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MASTER AGREEMENT

Between

**Tolko Industries Ltd.
Manitoba Solid Wood Division and
Woodlands Division**

And

United Steelworkers Local 1-324

Effective: February 1, 2009 to January 31, 2012

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00046 (09)

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MEMORANDUM OF AGREEMENT

All terms of the Memorandum will become effective on February 1, 2009 except as herein amended and remain in effect until January 31, 2012.

The parties commit to continue to work together over the term of the agreement to identify further savings/cost reductions to help solidify the viability of the operations for the future.

PART I - CLAUSES COMMON TO LUMBER AND WOODLANDS DIVISIONS

ARTICLE 1

Purpose

1:01 The purpose of this Agreement is to secure for the Company and the Union the full benefits of orderly and legal collective bargaining in respect to hours, wages, working conditions and living conditions as specified in this Agreement and to ensure to the utmost extent possible, the safety and physical welfare of the employees, protection of the environment, the economy of operations, quality and quantity of output and protection of property. This Agreement, moreover, seeks to provide for fair and peaceful adjustment of all disputes that may arise between the parties. It is recognized as a duty of the parties hereto and of all employees to co-operate fully, individually, and collectively for the advancement of the conditions set forth herein.

1:02 Use of the masculine gender in this Agreement shall be considered also to include the feminine.

1:03 In the event that an Agreement regarding proposed change is not reached prior to the end of the Agreement year, the existing Agreement shall continue in effect during the next Agreement year or until a decision is reached with respect to the proposed changes.

1:04 If any provisions of this agreement or any collective agreement made in pursuance thereof is found to be contrary to the provisions of the

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law, now or hereafter enacted, this Agreement will not be abrogated, but is subject to such amendments as may be necessary to bring in into conformity with the law.

1:05 The Company and the Union shall cooperate in the formulation and the enforcement of Company rules and regulations to maintain order, discipline and efficiency and to promote measures necessary to **assure** the maximum safety and health of all employees. In the case of disagreement the procedure for processing other grievances shall apply.

ARTICLE 2

Management Rights

2:01 The management and the operation of, and the direction and promotion of the working forces is vested exclusively in the Management, provided, however, that this will not be used for the purposes of discrimination against employees.

2:02 The Company shall have the right to select its employees and to discipline or discharge them for proper cause.

ARTICLE 3

Union Recognition and Security

3:01 The Company recognizes the Union, during the term of this Agreement or any renewal thereof, **as** the exclusive representative of the employees for the purpose **of** collective bargaining with respect to hours of work, rates of pay and conditions of employment contained in this Agreement, subject to Article 2 above.

3:02 a) All employees covered by this Agreement **as** a condition of employment, who are now employees, or have worked 240 cumulative hours, whichever last occurs, shall become and remain members of the Union to the extent of keeping paid all regular initiation fees, assessments, and the regular dues as set by the Union.

b) Any employee who fails to maintain his membership in the Union as prescribed herein by reason of refusal to pay dues and assessments shall ~~be discharged after seven day's written notice to the Company of the said employee's refusal to maintain his membership.~~

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c) All employees, including summer students, who have worked five **(5)** days or the equivalent forty **(40)** hours or more in a calendar month will be required to pay Union dues for that month.

All employees who have been employed for a period of ~~thirty~~ **(30)** calendar days will be required to pay an initiation fee as well as Union dues.

3:03 The Employer agrees to deduct from the pay of each employee who authorizes such deductions, initiation fees, monthly dues, assessments, and accumulated dues not to exceed six **(6)** months, and to remit such deductions to the Secretary of the Union, Local **324**, Post Office **Box** 1886, The Pas, MB, R9A 1L6, once a month together with a list of the employees showing the amount deducted from the pay of each. The receipt of such by the Secretary, shall constitute full compliance with this Article by the Company. The local Union shall inform the employer in writing of the charges to be deducted and any change which may be authorized from time to time by the employee, such charges and changes are not binding on the employee until received by the Company.

3:04 The Company shall require all new employees at the time of hiring to execute the following assignment of wages in duplicate, the forms to be supplied by the Union:

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CHECK-OFF AUTHORIZATION
FOR UNITED STEELWORKERS OF AMERICA

COMPANY _____

Address _____

Date _____

I hereby authorize the company to deduct from my pay each month the amount of union dues and (if owing by me) and initiation fee, as provided in the Constitution of the United Steelworkers of America.

Such deductions shall be transmitted to the International Treasurer of the United Steelworkers of America, directly or through the local union financial secretary **on** or before the **15th** of each month.

Name _____ Signature _____

(please print)

Address _____ Postal Code _____

Check No. _____ Local Union No. _____ Department _____

Witness _____

PLEASE USE TYPEWRITER OR PRINT PLAINLY

Name _____

Address _____

UNITED STEELWORKERS OF AMERICA

AFL - CIO - CLC

Local Union No. _____

I hereby request and accept membership in the UNITED STEELWORKERS OF AMERICA, and of my own free will hereby authorize the United Steel Workers of America, its agents or representatives, to act for me **as** a collective bargaining agency in all matters pertaining to rates of pay, wages, hours **of** employment, or other conditions of employment, and to enter into contracts with my employer covering all such matters, including contracts which may require the continuance of my membership in the United Steel Workers of America as a condition of my continued employment.

Date _____ Signature _____

Employed by: _____ Department: _____

Address _____ Postal Code _____

Social Insurance No. _____ Initiation Fee \$ _____ Paid.

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This assignment in the case of employees already members of the Union shall be effective immediately and for those employees not previously members of the Union, it shall become effective thirty (30) calendar days from the date of execution. The Local Union shall notify the Company by letter of the amount of back dues owed by new employees and copies of such letter shall be furnished to the employee and the Committee. The said assignment shall remain effective until and unless the same is revoked in writing by the employee.

3:05 The employer shall submit to the Secretary-Treasurer of the Union, not later than the fifteenth (15) day of the following month, the dues, arrears and assessments deducted, together with a list of names of the employees for whom the deductions were made and also monthly statements showing the names of all additions and deletions of employees.

3:06 Official Union representatives shall have access to the Company's operation for the purpose of administering their responsibilities to the membership and they will make every effort to notify supervision before arriving on site.

3:07 The Company agrees that the Union may post notices on a notice board supplied by the Company for Union business. The Union Bulletin Board to be provided will have a sealed enclosure with lock.

3:08 The Company and the Union desire each employee to be familiar with the provisions of this Agreement and his rights and duties under it. For this reason, the Company will have the Agreement printed in booklet form, where all costs associated with the printing of the Agreement will be borne by the Company and one copy per employee will be available for pickup at the Lumber Administration office. Woodlands employees will have a copy mailed to them.

ARTICLE 4

Employee's Security

4:01 There shall be no discrimination, coercion, interference or restraint by the Company or by the Union or by representatives of either

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party against any employee in accordance with the Manitoba Human Rights code.

4:02 Employees whose regular jobs are not in the bargaining unit shall not work on any jobs which are included in the bargaining unit. In situations involving employee's training or emergencies there will be times when supervisors will operate equipment. This does not mean that supervisors, in carrying out such duties, shall exclude or replace employees in the bargaining unit.

4:03 The expulsion of any employee from membership in the Union shall not be deemed cause for dismissal, except for non-payment of union dues.

4:04 a) At the employee's option, a **job** steward shall be present during disciplinary action against the employee by the Company.

b) Any employee shall have the right to view his/her own personal file with the Controller or designate.

4:05 The Company shall establish regular pay days on every second Friday and hand deliver to each employee on shift an itemized statement of earnings and deductions for the period. Each statement will include the total number of hours worked, the applicable rate of pay, all deductions made, the purpose for which such deductions were made, the total amount actually payable and other such information **as** may, from time to time, be agreed upon by the parties. The remainder of statements will be available at the office for pick up upon the employee's return to work. Any pay shortage equivalent to one (1) or more days pay attributable to Company error **will** be processed the next working day. Shortages due to employee error or shortage less than one (1) working days pay will be paid on the next regular payday. Woodlands employees will be provided with an itemized statement every pay period via mail.

4:06 An employee hurt in **an** industrial accident, and attending a doctor, shall be paid for the loss of time on the day he was injured, at his regular hourly rate for his regular scheduled work day.

4:07 In the event of employees sustaining injuries at work, or becoming affected by occupational disease during the course of their

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employment and becoming physically handicapped as a result thereof, every effort will be made by the Company to give the handicapped employee such suitable employment as is available.

4:08 An employee proven to have been unjustly discharged, suspended or demoted shall be reinstated to his former position and receive pay for all time lost.

4:09 a) Employees undertaking Company approved educational courses, including correspondence courses, upon successful completion shall be entitled to reimbursement of one hundred percent (100%) of course fees.

b) Employees undertaking educational courses, including correspondence courses, that are required as a condition of job requirement, the Company will reimburse the employee for one hundred percent (100%) of the course fees upon successful completion of the course.

c) Education Trust Fund. The Company will provide a one-time payment of \$2000.00 to the Education Trust Fund and will contribute a further \$0.01 per employee per hour worked effective March 1st, 1999; and a further \$0.01 per employee per hour worked effective September 1st, 1999; and a further \$0.01 per employee per hour worked effective September 1st, 2000.

The Education Trust Fund will be administered by the Local Union to develop and deliver a range of programs, which could include:

Grievance Handling	Collective Bargaining
Environmental Issues	Land Use
Steward Training	Parliamentary Procedures
Union Promotion & Training	Public Speaking

The contributions will be based on all hours worked and submitted monthly to the Local Union, USW-Canada, Local 1-324.

4:10 The Company will pay the cost of occupational license renewals and renewal examinations and will reimburse an employee for the time lost while writing these examinations. These licenses and examinations must be relevant to the employee's job in the Division. Driver's licenses are excluded.

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4:11 The Company will supply lock-up facilities for Tradesmen's tools and pieceworker's saws. Replacement of equipment is conditional upon the following:

- a)** Lost Tradesmen's tools or pieceworker power saws through fire or theft will be replaced on the basis of an inventory of tools or equipment mutually 'agreed upon between the employee and a designated Company official.
- b)** Tools or equipment lost through theft will not be replaced unless there is evidence of forced entry.
- c)** Replacement of power saws will be made at their depreciated value to a maximum of \$1000.

4:12 The Company will replace Tradesmen's tools broken on the job provided they are produced for replacement.

4:13 The Company shall have insect repellent available for employees' use.

4:14 The Company will sell to employees full packages of lumber for their own use at the existing market price at the time of the purchase in accordance with the Company policy. The lumber must be picked up during regular working hours.

4:15 Upon presentation of a voucher from the Clerk of The Court showing fees received for Jury **Duty**, Coroner's Witness, Coroner's duties and Crown Witness, **an** employee will be paid the difference between such fees and normal hourly rate for regular straight time eight (8) hour working days lost as a result of such duties. Employees working on modified schedules (i.e., other than 8-hour shifts) will receive their straight time equivalent weekly pay for each week of jury duty.

