Employee worked less than the full six and one half (6.5) hours then the actual hours worked, multiplied by 1.23 are considered Eligible Hours; and
 - (x) hours spent working on Union business;
 - (xi) while on a leave in accordance with the British Columbia Employment Standards Act Part 6, if the Employee remits his or her required Contributions then the Participating Employer shall also remit its required Contributions and Eligible Hours shall only be credited in respect of periods where all required Contributions are remitted to the administrator;
 - (xii) for an award of compensation for a period of time as a result of the settlement or arbitration of a grievance shall be deemed to have worked such period of time at the rate of forty (40) hours per week or in such other manner as is consistent with the settlement or arbitration of the grievance.
- (b) An Employee who works on Union business on a temporary or part time basis shall be deemed to work eight (8) Eligible Hours per day while on Union business with a pro-rata entitlement for part days. Where the Union is the employer, the Union shall pay for the Eligible Hours worked on Union business.
- (c) Eligible Hours for Summer Students are as follows:
- (i) A Summer Student does not accrue Eligible Hours under section 6.4(a)(i) if his or her eligibility is based on Portability. In that case the Summer Student will not accrue Eligible Hours until he or she has again satisfied the initial probationary period applicable to the Industry Healthy and Welfare Plan.
 - (ii) Section 6.4(a)(ii) does not apply to Summer Students.

6.5 Payment of Contributions

- (a) On or before a Contribution Due Date a Participating Employer will make the payroll deductions from its Employees for that portion of the Contributions to be paid by the Employees and will pay to the Trustees, in a form acceptable to the Trustees' plan administrator the Contributions which are then due.
- (b) A Participating Employer will pay to the Trustees, in a form acceptable to the Trustees' plan administrator, the required Participating Employer Contributions then due on the Contribution Due Date.
- (c) All Contributions deducted from payroll and all Contributions due are deemed to be held in trust by the Participating Employer.

- (d) If a Participating Employer fails to pay any Contributions when they are due the Trustees will have the right to commence legal action against such defaulting Participating Employer for payment of all outstanding Contributions.
- (e) The Trustees' right of action against the Participating Employer is independent of any other remedy which may be available to the Trustees, to the Union, or to any other person or persons whomsoever, including Employees, or any one or any more of them and no Participating Employer shall be entitled to have such action delayed or dismissed on the ground that the claim of the Trustees for payment of Contributions is also a claim capable of being advanced by the Union or a Employee pursuant to the terms of a Collective Agreement.

6.6 (Intentionally Deleted)

6.7 **Termination Assessment**

- (a) When a Participating Employer ceases to participate in the Plan, on a date the Trustees, in their sole discretion, may declare as the date of cessation of participation in the Plan, for one of the following reasons:
 - (i) the decertification of the Union as the certified bargaining agent of the Participating Employer's Employees;
 - (ii) the withdrawal of the Participating Employer from the Plan pursuant to an agreement negotiated between the Participating Employer and any local of the Union; or
 - (iii) the closure by the Participating Employer who operates more than one place of business, of one or more, but not all, of the Participating Employer's businesses; or
 - (iv) the closure by the Participating Employer of its place of business in British Columbia when the Participating Employer intends to re-open that place of business in the United States of America, Mexico or a province of Canada other than British Columbia, or
 - (v) its failure to agree in a Collective Agreement with the Union to pay Contributions at a rate which the Trustees have determined are required to fund the benefits provided pursuant to the Plan and to amortize the unfunded actuarial liability of the Plan;

AND:

- (vi) the Plan has an unfunded actuarial liability on the effective date of the last actuarial valuation prior to any of the events referred to in subparagraphs 6.7(a)(i), 6.7(a)(ii), 6.7(a)(iii), 6.7(iv) and 6.7(v);

then the Participating Employer will pay to the Trustees a Termination Assessment calculated in accordance with section 6.7(b),

- (b) The Termination Assessment is calculated by:
 - (i) dividing the amount of the unfunded liability of the Plan according to the actuarial valuation of the Plan referred to in sub-paragraph 6.7(a)(vi) by the total number of Employees in the Plan at the effective date of such actuarial valuation, and
 - (ii) multiplying that quotient by the number of Employees affected by the termination as determined in subparagraph 6.7(b)(iii).
 - (iii) the number of Employees affected by the termination will be the average of the number of Employees for whom the Participating Employer was required to pay Contributions in the twelve months immediately prior to the date of the event referred to in subparagraph 6.7(a)(i), 6.7(a)(ii), 6.7(a)(iii), 6.7(iv) or 6.7(v).
- (c) The Trustees may, in their sole discretion, where there is a cessation of participation in the Plan for reasons other than those enumerated in section 6.7(a), apply the provisions of section 6.7(a) and section 6.7(b) to a Participating Employer.

6.8 Penalty Assessment

- (a) When a Participating Employer owes Contributions for hours worked for any of its Employees which have been outstanding for more than ninety days past their due date and one of its Employees first becomes Disabled as defined in the Plan when such Contributions are owing then the Participating Employer will pay to the Trustees a Penalty Assessment calculated in accordance with Section 6.8(b).
- (b) The Penalty Assessment will be the full amount or the capitalized value of compensation payable by the Trustees in respect of the injury to or illness of the Employee referred to in Section 6.8(a). For the purpose of calculating the Penalty Assessment the expression "compensation payable by the Trustees" will include the cost of monthly benefits, the cost of medical, dental and extended health care coverage and the cost of any rehabilitation services provided to the disabled Employee.
- (c) The Participating Employer described in Section 6.8(a) will pay the Penalty Assessment to the Trustees immediately after receipt of a written notice setting out the amount of the assessment.

6.9 Interest Charges

- (a) If a Participating Employer does not make a payment required by Section 6.5, 6.7 or 6.8, or such payment is not honoured upon presentation or is otherwise ineffective, the unpaid amounts shall bear interest at the rate specified in Section 6.9(b) from the date such amount was due until the date of payment. Interest shall be calculated and compounded as of the last day of each month and shall be paid by the Participating Employer on demand. The Trustees may, in their discretion, waive, in whole or in part, the requirement to pay interest.
- (b) For the purposes of Section 6.9(a), the rate of interest that will be used in each month end calculation will be the equal to the prime interest rate of the HSBC Bank Canada in effect on the first business day of the calendar quarter in which such month falls, multiplied by 1.5 and rounded to the nearest one-half percent.

6.10 Costs of Collection

If a Participating Employer fails to pay any amount of Contributions when due, it shall reimburse the Trustees for and indemnify the Trustees against all legal, audit and other costs actually incurred by the Trustees in order to collect the unpaid amount.