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ARTICLE 5

Committees

5:01 Negotiating Committees

- a)** The Company agrees that a Negotiating Committee, not to exceed four (4) employees in number, selected by the Union, shall be recognized as the authorized negotiation representatives of the Union.
- b)** The Union shall supply the Company with names of the employees constituting the Negotiating Committee and shall inform the Company two (2) days prior to the meeting of any changes in the personnel of the said Committee.
- c)** The Company shall deal with the said Committee with respect to proposals for modification of the Agreement as outlined in Article 19. Accredited officials of the USW-Canada Local 1-324 may participate in such negotiations.

5:02 Grievance Committee:

- a)** The Company agrees that a Grievance Committee, not to exceed four (4) employees in number, from each operation selected by the Union shall be recognized as the authorized representatives of the Union to handle all grievances outlined in Article 16 after Step 1 Grievance Procedure.
- b)** The Union shall supply the Company with the names of the employees constituting the Grievance Committee and shall inform the Company at least two (2) days prior to any meeting of any changes in the personnel of the said Committee.
- c)** The Company shall not pay Committee Members for time lost from work due to conciliation and arbitration proceedings.

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ARTICLE 6

Technological Change

6:01 The Company shall give reasonable notice in any case not less than ninety (90) days in advance of intent to institute changes in working methods or facilities which would involve the laying off of employees.

6:02 When technological changes are implemented every effort will be made by the Company to retrain its employees to satisfactorily perform the new duties required of them.

6:03 *An* employee who is set back to a lower paid job because of automation or technological change will receive the rate of his regular job at the time of the setback for a period of three (3) months and for a further period of three (3) months he will be paid ~~an~~ adjusted rate which will be midway between the rate of his regular job at the time of the setback and the rate of his new regular job. At the end of this ~~six~~ (6) month period the rate of the new regular job will apply. However, such employees will have the option of terminating his employment and accepting severance pay as outlined in 6:04 below, provided he exercises the option within the above referred to six (6) month period.

6:04 Employees discharged, laid off or displaced from their regular job because of mechanization, technological change or automation shall be entitled to severance pay of seven (7) day's pay (8hrs at straight time rate) for each year of service with the Company. The amount calculated under such entitlement shall not exceed a maximum of thirty (30) weeks' pay. Partial plant closures ~~are~~ excluded from the provisions contained in this section.

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ARTICLE 7 Call Time

7:01 An employee reporting for work at the marshalling area/Lumber Division at his scheduled starting time for whom no work is available, and an adequate attempt has not been made to notify the employee not to report, shall receive three (3) hours pay at the regular hourly rate. In the event the employee commences work and the operation closes, he shall be entitled to a minimum of four (4) hours at his regular rate of pay.

An adequate attempt to notify means that the supervisor shall telephone the employee(s) at least one half hour prior to the scheduled marshalling or start time. Should the call go unanswered a second call will be made five (5) minutes following the first one. The supervisor shall keep a list of the calls made and the time at which contact was attempted.

7:02 Any employee who is called out for duty any time before or after his regular hours of work, shall perform all pre-determined tasks and will be free when the emergency is over, but nevertheless will be paid four (4) hours or overtime for hours worked, whichever is greater. Work scheduled one (1) shift in advance but outside of the regular or normal scheduled work week or work performed by an employee recalled during a layoff is not a call-in.

7:03 It is further understood and agreed that if at any time there is an insufficient number of employees to operate the Lumber mill, through no fault of the employer, who do not report for work at the regular starting time then the balance of the employees on that shift shall not receive call time provided for in Article 7, Section 7:01 of the said Collective Agreement.

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ARTICLE 8 Statutory Holidays

8:01 The following days shall be observed as paid holidays:

New Years Day	Louis Riel Day
Good Friday	Victoria Day
Canada Day	August Civic Holiday
Labour Day	Thanksgiving Day
Remembrance Day	Christmas Day
Boxing Day (December 26th)	

8:02 The observance of the above holidays may be made on days other than calendar dates when so proclaimed by the Province of Manitoba, or upon mutual agreement between the Company and the Union. Employees shall be entitled to payment for any of the above holidays provided that the employee qualifies as outlined in Section' 8:06. A holiday falling on Saturday will be celebrated on Friday and a holiday falling on Sunday will be celebrated on Monday and the employee will be entitled to straight time pay only on the original statutory holiday.

8:03 On the original statutory holiday, statutory holiday pay for pieceworkers will be calculated by dividing their gross earnings for the previous payroll month by the number of days worked during that period.

8:04 Employees working on a holiday will be paid at the rate of one and one half (1½) times their straight time rate in addition to their statutory holiday pay.

8:05 An employee working on a holiday will be paid at the rate of one and one-half (1½) his rate or appropriate premium rate.

8:06 a) An employee, to qualify for statutory holiday pay must comply with each one of the following three (3) conditions:

i) Have been on the payroll forty-five (45) calendar days immediately preceding the holiday.

ii) Have worked his last regular scheduled workday before and his first regular scheduled workday after the holiday unless his absence is due to illness, compensable occupational injury, or is otherwise authorized by the employer.

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iii) Notwithstanding (ii) above, the employee must have worked one (1) day before and one (1) day after the holiday both of which must fall within a period of sixty (60) calendar days.

b) In case of injury or illness in (a) above, the employer shall have the right to request a medical certificate.

c) Employees while on leave of absence for **Union** business, or any employee while a member of a Negotiating Committee, shall qualify for paid statutory holidays. This section shall not apply to those employees on leave of absence under Article 13, Section 13:03 a) and c).

8:07 If a statutory holiday falls on an employee's normal day off, the employee shall be granted one (1) additional day off in lieu of the holiday with pay, at a time mutually agreeable to the employee and his supervisor.

ARTICLE 9

Annual Vacations

9:01 a) An employee who has completed one (1) year of continuous service with the Company shall be entitled to an annual holiday of two (2) weeks and shall be paid five percent (5%) of his total earnings earned in the prior vacation year.

b) **An** employee who has completed two (2) years of continuous service with the Company shall be entitled to an annual holiday of three (3) weeks and shall be paid seven percent (7%) of his total earnings earned in the prior vacation year.

c) **An** employee who has completed seven (7) or more years of continuous service with the Company shall be entitled to an annual holiday of four (4) weeks and shall be paid nine percent (9%) of his total earnings earned in the prior vacation year.

d) **An** employee who has completed fifteen (15) years or more of continuous service with the Company shall be entitled to an annual

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holiday of **five (5) weeks** and shall be paid **eleven percent (11%)** of his total earnings earned in the prior vacation year.

e) An employee who has completed twenty-four (24) years or more of continuous service with the Company shall be entitled to **an** annual holiday of **six (6) weeks** and shall be paid **thirteen percent (13%)** of his total earnings earned in the prior vacation year.

f) An employee who has completed **thirty (30)** or more years of service with the Company shall be entitled to an annual holiday of **seven (7) weeks** and shall be paid **fifteen (15%) percent** of his total earnings earned in the prior vacation year. ;

9:02 After one (1) year continuous employment, time not exceeding one (1) year lost as the result of an accident recognized **as** compensable by the Workers Compensation Board and suffered during the course of employment shall be considered **as** time worked for the purpose of qualifying for vacation time, with pay, to be taken provided that the employee returns to his employment.

9:03 *An* employee whose employment has terminated shall receive vacation pay at the appropriate rate contained in Sections 9:01 a), b), c), d), e), f).

9:04 The vacation year shall be January 1, to December 31, with **January 1st** being the common anniversary date. Vacation entitlement shall be as outlined in the Collective Agreement. Employees shall have the option of only taking vacation entitlement required by the Vacations with Pay Act of the Province of Manitoba (2 weeks up to four years and 3 weeks thereafter). The employees shall **have** the option of taking a cash pay out of all vacation time in excess of the legal minimum by statute. Cash payouts will be made semi-annually on the first paydays after June 1st and December 1st. Cash payouts can be made on a separate cheque. For Woodlands employees the vacation year shall be January 1 to December 31, with January 1 being a common anniversary date. Vacation entitlement must be taken during the year **an** employee becomes entitled to it.

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9:05 An employee shall be entitled to the above vacation only when his service has been continuous. Continuous service shall terminate by reason of an employee:

- a) Being dismissed for just cause.
- b) Leaving the employ of the Company.
- c) Being laid off due to lack of work for more than the length of time as outlined in Article 12, Section 12:03 a) and b).
- d) Failing to return to work within fifteen (15) days after being notified to return after a layoff.
- e) Being absent for any other reason for more than the length of time outlined in Article 12, Section 12:03 a) and b).

9:06 Employees shall take vacations at times scheduled by the Company in order to cause the least disturbance to the efficient operation of the divisions. Vacations shall be between January 1st and December 31st. The vacation sheet for preferred vacations will be posted on October 1st and extended to November 30th. The Company will post the schedule by January 1st of each year. Employees will be allowed one-day increments of vacation time at the discretion of the supervisor. If there is an unused balance of vacation it will be paid out at the end of the year.

9:07 Where a statutory holiday falls within an employee's annual vacation period such day shall not count as a vacation day. The holiday shall be taken on the day preceding or following the vacation period.

ARTICLE 10

Health and Welfare Contributions

10:01 The Tolko Industries Ltd., Manitoba Solid Wood Division, Health and Welfare Plans shall be administered in accordance with the terms of the current insurance policies. The following is a description of the plans and the insurance plan text that should be consulted for a comprehensive description of the insurance coverage period.

10:02 The Company agrees to provide to its employees the Health and Welfare Plan described in Schedule "A" herein. Employees will be eligible to become members of the plan upon completion of working two hundred and forty (240) cumulative hours of continuous employment.

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with the Company, provided they are at work on that date. If not at work on that date, they will be eligible immediately upon return to work.

a) An employee with more than one (1) year but less than five (5) years of continuous service who is laid off, shall be covered under the Health and Welfare Plan, and Dental Plan, for a period of four (4) months. An employee with more than five (5) years of continuous service shall be covered under the Health and Welfare Plan for a period of six (6) months.

b) An employee with more than two hundred and forty (240) cumulative hours worked of continuous service but less than one (1) year shall be covered if laid off due to scheduled vacations.

10:03 Employees on an approved Leave of Absence shall be covered under the Health and Welfare Plan to the end of the calendar month in which the leave was granted.

ARTICLE 11

Pension Plan

11:01 The Company and the Union have established a Pension Plan administered by a joint Board of Trustees. The eligibility and level of pension benefits will be governed in accordance with the details outlined in the Pension Plan text.

Effective September 1, 1995 past service benefit will be increased to \$40/mth/yr of service. Future service will be increased to \$50/mth/yr of service. These increases will be paid by the employee at a cost of approximately \$0.525/hr.

Effective September 1, 1996 future service will be increased to \$70/mth/yr of service. These increases will be paid by the employee at a cost of approximately \$0.54/hr.

Effective September 1, 1997 future service will be increased to \$80/mth/yr of service. These increases will be paid by the employee at a cost of approximately \$0.27/hr.

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Effective September 1st, 1998 the future service benefit will be increased to \$120.00/mth/yr of service. This benefit is provided through employee contributions of \$1.52/hour and employer contributions of \$2.107/hour.

Effective August 1, 2008 the future service benefit will be reduced to \$40.00 per month per year of service. Benefits will be restored incrementally based on Plan sustainability in the future upon approval of Manitoba regulators. Trustees will review plan sustainability and appropriate benefit levels at the annual meetings.

11:02 Effective July 11, 2005 the Company and the Union have negotiated a separate agreement regarding the employer and employee contributions to the Pension Fund. This agreement and any future separate agreements are in place to address the solvency funding deficiencies the Plan is currently experiencing. These agreements will become amendments to this Collective Bargaining Agreement.

ARTICLE 12

Seniority

12:01 a) The Company recognizes the principle of seniority. In the application of seniority, it shall be determined by Solid Wood Division or Woodlands Division seniority but the seniority of each division will be separate and distinct **from** the seniority of the other.

b) The selection and promotion of supervisory officials from the bargaining unit shall be entirely a matter for the Company's decision, in making such selection or promotion, length of continuous service will be given due consideration.

12:02 In the event of a reduction of forces, the last person hired shall be the first released.

12:03 It is agreed between the parties that seniority during layoff shall be retained on the following basis:

a) Employees with less than one (1) year of service shall retain their seniority for a period of six (6) months.

b) Employees with one (1) or more years service shall retain their

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seniority for one (1) year, plus one (1) additional month for each year's service up to an additional twelve (12) months. It shall be the employer's responsibility to maintain an address file of the employees and it shall be the employee's responsibility to notify the employer in writing of any change of address.

12:04 For the purpose of establishing seniority for all employees during the term of the Agreement, it is hereby agreed that seniority shall be by number starting with number one (1). When an employee leaves the operation his number shall cease to exist and shall not be given to an employee entering into the employ of the Company.

12:05 Notwithstanding anything to the contrary in this Agreement it shall be mutually agreed that all employees are hired on probation, the probationary period to continue for the first two hundred and forty (240) hours worked during which time they are to be considered probationary employees only. During this same period no seniority rights shall be recognized. Upon completion of two hundred and forty (240) hours worked they shall be regarded as regular employees and shall then be entitled to seniority dating from the day in which they entered the Company's employ.

12:06 a) When hiring new employees consideration for preference shall be given to those employees having held previous seniority under the collective agreement and who have applications on file.

b) When hiring new employee's consideration for preference shall be given to Tolko Manitoba's present contractors and their employees, after former Tolko Manitoba employees and providing they have applications on file.

12:07 The Company agrees to provide the Union with a seniority list, by division, of the Company's employees by number once each six (6) months, setting out the number, name, camp (Woodlands Division) and seniority with the Company of each employee. The seniority of the employees will be posted on the bulletin boards in conjunction with the list being sent to the Union.

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12:08 a) In any case where an employee has been transferred by the Company to a supervisory position and at a later date ceases to be a supervisory worker and the Company desires to retain his services, it is hereby agreed that reinstatement can be made within the bargaining unit, provided, however, that supervisory workers reinstated in the bargaining unit must return within one (1) year to the job held at the time of their promotion to a supervisory position providing the job is not held by an employee having more plant seniority. If the employee returns to the bargaining unit after the expiration of one (1) year from the date of his promotion, he shall return to a base rate job to which his seniority entitles him.

b) Supervisory employees in a) above shall have their seniority frozen while in a supervisory position.

c) Persons transferred out of the bargaining unit for Relief Supervisory Duty with the Company for a period of not more than six (6) months within a twelve month period starting on the first day of their Relief Supervisory Duty shall continue to retain seniority. Employees temporarily transferred out of the bargaining unit for relief purposes will be reinstated in the job they held when they left the bargaining unit without loss of seniority.

Should any special circumstances arise which will require an extension of this provision, the same shall be discussed between the local union and management and, if agreement is reached the period may be extended.

12:09 An employee shall cease to have seniority and his employment shall be terminated if the employee:

- a) Is discharged for proper cause.
- b) Terminates his employment with the Company.
- c) Does not return to work fifteen (15) days after he is called back to work.

12:10 In case of major recalls after reduction in the labour force employees will be notified by Registered Mail at least fifteen (15) days in advance of the commencement of operations. If an employee is unable to work on the specified date, he/she shall notify the Company

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within seven (7) days of the mailing of the recall notice. It shall be the employee's responsibility to keep the Company informed of his address and phone number during layoff. Recall notice will be sent to the last known address on record of the employee.

12:11 a) During a reduction of work forces when an employee's seniority is such that he will not be able to keep his regular job he may elect to apply his seniority to obtain a job paying a higher rate if he has previously held the job in the operation on a regular basis.

b) He may also elect to apply his seniority to obtain a lower paid job or a job paying the same rate of pay, provided he is able to perform assigned work. Upon increasing the workforce, an employee shall be returned to service in order of seniority, provided he is able to perform the work.

12:12 Employees exercising their seniority shall be allowed a two (2) day period as a re-familiarization period.

12:13 In the case of layoffs, the Company will notify the employee or employees concerned at least fourteen (14) calendar days in advance unless the lack of work is beyond the Company's control.

12:14 Laid off employees will be recalled to a temporary or emergency position by telephone in order of seniority, subject to their availability at the time of the call.

12:15 In the event the Company requires the planer mill to work up to two (2) weeks beyond the shutdown of the sawmill and log processing areas, the employees from the sawmill and log processing areas will not be able to bump employees from the planer mill during this delayed shutdown, provided the planer mill is scheduled to start up an equivalent amount of time (up to 2 weeks) after the start up of the sawmill and log processing areas.

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ARTICLE 13

Leave of Absence

13:01 The Company will grant leave of absence to employees suffering injury or illness for the term of this Agreement subject to a medical certificate if requested by the Company. The employee shall report or cause to have reported *to* the Company as soon *as* may be reasonably possible. The employment of any employee not returning to work within one (1) year of his being granted leave of absence may be terminated by the Company unless proper justification for further leave is shown.

13:02 a) Any employee desiring a Leave of Absence must obtain permission in writing from the Company for such leave.

b) All employees on Leave of Absence must return to the position vacated when such leave was granted. While on Leave of Absence, seniority shall accrue. Consultation between Union and Company will take place before extended periods of Leave of Absence can be granted.

13:03 a) The Company will grant a Leave of Absence to employees who are appointed or elected to Union Office for the term of such office. The employee who obtains this Leave of Absence shall return *to* the Company within ~~thirty~~ (30) calendar days after completion of his term of employment with the Union.

b) The Company will grant a Leave of Absence to employees who are elected *as* representatives to attend Union meetings and Union conventions or *as* member of the Negotiating Committee of the USW-Canada in order that they may carry out their duties on behalf of the Union.

c) The Company will grant a Leave of Absence to employees to permit them to improve their education at a recognized educational institution *as* a full time student for a period not *to* exceed six (6) months. The employee who obtains this Leave of Absence shall report for work *to* the Company within fifteen (15) days of the completion of his educational ~~training~~. This training must be relative to the industry.

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d) The Company will grant Leave of Absence to employees elected or nominated to full time Federal or Provincial Office. Once elected, Leave of Absence will be granted for the term of such office. Employees elected to Municipal Office will be granted Leave of Absence if requested and needed to fulfil the duties of their office.

e) In order for the employer to replace the employee with a competent substitute, it is agreed that before the employee receives his Leave of Absence, as set forth in Clause a), b), c) and d) above, the employer will be given due notice in writing; in the case of a), c) and d), twenty (20) calendar days; and in the case of b), five (5) calendar days.

13:04 The Company will not grant Leave of Absence to employees who desire to obtain employment with another employer or any other gainful employment.

13:05 BEREAVEMENT LEAVE: In the event of a death of a father, mother, brother, sister, husband, wife, son, daughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, step parent, grandparent, grandchild, legal guardian or ward of an employee, the employee shall receive up to three (3) consecutive days leave, these days to include the date of the funeral.

Additionally, in the event of the death of a spousal grandparent or parent such leave will also be granted where one (1) spouse is recognized by a declaration of the common-law relationship on file.

In the event three (3) days are not sufficient to attend the funeral, further leave shall be granted without pay.

The employee will be paid eight (8) hours pay at his regular straight time rate for each day that falls on his regular scheduled work day. The Company may require proof of relationship and date of funeral.

13:06 LEAVE OF ABSENCE: Any permanent employee with a minimum of ten (10) years of continuous service may be granted a leave of absence to a maximum of eight (8) months, subject to the following rules:

a) Seniority will be retained.

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- b) Each employee may be granted such leave only once during the term of their employment;
- c) A maximum number of three (3) employees may be absent on such leaves at any one time with only one (1) from any given area;
- d) The request for this leave must be in writing stating the reasons for such absence; and
- e) The premium cost for an employee on such extended leave shall be borne by the employee.

13:07 Parental leave will be granted in accordance with the appropriate act.

13:08 COMPASSIONATE LEAVE: By mutual agreement leave of absence will be granted to a maximum of six (6) months without pay to employees for compassionate reasons conditional on the following terms:

- a) That the employees provide the Company as much notice as possible.
- b) That the employees shall disclose the grounds for application.
- c) The Company shall grant such leaves where a bona fide reason is advanced by the applicant, provided relief is available.
- d) The Company will consult with the local union in respect of any application for leave under this section.
- e) Employees on leave of absence pursuant to this section will pay their own premiums for all Health & Welfare benefits.

ARTICLE 14

Health & Safety

14:01 The Health & Safety Committee shall consist of not more than eight (8) members no less than four (4) members including two (2) co-chairman, one (1) chosen by the employer's members and the other chosen by the Union members, and the co-chairman shall alternate the function of chairing the meetings of the committee and shall participate fully in the deliberations and decisions of the Committee.

14:02 The general duties of the Health & Safety Committee shall be:

- a) To make a thorough inspection not less than once a month of the entire operation for the purpose of determining hazardous conditions, to

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check on unsafe practices and to receive complaints and recommendations with respect to these matters.

b) To investigate promptly all serious accidents and any unsafe conditions or practices which may be reported to it. Such investigations shall include accidents, which might have caused serious injury to a workman whether or not such injury actually occurred.

c) To hold regular meetings at least monthly for the discussion of current accidents, their causes, suggested means of preventing their recurrence and reports of investigations and inspections.

d) The Company will keep a record of all investigations, inspections, complaints, recommendations, and minutes of the meetings on behalf of the Health & Safety Committee. The minutes shall indicate what action **has** been taken with respect to the suggestions or recommendations previously made and if no action has been taken, the reasons therefore shall be given. Copies of minutes shall be sent promptly to the Workplace Safety and Health Division, Industrial Relations Department and local Union.

e) To investigate fire conditions, examine fire escapes, fire extinguishers, water buckets, sand buckets, and all fire fighting appliances.

f) To inspect lighting arrangements in all places of employment, and to report to management all insufficiently lighted passageways and other portions of the plant where workmen **are** liable to be injured in the course of their employment.

g) The company will pay the employee's regular straight time hourly rate to Health and Safety Committee members for the actual time spent in attending Safety Meetings, Accident Investigations and safety tours outside of the employee's regular working hours.

h) The Company and the Union agree to cooperate in developing and maintaining a strong sense of safety awareness among employees and supervisors. It is, therefore recognized that every employee has the right to refuse work if he has reasonable cause to believe that to

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perform the work would create undue hazard to the health or safety of any person.

(Note: All employees who attend meetings outside of regular working **hours** will be at straight time rate of pay.)

14:03 a) St. John's Ambulance First Aid Courses will be made available outside normal working hours to all employees who desire to be trained and one (1) trained employee in each work area of the Woodlands Division and one (1) trained employee on each shift in the Lumber Division will receive the first aid allowance.

b) For designated Standard ticket holders a premium of \$0.50/hour will be provided and a designated employee with an advanced ticket will be provided with a premium of \$0.75/hour.

Employees holding a valid first aid ticket (basic St. Johns or better) and who are not the designated first aid attendant, will be paid \$.05/hour for holding such a ticket.

14:04 The Company will consult and cooperate with the Workplace Safety and Health Committees in establishing the safety apparel to be used in the workplace.

14:05 LOCK-OUT PROCEDURES

What is a Lock-out Requirement?

The lockout requirement is a requirement of all employees to isolate and secure the **energy source** to pieces of equipment that could move or be caused to move while you are working in hazardous areas around the equipment.

Lockout requirements apply to all personnel from clean up crews, to operators, to maintenance and contractors.

The main purpose for having lockout procedures in place is to protect you and others from injury caused by moving equipment.

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The “lock-out” in lockout procedures occurs when you secure, with your lock, the switch or valve of the *energy source* for the specific piece of equipment you will be working on. Your lock prevents anyone from re-energizing the piece of equipment.

LOCK-OUT GUIDELINES

1. This *Lock-Out* guideline is instituted to prevent accidental operation of equipment, which could cause bodily *injury* to anyone. Written *Lock-Out* Procedures will be reviewed with you in your “Job Safety Analysis” (JSA’s) for your particular job.
2. It is the duty of every person working on equipment to “*Lock-Out*” the equipment in a manner described in the *Lock-Out* Procedures.
3. When any worker is required to work on or around any machine where starting of that machine could constitute a hazard, the machine shall be stopped at the control button and then “*Locked-Out*” at the main switch or valve controlling the flow of power, electrical, air, water, hydraulic, compressed gas, steam or gravity.
4. After “*Locking-Out*” the worker must check the equipment to ensure that it cannot be operated by pressing the “*Start*” button. The worker at this point must again press the “*Stop*” button. All pressurized systems must be bled down to de-energize them where applicable. Install all safety pins and blocking that may be required to ensure your safety.
5. Each worker must “*Lock-Out*” equipment personally. If there is more than one lock to be put on a power source and a second worker places their lock on the power source, the second worker must ask the first worker to step back while the second worker tests the start button and so on for each additional lock placed on the power source.
6. All locks must bear the name or number of the user. Inspection of locks will be made periodically to ensure the name or numbers are legible.
7. Scissor clamps and cable/chains are supplied to facilitate the use of more than one lock on a “*Lock-Out*” position.
8. If in doubt about the location of the switch or the method of pulling it, call your Supervisor. When pulling the switch use your left hand and stand to the right of the switch.

WREN TASKS ARE COMPLETED:

1. Make sure all tools and loose parts are cleared out, doors are closed,

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guards are replaced, safety pins and blocking are removed and all other workers are clear of the machine. Only then can the locks be removed and the power turned on.

2. Locks can only be removed by the person who applied the locks, no other person can remove your locks nor can you remove theirs. The only method for lock removal other than by the worker whom applied the lock is by following the lock removal guidelines (attached).
3. The last worker to remove his/her lock from the switch has the responsibility to make sure no other worker has inadvertently entered the machine and could be injured if the machine was turned on.
4. Remove all your locks from the switches or valves and throw them to the "ON" position taking the same precautions you did when throwing the switches "OFF".
5. If a machine is required to be test run after cleaning, repairing or adjusting, get the operator to start up or return to the start buttons and ~~try~~ the machine yourself.
6. If the above procedure (#5) is not required, inform the Operator or the Supervisor that you have finished and the machine is safe and can be returned to production.

LOCK OUT DURING SHIFT CHANGE:

1. Workers coming on shift shall place their own locks on all control devices before the individuals going off shift remove their locks, or the Supervisor may Lock-Out the control devices during shift changes to allow workers going off shift to remove their locks.
2. Workers coming on shift must check equipment to ensure that it cannot be operated by pushing the start button then the stop button.
3. Failure to comply with these rules is cause for disciplinary action by the Company. The disciplinary action for a LockOut Violation is an automatic suspension.

YOU ARE LOCKING OUT TO PROTECT YOURSELF AND YOUR FAMILY

PROCEDURE FOR LOCK REMOVAL

Purpose:

The purpose of this procedure is to ensure a safe, acceptable manner by which **personal** locks may be removed when **the** owner of the locks is **unavailable.**

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Procedure:

1. Supervisor to be called when owner of the locks cannot be located.
2. Supervisor and Safety Committee member jointly check the lock for worker's name or number.
3. Supervisor and Safety Committee member jointly conduct check for worker.
 - ✓ Check area, ask other workers if they know where worker is.
 - ✓ Phone workers home.
 - ✓ Call workers cellular number if known.
 - ✓ Call areas frequently visited if known.

AFTER ALL EFFORTS TO CONTACT WORKER HAVE FAILED:

1. Supervisor obtains duplicate key from Security.
2. Supervisor and Safety Committee member again check area and equipment.
3. Upon being certain the equipment is safe to operate, the Supervisor may remove the lock and give instructions to energize the switch.
4. The key can now be returned to Security.
5. Fill out Lock Removal Form 11 and send to the administrative assistant.
6. Supervisor must review *“Lock-Out Guidelines”* with worker before he/she commences their next shift.
7. Administrative Assistant will ensure Manager and Safety Supervisor are aware of the situation.

Supervisor's “CHECK LIST” is attached. This form is to be completed in full on each occurrence of lock removal.

LOCK-OUT PROCEDURES FOR MOBILE EQUIPMENT:

To reduce the possibility of injury to you and/or to prevent property damage, a lockout tag (“Danger- Do Not Start”) will be used when repairing, servicing, inspecting or cleaning equipment.

- a) Operators, mechanics and welders who repair, service, inspect or clean, operate equipment shall use a lockout tag which they shall carry on them or be sure they have on the machine.
- b) Before a job is started, the equipment is to be tagged on the ignition switch, steering wheel, master switch or cab doors.

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- c) All persons working on equipment attach a tag, and when the job is completed, the tag is to be removed by the person who put the tag on, unless off shift.
- d) In cases where a lock-out tag cannot be removed by the person who put on the tag or the person cannot be found, the supervisor/owner may remove the tag after checking with the person that will be working on that piece of equipment to ensure that the work is completed. Both will sign off on the tag.
- e) Under no circumstances is equipment to be started, operated or moved with a lockout tag attached.
- f) Lockout tags available at Supervisors office, and should be carried in all lunch kits.

LOCK REMOVAL – SUPERVISORS’ CHECKLIST	
DATE _____	TIME _____am _____pm
DEPARTMENT _____	ASSIGNED TO _____
EQUIPMENT LOCKED OUT _____	
Lockout removal procedures are to be conducted jointly, preferably with a Safety Committee member and a shift Supervisor.	
Did a witness observe employee leaving the plant site? _____	
Have you tried to contact the worker? ___ YES ___ NO	
WHERE? _____	WHEN? _____
If unable to locate the individual, have you made a physical check of the equipment in question? ___ YES ___ NO	
Upon being certain the equipment is safe to operate, the Supervisor may remove the lock by obtaining the key from the Spare Key Box .	
Lock is to be left with the Supervisor. Before lock is returned, the Supervisor must review Lock Out Procedures with the owner of the lock before he/she commences his/her shift.	
LOCK OUT REVIEWED _____	DATE _____
LOCK RETURNED _____	DATE _____
COMMENTS _____	
DATE _____	
SIGNED _____	_____
SUPERVISOR SIGNATURE	EMPLOYEE SIGNATURE

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ARTICLE 15

Adjustment of Grievances

15:01 It is the intention of the Company and the Union that by execution of this Agreement industrial peace will be maintained and that the Union and the Company shall cooperate to that end and that work will be done efficiently and without interruption.

15:02 It is the mutual desire of the parties hereto that the complaints of employees to be adjusted as quickly as possible and it is generally understood that ~~an~~ employee has no grievance until he ~~has~~ given his foreman an opportunity to adjust his complaint.

15:03 The Company and the Union mutually agree that should any grievance arise between the parties to this Agreement as to its interpretation, application or violation, it shall be dealt with, without stoppage of work in the following manner:

Step 1: The individual employee with a job steward of his choice shall first take up the matter ~~with~~ his immediate supervisor within fourteen **(14)** calendar days of the origin of the grievance. The supervisor shall reply within five **(5)** working days. Failing satisfactory adjustment and no later than five (5) working days from the date of which the supervisor is required to reply then;

Step 2: The matter shall be taken up in writing by the same employee and the grievance committee with a higher level of management. Within five **(5)** working days of receiving the grievance in writing, management must respond in writing. Failing settlement then.

Step 3: The matter shall be taken up by two authorized members of the Union Executive with the Division Manager or his delegate and another member of management. A response must be given in writing ten (10) working days from the time the matter ~~was~~ discussed.

The griever is entitled to be in attendance at all steps of the grievance procedure.

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15:04 a) If a grievance has not advanced to the next step under Steps 1 or 2, within five (5) working days after the completion of the preceding step, then the grievance shall be deemed abandoned. In the event of the absence of authorized agents of the Company or the Union, the time limit may be extended by mutual consent.

b) Either party may, within the following fifteen (15) days after the completion of Step 3, refer the matter to arbitration as provided in the Manitoba Labour Relations Act.

15:05 The Union shall promptly notify the Company of the personnel of its Grievance Committee and of any change in personnel; and the Company shall notify the Union of the names of the officials of the Company referred to herein.

15:06 As far as practical, all grievances will be dealt with at the close of the regular work shift or in the case of the night shift, prior to the beginning of the regular work shift without loss of earnings. Where grievances are dealt with outside of regular working hours at the request of the Company, the employees engaged in the discussion of the grievance shall be paid at straight time rate of pay for the time so spent. The aggrieved employee or employees, providing they are present, shall be considered as participating in the discussion of the grievance.

15:07 The job steward on duty will be allowed sufficient time on any shift for the purpose of handling grievances, in such instances, he must secure permission from his supervisor prior to undertaking an assignment. Permission will not be unreasonably withheld.

15:08 The job steward or his appointee shall be employees of the division where the grievance originated.

15:09 The Company shall advise the Union in any case where an employee has been discharged. Such advice to be provided at the earliest possible time. In cases where the Union considers it necessary to contest a discharge, the matter shall be dealt with through the provisions of Article 15, Section 15:03, Step 3.

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15:10 The business agent for the Union shall be entitled to represent and/or assist the Grievance Committee at any step in the grievance procedure.

15:11 In the event of any violation of this agreement between a contractor and an employee of a contractor, the matter shall be referred in writing to the grievance procedure at Step 1. If the matter is not resolved, the response at Step 1 shall also be in writing. The Company shall be responsible for any violation of the Collective Agreement beyond that point.

15:12 It is agreed that written response to grievances should include the reason(s) for denying the grievance.

ARTICLE 16

Arbitration

16:01 The parties have agreed to the concept of pursuing alternative means of dispute resolution. This may include grievance mediation, "referee" systems, or other similar systems.

16:02 a) When either party decides to submit a grievance to arbitration **as** per Article 15:04 b), then the other party shall be so notified in writing by registered mail.

b) The parties have agreed on a panel of arbitrators to be used, if required, during the term **of** this agreement.

c) If the parties fail to agree on the selection of a single arbitrator from among the panel, they shall request the honourable Minister **of** Labour of the Province of Manitoba to make the appointment **from** among the said panel.

d) In the event that the arbitrators provided for in this section are not available to preside **as** arbitrator, the parties agree that they **will** request the Honourable Minister of Labour of the Province of Manitoba to appoint a temporary replacement.

16:03 No person shall be appointed **as** an arbitrator who **has** been involved previously in **an** attempt to negotiate or settle the grievance.

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16:04 In the case of arbitration, the conferring parties may have the assistance of the employee or the employees concerned and any necessary witnesses, and all necessary arrangements will be made to view disputed operations and to confer with the necessary witnesses.

16:05 The remuneration and expenses of the Arbitrator shall be borne equally by the Company and the Union. Witness fees and allowances shall be paid by the party calling the witness.

16:06 The proceedings and decision of the Arbitration Board shall be expedited by the Company and the Union. The decision of the majority of such Board shall be final and binding upon the parties hereto, but the arbitrator shall not be authorized to make, nor shall they make, any decision or recommendation inconsistent with the provisions of this Agreement, nor alter, add to, modify or amend any part of the Agreement, or make any general changes, such as changes in wage rates, nor deal with any matter not covered by this Agreement.

16:07 In all cases of interpretation or arbitration of the terms of this Agreement, the text of the original signed copies shall govern.

ARTICLE 17

Maintenance and Protection During Suspension of Work

17:01 It is agreed that neither the Union nor the employees of the Company shall in any way authorize, condone, support, or participate in any slowdown, suspension of work, walk out, strike, or picketing by any employee or groups of employees during the life of this Agreement or while negotiations for the renewal of this Agreement are in progress subject to the provisions of Article L-6, Section L-6:02.

17:02 It is agreed by the Company that there be no lockout during the life of this Agreement or while negotiations for renewal of this Agreement are in progress.

17:03 It is agreed that at all times, whether during the term of this Agreement or otherwise and for any cause whatsoever the Company's property shall be protected and the Company's plant, equipment and inventory shall be left in a good and safe condition by the employees.

No employee shall leave his work without first assuring that all prescribed safety provisions have been complied with.

17:04 It is also agreed that those employees who are required to remain at work to fulfil the functions as provided in Article 17, Section 17:03, shall be available as required for such work during any suspension of regular operations.

17:05 The employees referred to in Article 17, Section 17:04 shall be paid the regular wage rate applicable to their respective classifications in effect at the time they were required to perform the work contemplated by Article 17, Section 17:03 and 17:04.

ARTICLE 18

Duration of Agreement

18:01 The provisions of this Agreement shall become effective February 1, 2009 and shall, notwithstanding any statutory provisions to the contrary, continue in force and effect until the 31st day of January, 2012 and thereafter from year to year, provided that either party may, not less than thirty (30) days nor more than ninety (90) days before said expiry date of January 31, 2012, serve notice in writing by Registered Mail, on the other party to terminate or negotiate a revision of this Agreement, and where notice is given the party shall forthwith bargain collectively with a view to the renewal or revision or conclusion of a new Agreement.

ARTICLE 19

Transfers

19:01 Employees of Tolko Manitoba Solid Wood Division, with more than one (1) year of continuous service who are transferred from one division to another will be entitled to maintain the Health and Welfare benefits to the division they transfer to and will maintain Company seniority for purposes of vacation entitlement only.

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ARTICLE 20
Permanent Plant Closure – Severance Pay

Effective January 22, 2006, employees terminated by the company because of permanent closure of a manufacturing plant shall be entitled to severance pay equal to 7 (seven) days pay for each year of continuous service and thereafter in increments of completed months of service.

ARTICLE 21
Review of Site Financial Records

The Company will provide pertinent financial information to a representative of the United Steelworkers National Research Department by February 1st, 2010 for the purposes of disclosing current financial conditions at the site in order that 4th year of ROCE can be revealed. Information will be provided under the terms of a confidentiality agreement. Following this there **will** be **no** further requirement by the Company to disclose such information.

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SCHEDULE "A"

Health and Welfare

I GENERAL PRINCIPLES

- a) Premium cost for insurance shall be paid by the Company.
- b) Participation in the Plan is to be a condition of employment.
- c) Coverage will be portable for employees moving between the Lumber Division, Woodlands Division or Moose Lake Loggers and there will be no waiting period for such qualified employees.
- d) The Company will mail a weekly indemnity form to an employee at his request.
- e) Benefit coverage will continue where an employee is absent from active employment and is being paid wages by the Company during his absence. Benefit coverage will cease on the cessation of active employment except that under the following circumstances, coverage will continue as indicated:

1) If a covered employee is absent on Workers Compensation claim for temporary disability, coverage for Group Life, AD&D, Health and Dental will continue during the period in respect of which the employee receives Workers Compensation temporary disability time loss payment to a maximum of three (3) years.

2) If a covered employee is absent on Weekly Indemnity claim under the plan coverage will continue during the period in respect of which the covered employee receives Weekly Indemnity benefits under the plan.

3) If a covered employee is absent on a Long Term Disability claim, coverage for Group Life, AD&D, Health and Dental will continue during the period in respect of which the employee receives Long Term Disability benefits to a maximum of two (2) years.

4) Benefit coverage will continue to the end of the calendar month only for an employee who is on an authorized leave of absence.

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Employees on a leave of absence may apply in writing if they wish to continue their benefits at their own expense.

5) Employees who are in receipt of WCB or LTD benefits will be granted a leave of absence until they are able to return to work, or are declared totally disabled or reach age 65.

6) The Company will provide the Union with updated copies of the insurance plans as they become available.

7) Coverage for regular employees on layoff: 1-5 years of seniority, 4 months; 5 years or ~~more~~ 6 months.

f) In the event a Weekly Indemnity (WI) cheque is delayed by more than two weeks after the employee had submitted the required paper work, the Company agrees to advance the equivalent amount to the employee. The employee agrees to sign the WI cheque over to the Company. In the event the WI claim is denied, the employee will reimburse the Company for the monies advanced.

II WEEKLY INDEMNITY

The Company will pay the full cost of the following Weekly Indemnity Plan, providing for a twenty-six (26) week period of disability for non compensable accidents with benefits commencing the first day of hospitalization as a bed patient or on the fourth (4th) day of sickness.

The Union agrees to reimburse the Company for the full cost of the Weekly Indemnity Plan for the period of the employee's disability. The Company will reimburse the Union for the full cost of the Weekly Indemnity Plan for the period of the employee's disability.

The Weekly Indemnity benefit shall be fifty-seven and one half percent (57 ½ %) of normal weekly earnings. For the periods that are less than one calendar week the benefit entitlement will be calculated on the basis of 57.5% of normal daily earnings.

Third Party Subrogation:

The Weekly Indemnity Plan will be reimbursed from damages recovered from a liable third party for illness, injury or income loss. The Plan will be entitled to recover the full amount of benefits paid to the employee,

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which exceeds 100% of the employee's pre-disability gross income. Gross income will be calculated by using the employee's regular hourly job rate times (x) 40 hours. Legal fees shall be deducted from said benefit/damages prior to establishing the employees benefit.

III LONG TERM DISABILITY

a) The Company will provide a Long Term Disability program based on fifty-fivepercent (**55%**) of an employee's normal annual earnings, less offsets, to a maximum monthly benefit of nineteen hundred dollars (\$1900) from the date of expiration of weekly indemnity coverage to age 65. Normal annual earnings is defined as **an** employee's regular straight time hourly rate multiplied by 2080 hours.

b) Insurance coverage **from** private sources will not be included **as** an offset to the payment of Long Term Disability benefits.

Effective September 1, 1995 **an** employee **who** is under 60 years of age and **has** previously reached his/her 10 year anniversary on long term disability, will have his/her future disability benefit recalculated using the greater **of** his/her existing long term disability benefit or a recalculation using the base rate effective September 1, 1995.

An employee who reaches his/her 10 year anniversary on long term disability on September 1, 1995 or later, and is under sixty years of age at that time, will have his/her future long term disability benefit recalculated using the greater of their existing long term disability benefit or a recalculation using the base rate effective on the date of that 10th anniversary.

IV GROUPLIFE

The Company will provide group life insurance coverage, insuring each employee for twice his annual earnings, **as** defined in III above.

Notwithstanding **this**, effective September 1, 1986, the level of insurance for pieceworkers will be the greater of their previous years annual earnings or 2080 hours x the Power Saw Operator's rate.

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V ACCIDENTAL DEATH AND DISMEMBERMENT

The Company will provide AD&D coverage insuring each employee for once his annual earnings as defined in III, above.

Death	200%
Loss of both hands or both feet	200%
Loss of both eyes	200%
Loss of one hand and one foot	200%
Loss of one hand and one eye	200%
Loss of one foot and one eye	200%
Loss of one hand or one foot	100%
Loss of one eye	100%
Loss of thumb and finger of the same hand	50%

VI COMPREHENSIVE HEALTH PLAN (EMPLOYEES & DEPENDENTS)

Manitoba Medicare

The company will contribute to all employees Manitoba Medicare. The maximum annual cost per employee is \$1,000.

The Company will provide the following coverage:

- a) **Medical** - (N.B. There is no deductible for this section of the Plan).
COVERAGE;
- i) The difference between the cost of semi-private accommodation in an accredited Manitoba Hospital and the standard ward rate paid by Manitoba Medicare.
 - ii) Up to five dollars (\$5) per day to a maximum of one hundred eighty (180) days while confined in a nursing home or convalescent hospital in any one year.
 - iii) The difference between the cost of hospitalization outside Canada, including semi-private accommodation and other hospital expenses, and the cost of these services paid by Manitoba Medicare. There is no daily maximum and the plan pays for ninety percent (90%) of the above-incurred expenses.

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b) Major Medical (N.B. There is no deductible for this section of the Plan). The **maximum** payable by the insurance carrier under this section is fifteen thousand dollars (\$15,000) per employee in any three (3) year period.

i) This portion of this section is covered at one hundred percent (100%).

- prescription **drugs**
- professional ambulance service
- **diagnostic services not covered under the provincial health care plan**
- **Medical appliances** such as artificial limbs, wheelchairs, etc.
- **Optical care**, including the cost of frames and lenses, contact lenses, trifocals, artificial eyes and the **fitting of prescription glasses to a maximum cost per person of two hundred fifty (\$250.00) every 24 months.**

ii) This portion of this section is covered at eighty percent (80%).

- services of a registered **nurse**
- **lental repair as a result of an accident**
- **hearing aid coverage to a maximum of \$450.00 per family per year.**
- **charges made by a public general hospital for private accommodations up to ten dollars (\$10) per day if referred to a physician or surgeon.**
- **services of a licensed therapist up to six dollars (\$6. per visit to a maximum of fifty (50) visits per family per year**
- **services of a licensed chiropractor up to ten dollars (\$10) per visit with a maximum of fifty (50) visits per family per year.**
- **extra billings of a licensed physician or surgeon outside Manitoba with no maximum limitations in the event of an unforeseen medical emergency while the employee is travelling or on vacation outside Manitoba or Canada.**

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VII DENTAL CARE PLAN (EMPLOYEE & DEPENDANTS)

The Company will pay all of the premiums for this plan.

1. Benefits

a) Diagnostic Services

All necessary procedures to assist the dentist in evaluating the existing conditions to determine the required dental treatment including:

- i) Oral examination
- ii) Consultations
- iii) X-rays (complete mouth X-rays will be covered only once every two years):

b) Preventive Services

All necessary procedures to prevent the occurrence of oral disease, including:

- i) Cleaning and scaling
- ii) Topical application of fluoride
- iii) Space maintainers

c) Surgical Services

All necessary procedures for extractions and other surgical procedures normally performed by a dentist.

d) Restorative Services

All necessary procedures for filling teeth with amalgam, synthetic porcelain, and stainless steel crowns. Gold inlays or onlays will be provided as a filling material only when teeth, in the professional opinion of a dentist, cannot be restored with any of the above materials. Gold foil will be provided only in cases of repair to pre-existing gold restorations. Gold foil, inlays & onlays may be considered a Major Restorative Service.

e) Prosthetic Repairs

All necessary procedures required to repair or relin fixed or removable appliances.

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f) Endodontics

All necessary procedures required for pulpal therapy and root canal filling.

g) Periodontics

All necessary procedures for the treatment of tissues supporting the teeth.

h) Prosthetic Appliances and Crown and Bridge procedures.

i) Crowns and Bridges

ii) Partial and/or complete dentures, but not more than once in five years and when the existing appliance can't be made serviceable.

i) Orthodontics

The services of a certified orthodontist registered as such by the College of Dental Surgeons of Manitoba only after the patient has been covered continuously for twelve (12) months. Appliances lost, broken, or stolen will not be replaced. These services are only available for dependent children up to their nineteenth (19th) birthday. Lifetime maximum benefit is \$3000.00 per lifetime.

2. Co-insurance

In respect to benefits a) to g), the Plan provides reimbursement of eighty percent (80%) of eligible expenses. Benefits h) and i) will be subject to sixty (60%) percent co-insurance.

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SCHEDULE "B"

Trades Apprenticeship – 'Training Program

Commitment:

1. The purpose of this program is to assist those interested in furthering and developing their skills and to provide tradesmen of the highest possible caliber for Tolko Manitoba Solid Wood.
2. The minimum period of Apprenticeship training will be in accordance with the Manitoba Department of Labour Apprenticeship Board Rules and Regulations.
3. Both parties to this agreement are committed to maintain the principle of replacing Tradesmen through the program. At the time of vacancies the Company will decide how to fill the Tradesmen positions and will take into consideration economics, mill reliability and maintenance needs.
4. Annually, the parties will review and make adjustments to the plan as required for the immediate five (5) year projection period. Additionally, all problems arising out of this agreement and identified in writing will be dealt with within 30 days. Apprenticeship and trade types may be adjusted due to technology, reliability needs and requirements. A limit of one certificate opportunity will be provided to employees. Those employees who have obtained other company sponsored certification (eg. planer tech) are not eligible to apply for the apprenticeship program.
5. Future Planer Techs will be replaced by Certified Millwright Apprentices capable of:
 - Set-up and adjusting of planers and planer mill equipment (equipment in the planer mill including dry kilns) including profiling, changing of heads, adjusting & control of planed sizes, splitting and quality of manufacturing.
 - Jointing and grinding for pattern which means sharpening and grinding of knives, jointing as necessary on or off the machine.
 - Responsible for the mechanical maintenance of all planer mill equipment which means the preventative maintenance,

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breakdown and planned repairs including major overhaul, ordering parts and developing job plans and safe work procedures.

- Controls feeding through instruction of planer feeders and set-up of the planer feeder.
6. Sawfilers will be in the BC trades program until such time that Manitoba Department of Labour Apprenticeship Board Rules and Regulations provides for this trade. Those individuals who are in the sawfiling department now and are capable in doing the duties set-forth will be grandfathered into this program. Progression and duties shall be as follows:
- Progression shall be knife grinding, saw fitter 1st year, saw fitter 2nd year, circular saw filer, benchman,
 - a) Knife Grinder – grinds knives, dresses guides. No schooling occurs here.
 - b) Saw Fitter 1st year – guide set-up, changes knives, guides and saws. Attends first year schooling.
 - c) Saw Fitter 2nd year – knife clearance and machine set-up, welds saws and saw lubrication. Attends second year schooling.
 - d) Circular Saw Filer – bench and grind saws and assists in machine alignment. Attends **third** year schooling.
 - One person may not pass another through department seniority unless an individual fails to pass schooling or is on extended leave or disability absence.
 - Individuals must be capable of doing all duties in their position and in earlier lines of progression.
 - The Head Saw Filer will be a minimum of a Circular Saw Filer and **will** be designated by the Company and in addition to performing benching duties, are responsible for training and instructing others in the saw filing department. They will also be responsible for tracking costs and usage of materials, quality of workmanship, measuring L-size and other saw or knife quality programs as well as coordinating work within the department.

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7. The Apprenticeship Training Program will cover the trades set forth below:
- | | |
|-------------|------------|
| Electrician | Millwright |
| Saw Filer | Mechanic |
| Carpenter | Pipefitter |
8. A Joint Apprenticeship Committee will be established with representatives chosen by management and by the union for the purpose of considering policy questions and possible necessary amendments from time to time. This committee will make recommendations as it deems necessary from time to time for improvements to the program. This committee is to be composed of equal representatives from union and management, not to exceed in total, four **(4)** from each group.
9. The Joint Apprenticeship Committee will also carry out the following duties:
- a) Assist in the establishing in-plant training programs to support the training syllabus as developed by the Department of Labour and the Apprenticeship Branch for each trade involved. (This will be incorporated into the apprenticeship training record book **for** the particular trade concerned along with the ground rules).
 - b) Assist with the forward planning of apprenticeship requirements.
 - c) Recommend standards for entry into the Apprenticeship Program that is **not** inconsistent with the standards recommended by the Apprenticeship Branch.
 - d) Carry out periodic reviews of the training programs at intervals of not more than three **(3)** months.
 - e) Determine the tool requirements by years of training.
 - f) Review any case **of** lost time from the program because of sickness, accident, etc. and to determine the amount of additional time necessary before an employee meets his requirements of time served.

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10. **An** employee upon completion of **an** apprenticeship opportunity is encouraged to work in the journey person position for **a** minimum of four **(4)** years **as** a return to service commitment.

Should the employee bid out or voluntarily leave the Company within the four **(4)** years the employee's obligation for repayment of all costs, wages topped up by the Company while at school, schooling, out-of-town expenses, etc. will be fully reimbursed by the employee. This repayment will apply to all current and new apprentices. If an apprentice is involuntarily displaced, repayment does not apply. This will include an employee terminating his employment after being on layoff in excess of 10 (ten) weeks in a 12 (twelve) month rolling period.

Entry to the Program:

1. Applications will be accepted from employees with a minimum of Manitoba Grade 12 education for all trades or the equivalent successful year of schooling in that apprenticeship or covered by MB Apprenticeship Act.
2. Successful minimum requirements met **by** aptitude test.
 - Use the nationally standard GATB aptitude test for screening employees for entry into the Apprenticeship Training Program **as** administered. This testing will be administered by an Independent qualified consultant such **as** the Assessment Services at the University College of the North.
 - Unsuccessful applicants will not be considered for Apprenticeship training.
 - Candidates will be provided with their test scores/results and a **summary** by the administrator of the test. Candidates with test scores below the required standard will be provided with recommendations on possible options for improving results or a source of mentoring.
 - Testing will be scheduled off site in groups; the number at one setting will be subject to consultant availability. Failure to attend for invalid **reasons** will result in loss of bid. Employees will be compensated for the time spent writing the test.

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3. Successful candidate into the program will be the highest score based on the following:
 - a) Seniority
50 points max (2.5 points per year of completed service)
 - b) Pre-apprentice Exam (GATB)
25 points max (1 point for every 1% over 70%)
 - c) Interview Process
25 points max (Average score from interviewers which will be equally joint between USW & Tolko and there will be a collaborative process in scoring the applicants)

New Apprentices:

1. Upon completion of each period of training in an approved Vocational School, an Apprentice will be required to pass examinations set by the Apprenticeship Branch. Failure to pass the examination will result in a review of his position by the company in consultation by the Union and could result in his removal from the Program. Employees who are removed from the Program will be returned to his previous job held prior to entering the Apprenticeship Program.
2. During each year of Apprenticeship, the Apprentice shall work at the trade and attend Vocational School or required by the regulations pursuant to the guidelines of the Apprenticeship Branch.

Journeyman will be required to **carry** out responsibilities for their trades **as** outlined in the Act, and be able to direct and evaluate the apprentices,

Apprentices will be required to perform work in accordance to their training and tools through the instructions by a journeyman and/or **his** supervisor.

Apprentices will have all rights and responsibilities under the Labour Agreement.

3. Upon the successful completion of the term of Apprenticeship and receipt of the inter-provincial certificate, the Apprentice shall be

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designated as a Certified journeyman and receive the Journeyman rate.

4. Wherever reference is made to a year (or twelve (12) months) as an Apprentice, it shall mean a period of not less than 1600 hours worked, the said period is to include time spent at the Vocational School.
5. The Provincial Apprenticeship Board recommends that the Apprentice be in the trade prior to entering school. In this case, due to the probationary period, the minimum will be at least **480** hours worked, thereafter entry into school will depend on the schedule of school sessions set by the Apprenticeship Board.

6. Probationary Period

There will be a probationary period of **480** hours worked during which time the Apprentice may return or be returned to his original job without loss of seniority.

7. costs

Books

The Company will pay 100% of the cost of textbooks specified by the Apprenticeship Branch.

Tools

Tool purchases are the responsibility of the Apprentice. The Company will provide a list of tools appropriate to their trade. The Apprentice has *thirty* (**30**) days on entry of a given year to purchase the tools required for that year of their apprenticeship.

Wages

Employees attending apprenticeship schooling will apply for Employment Insurance and the Company will top up the difference between E.I. and their regular wages. Hours spent by Apprentices at school will be considered hours worked based on a forty hour (40) work week for the purposes of qualifying for pension contributions.

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Travel

Compensation for return travel to attend Vocational School for Apprenticeship Training will be in accordance with Company Policy.

Living Out Allowance

The Company will reimburse out-of-town expenses to a maximum of two (2) hours pay per day at the first year apprenticeship rate on a seven (7) day basis while in attendance at school. The Company will arrange and cover cost of accommodation.

8. Wage Rates

(Millwright, Planer Millwright, Electrician, Mechanic, Carpenter, Pipefitter)

0-3 months.....	80% of Tradesman rate
4-12 months.....	83% of Tradesman rate
13-24 months.....	86% of Tradesman rate
25-36 months.....	89% of Tradesman rate
37-48 months.....	92% of Tradesman rate

Wage Rate (Sawfiler)

0-3 months.....	80% of Circular Saw Filer rate
4-12 months.....	83% of Circular Saw Filer rate
13-24 months.....	86% of Circular Saw Filer rate
25-36 months.....	89% of Circular Saw Filer rate
37-48 months.....	92% of Circular Saw Filer rate

SCHEDULE “C”

Overtime Distribution Policy

The Company agrees to adopt an overtime distribution policy as follows:
Sawmill Production Workers

Daily Overtime - Two Shift Operation

When overtime is required on a particular piece of equipment or job the overtime will be offered in the following order:

- Senior regular operator on opposite shift (employee actually performing the job that day)
- Senior qualified production employee (Utility operator is considered to be qualified on all production equipment)

Daily Overtime - Three Shift Operation

When overtime is required on a particular piece of equipment or job the overtime will be offered in the following order:

- Senior regular operator on the opposite shifts (employee actually performing the job that day) will split the **shift**.
- Senior qualified production employee (Utility operator is considered to be qualified on all production equipment)
- The Company's first priority will be to split the **shift** where possible if this is not possible the two-shift policy will apply

Weekend Overtime

When overtime is required on a particular piece of equipment or job the overtime will be offered in the following order:

- Senior regular operator (employee actually performing the job that week)
- Senior qualified production employee (Utility operator is considered to be qualified on all production equipment)

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SCHEDULE "D"
LETTER OF UNDERSTANDING
Rehabilitation Program

Where an employee is permanently disabled and unable to perform their regular duties a representative of the Company, a representative of the **Union**, and the employee shall meet in order to identify any alternate work that may be available.

The parties shall explore all options to provide alternate/modified work, including redesign of a workstation, if practical. Where alternate/modified work is available/developed the Company and the **Union** agree that the job bid and posting procedure may be bypassed in order to allow the disabled employee access to this work. Where alternate/modified work is available the employee will be obligated to accept it.

SCHEDULE "E"
LETTER OF UNDERSTANDING
Flexible Work Schedules

The parties agree to negotiate alternate shift schedules at a time to be determined by the company. A 14 day time limit will be provided to come to agreement. Failing to do so, the attached Schedule "E-1" will be implemented.

SCHEDULE "E-1"
Flexible Work Schedules - Details

1. Regular Shift

A. Hours

- a) The established days of work for two (2) crews working ten (10) hour shifts will be Monday to Thursday or Tuesday to Friday or Wednesday to Saturday, days and/or nights.

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- b) The established days of work for three (3) crews working (10) hour shifts will be Monday to Saturday, days and lor nights on the following rotations:
 - (6) week rotation as attached-Schedule “E-1” 6 x 10-a.
- c) The company will establish standard shift rotations, start and stop times in consultation with the employees and lor their representatives. One weeks notice will be given for subsequent changes to the start and stop times of the unit or department, except for emergency conditions or circumstances beyond the control of the company.

B. Breaks

Rest periods shall be one (1) fifteen minute and one ten (10) minute rest periods per shift and one half (1/2) hour unpaid lunch. Key production equipment may continue to run during breaks to balance production.

C. Pay

- a) The crews will be paid a total of forty (40) hours straight-time pay for the forty (40) hours of work. All hours in excess of forty (40) hour averaging period will be paid at overtime rates.
- b) Overtime is payable at time and a half after ten (10) hours worked and double time after twelve (12) hours worked per day.

D. Bereavement Leave & Jury Duty

- a) Bereavement Leave will be provided for up to three (3) days at the employee’s regular shift.
- b) Employees will be reimbursed for Jury Duty for all hours lost based on his/her regular shift.

E. Rest Days

Employees working on their rest day will be paid time and one half for the first twelve (12) hours and double time thereafter.

F. Sunday

Rates of pay as per collective agreement.

G. Holidays

For the purposes of this agreement one week’s vacation entitlement will be considered to be the equivalent of four (4) ten (10) hour shifts.

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H. General

- a) Shift differential for night shift shall be at thirty-seven and a half cents per hour.
- b) Probationary period for new employees subject to this schedule will be two hundred and forty (240) hours.
- c) The Company will ensure that there is no loss, no gain to employees when going into and out of this shift.

SCHEDULE "E-I" – 6 x 10-a

	Sun	Mon	Tues	Wed	Thur	Fri	Sat
Week 1 Day		A	A	A	A	C	C
Week 1 Aft		C	C	B	B	B	B
Week 2 Day		A	A	A	A	C	C
Week 2 Aft		C	C	B	B	B	B
Week 3 Day		C	C	C	C	B	B
Week 3 Aft		B	B	A	A	A	A
Week 4 Day		C	C	C	C	B	B
Week 4 Aft		B	B	A	A	A	A
Week 5 Day		B	B	B	B	A	A
Week 5 Aft		A	A	C	C	C	C
Week 6 Day		B	B	B	B	A	A
Week 6 Aft		A	A	C	C	C	C

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SCHEDULE "F"
LETTER OF UNDERSTANDING
Northern Travel Allowance Benefit

The Memorandum of Agreement shall be incorporated into and form part of the current Collective Agreement between the Company and the Union.

The Company and the Union agreed that Manitoba Solid Wood Division is a location that is entitled for a northern travel benefit as outlined by Revenue Canada under the Northern Residents' Deductions Guidelines.

It is agreed that Tolko Industries Ltd, Manitoba Solid Wood Div. employees compensation at the rate of eight percent (8%) of earnings to a maximum of four thousand dollars (\$4,000) be designated as a travel allowance benefit.

Signed December 16, 1999 on behalf of:



Tolko Industries Ltd.



IWA Canada, Local 324

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SCHEDULE “G”
LETTER OF UNDERSTANDING
Woodyard and Site Management Understanding

between
Tolko Industries Ltd., Solid Wood Division
Tolko Industries Ltd., Kraft Papers Division
USW Canada Local 1-324
CEP Local 1403

In meetings held on July 31, 2001 between management representatives of the Solid Wood and Kraft Papers Divisions and Union representatives of the IWA and CEP to address the issue of roles and responsibilities of manpower and operation of equipment the following guidelines were established and unanimously agreed upon. In these meetings it was further agreed that the underlying principal of this agreement would be that equipment (or replacement equipment) and operator stay together regardless of location of the required work to be performed.

1. Switch cleaning - CEP members perform this work. Under emergency circumstances IWA will clean switches to enable railcar shipping.
2. Log-yard ballasting - IWA members perform this work
3. Required snow removal at the Sawmill will be done by IWA members.
4. Sidewalk cleaning - normally CEP members, cleaning will be done by IWA at the Sawmill operation.
5. Snow removal requiring the use of a D8 or 980 Loader - CEP members perform this work.
6. Grader work - CEP members perform this work. IWA members will grade spur line and log block roads. Log block clearing will be done by an IWA operator.
7. D8 Cat block work or ballasting - CEP members perform this work.
8. Idle equipment owned by Tolko can be used by employees from either division to perform their respective duties within their jurisdiction.
9. Zettlemeyer Operation - IWA members perform this work, specific to “B” Train dumper and hog system conveyors at the woodroom.

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10. IWA members will supply logs to portable chipper(s) at the Kraft Papers chip pile.
11. Knuckle Boom & Trailer - W/T paper clean-up will be performed by IWA members.
12. Representatives of Solid Wood, Kraft Papers, IWA Canada Local 324 and CEP Local 1403 agree to meet within 5 working days of a dispute related to this agreement.
13. A three month trial period will commence effective from date of signing after which a review will take place by the parties.

Signed effective September 20, 2001


SOLID WOOD DIVISION
S. Dembator


IWA CANADA LOCAL 324
D. Northcott


KRAFT PAPERS DIVISION
G. Wazny


CEP LOCAL 1403
T. Berscheid

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PART II - CLAUSES RELATING SPECIFICALLY TO LUMBER DIVISION

ARTICLE L-1

Scope – Lumber Division

L-1:01 This Agreement shall apply to all employees employed by Tolko Industries Ltd., Manitoba Solid Wood Division, at The Pas, the Province of Manitoba, except foreman, office employees, those above the rank of foreman and those excluded by the Act.

L-1:02 a) In the event the Company considers contracting or sub-contracting any work out of the bargaining unit, they will negotiate a satisfactory contractor and sub-contractor clause with Local 1-324.

b) In the event the Company considers contracting or sub-contracting, such employees working five (5) straight days and/or five (5) days in intervals after completion of such days shall pay initiation fees, Union dues, and remain members in good standing of the USW-Canada Local 1-324. Such employees shall not be covered by the two hundred and forty (240) cumulative hours worked during the probationary period in the Agreement. The Company shall have all employees sign check-off and welfare cards and be responsible for all deductions payable to USW-Canada Local 1-324 in separate check-off list.

This clause is not intended to cover contractors with Tolko Industries Ltd., Manitoba Solid Wood Division, working on jobs related to new construction; i.e. construction trades with their own union affiliation.

The purpose of this clause shall be not to replace jobs normally performed by members of the Bargaining Unit of USW-Canada Local 1-324.

ARTICLE L-2

Hours of Work and Overtime

L-2:01 The regularly scheduled workweek for all production employees shall commence on Monday.

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L-2:02 The regular hours of work shall consist of five (5) consecutive eight (8) hours days. A rate of one and one half (1 1/2) shall be paid for all work performed on the sixth (6th) day and double time for the seventh (7th) day of the regularly scheduled workweek. Overtime payment on a daily basis will not be duplicated on a weekly basis.

L-2:03 a) All hours worked in excess of eight (8) hours in any one (1) day or forty (40) hours in the work week shall be paid at the rate of one and one-half (1 1/2) times. All hours worked on Sunday shall be paid at rate and one half (1 1/2),

b) Employees may bank up to a maximum of forty-eight (48) hours of stat time. Time off will be granted by mutual agreement between the Supervisor and the employee. Employees working on eight (8) hour shifts who work on a Statutory Holiday will be allowed to bank the eight (8) hour Statutory pay.

L-2:04 All hours worked, at the request of the Company, in excess of twelve (12) hours on a daily basis shall be paid at the rate of double time provided no rate shall be pyramided.

L-2:05 It is agreed that maintenance, repair and construction employees can be scheduled on a Tuesday to Saturday work week for which they will be paid straight time for Saturday work. In such event, Sunday and Monday will be recognized as their rest days and any work performed on Sunday will be paid at rate and one half (1 1/2). If the employee works on Monday at the request of the Company the rate of pay will be rate and one half. It is further agreed the rest day, Monday, may be changed by mutual consent between the employee and the Company. In such event, work performed on Monday will be paid for at straight time.

L-2:06 For the purpose of this Article, a statutory holiday shall be considered as a shift worked.

L-2:07 The Union recognizes that the Company has the right to schedule hours of work subject to the following:

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- a) The Company will post the regular hours of work for all its employees in a conspicuous place in the operations.
- b) Forty-eight (48) hours of notice will be given of any change of posted hours of work. The notice required refers to a change in the crew schedule and does not refer to individual change.

L-2:08 a) All employees who are required to work unscheduled overtime of more than two (2) hours shall be supplied with a hot meal after two (2) hours, or in lieu of a meal, receive fifteen (15) dollars. Sandwiches or T.V. dinners shall be no substitute. The hot meal shall be served on Company time. An employee working on an unscheduled overtime shift shall be supplied with a hot meal at each regular meal period.

b) One (1) overtime meal will be provided when an individual is requested to work overtime hours outside his regularly scheduled hours and does not have at least four (4) hours advance notice. In addition, those employees requested to work longer than a nine (9) hour overtime shift shall be entitled to a hot meal (no notice for 12-hour shift is 2 meals).

L-2:09 Employees shall not be required to suspend work during their normal work week for the purpose of absorbing overtime.

L-2:10 a) When an employee works continuously for more than sixteen (16) hours, lunch period included, and if scheduled to work the next day he will be given a rest period of eight (8) hours. He will not be required to report for work until the end of the eight (8) hour rest period. He will be paid straight time for any time lost from his workday as a result of the rest period.

b) Afternoon shift employees, rescheduled to work day shift the following day shall be given an eight (8) hour rest period. They shall be paid straight time for any time lost from their workday as a result of the rest period.

L-2:11 No employee shall be required to work more than five (5) hours without a lunch period. Lunch period shall consist of one (1), thirty (30) minute period in each regular shift. The employees agree to take rest

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periods and lunch breaks during any changeover or breakdown within one half (½) hour each way of the scheduled break time.

For example, if ~~an~~ interruption or planned outage occurred at 10:30 a.m. and the regular lunch period was 11:00 a.m. - 11:30 a.m. the lunch period would be taken between 10:30 a.m. and 11:00 a.m. The same principle would apply to rest breaks.

L-2:12 Manitoba Solid Wood Division employees shall work overlapping shifts if deemed necessary by Management whereby Maintenance employees can be scheduled 1 hour before or after the start of the Production shift provided the Maintenance employees start the day shift between the hours of 6:00 a.m. - 8:00 a.m. Maintenance employees include: Millwright, Electrician, Filer, Oiler, Planer Technician, and Carpenter. The Manitoba Solid Wood Division shall have the right to operate the plant or any part thereof on a three (3) shift basis and all employees working under this arrangement shall receive eight (8) hours pay upon completion of the **full** hours established **as** their regular shift. Any hours worked beyond their regular scheduled shift shall be at the premium rate. Graveyard shift shall not be swing shift for Production workers.

L-2:13 All employees shall be entitled to two (2) ten (10) minute rest periods during each regular shift provided always that the Company will have the right to use relief employees in implementing this provision.

L-2:14 Maintenance employees shall be allowed a ten (10) minute wash-up time at the end of each ~~shift~~.

L-2:15 The Company shall allow employees to mutually exchange shifts at no cost to the Company subject to the following:

- Any mutual exchange must be approved in advance by both employee's supervisors.
- Mutual shift exchanges must be accomplished at no cost to the Company.

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ARTICLE L-3

Rates of Pay

L-3:01 a) The Company and the Union agree that the rates of pay as set forth in the attached Schedule "L-1" shall form part of this Agreement and shall continue in effect for the duration of this Agreement.

b) Weekend Casual Student Rate

1. Effective September 1, 1998, the weekend casual students shall be set at eleven dollars and **fifty** cents (\$1 1.50) per hour.
2. This weekend casual student rate shall not be applied to regular employees.
3. Laid off Lumber employees shall be given preference ahead of weekend casual students.
4. The Company will ensure that all weekend casual students **are** properly supervised and provided the proper training, tools and personal protective equipment in order that they may perform the work safely and efficiently without undue risk or injury.
5. Weekend Casual Students will not be utilized to operate equipment or to fill in on regular production jobs.
6. The use of weekend casual students will not result in the loss of a regular full time position held by a current employee.

c) Effective February 1, 2009 all newly hired employees will receive an adjusted rate of eighty percent (80%) of the job rate for the first year (365 days) of their employment and ninety percent (90%) of the job rate for the second year of their employment prior to moving to ninety-five percent (95%) of the job rate for the duration of their employment. **This** does not apply to tradesmen or employees working in the trades that fall under the Apprenticeship agreement.

d) Effective February 1, 2009 employees hired **as** summer relief shall receive **an** adjusted wage rate of eighty percent (**80%**). Employees may only be hired **as** summer vacation relief for the period of May 15th to September 15th each year. The use of summer vacation relief employees will not result in the loss of a regular full time position held **by a current employee.**

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L-3:02 When an employee is assigned to perform work in a job classification paying a higher rate than his own, he shall be paid at the rate of the job to which he is assigned. No hourly rated employees shall receive a rate lower than the rate of pay at which he commenced his day's work. Piecework employees unable to complete their normal days work due to circumstances beyond their control will be given the opportunity to perform other work if available. In the event there is a reduction in the work force an employee shall receive the rate of the job to which, by virtue of his seniority, he is assigned providing he is able to perform the work of the job concerned.

L-3:03 If a new job is established or if there is a substantial change in the job content during the term of this Agreement, it is understood that the Company shall set the rate of pay for the new job or changed job taking into consideration present classifications in Schedule "L-1" of this Agreement. The Company shall notify the Union in writing of such changes of classifications. If requested by the Union, the Company shall meet with the Union before the end of a thirty (30) day trial period to explain, discuss and negotiate such new rates. When Agreement is reached on the new rate, it shall be retroactive to the date the employee was assigned the new job.

L-3:04 a) Sawmill Job Evaluation

The Company and the Union agree that a continuous job evaluation program for all hourly paid categories within its operation is necessary and desirable.

b) A job evaluation program will be implemented effective May 1, 1986 in accordance with the provisions and procedures as outlined in Schedule "L-2".

L-3:05 All employees obtaining lumber grader's certificates shall be paid at straight time base rate for the hours in class.

L-3:06 Any shift other than the designated day shift will receive a blended shift differential rate of 37.5 cents per hour worked.

L-3:07 The Company shall pay straight time hourly rate for employees to attend Union / Management meetings.

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L-3:08 Pay statements will be placed in envelopes before distribution to employees.

ARTICLE L-4

Health & Safety (Lumber)

L-4:01 The employees are required to take good care of any article provided them by the Company and such articles shall be returned to the Company on termination of employment.

L-4:02 The Company shall supply safety equipment when the Safety Committee and the Company agree such equipment is necessary for the protection of employees. The first stage of this provision shall be on the following basis:

- i)** Work gloves will be replaced on an as needed basis for all workers.
- ii)** Safety-toed boots: The Company and the Union agree to the principle of wearing safety footwear at all times and new employees must obtain them prior to commencement of employment.
- iii)** Protective rainwear
- iv)** Hard hats, winter hard hat liners, safety goggles, earmuffs.
- v)** Coveralls for Manitoba Solid Wood Division employees. The Company will use a “common sense approach”, mobile equipment operators, kiln operators, etc, who will be required to do routine maintenance on their equipment will be provided with one pair of coveralls. The company will not be responsible for lost coveralls.

In the case of (ii) Employees will be reimbursed to a maximum of \$110.00 per pair on an as-needed basis to a maximum of two pairs per year. Proof of purchase and the turning in of worn boots will be required for reimbursement.

L-4:03 Employees becoming ill on the job and permitted to leave to obtain medical attention shall be provided with transportation home, if required, at the Company’s expense. Affected employees may be asked to provide a medical certificate.

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L-4:04 Employees hurt in an industrial accident requiring medical attention or hospitalization, or who are permitted to go home, shall be provided with transportation, if required, at the Company's expense.

L-4:05 a) The Company will supply to maintenance employees four (4) pairs of coveralls with access to a washer, dryer and laundry detergent on site. Should a pair be destroyed doing work related activities, a replacement pair will be provided on an exchange basis. Coveralls requiring repairs shall be turned into the company for such repairs.

b) Employees in the following classifications will be provided with winter coveralls on an exchange basis:

- Deckman
- Outside Maintenance
- Car Loader
- Outside Utility
- Car Blocker
- Mill Yard Chip Truck Driver

Winter coveralls will be made available on a loan basis to other maintenance employees for use during incidental outside work.

ARTICLE L-5

Job Posting & Spareboard Guidelines

It is the intention of the Company to ensure that operators can safely and effectively operate equipment through procedural review and on the job training.

L-5:01 Permanent Job Postings

Permanent job postings will be awarded to an employee who has the required external qualifications, if any, (e.g. Grading Ticket, Class 1 License, Trade Certification) for the job.

a) Vacancies for other than base rate jobs shall be posted in advance for a period of not less than seven (7) working days. All job posting awards will be posted within seven (7) working days from the date the job posting closed. A copy of the job tender will be available to the bidding employee. Employees wishing to bid on a job must complete a job bid form available for this purpose and submit the completed form to the Personnel Office within the seven (7) working day period.

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b) The Company will notify the Union Office and Plant Chairman of job postings and awards.

c) Employees will have two (2) days to decide if they will accept a permanent job posting. All employees accepting a permanent job posting will be frozen in that posting for a period of 18 months with the exception for Apprenticeship postings.

d) i) In filling vacancies, senior employees shall be given preference provided they are able to perform the work with the appropriate training deemed necessary by management.

ii) For employees training on new equipment (equipment not used before) the training period will be extended up to thirty (30) days. The Supervisor, along with the input from the Trainer, can qualify or disqualify the Trainee at anytime. This does not change an employee's right to grieve the decision of a Supervisor

iii) Employees who are training on their job shall receive their regular job rate. They shall however not receive more than the established rate for the job they are training for. However if the employee performs the job more than one (1) hour in a day without close supervision (close supervision is defined as a supervisor or qualified operator in the immediate vicinity of the employee, thereby enabling such supervisor or qualified operator to instruct or oversee job performance) the employee shall be paid the job rate for actual hours worked. Once the employee is trained they shall be paid the rate of the job they perform.

iv) The Company shall notify the employee, the local Union and the Plant Committee in writing of their progress at intervals during the training period.

v) Training for Tour (twelve hour) jobs will be in twelve (12) hour increments, unless not feasible due to absences, i.e. illness, etc.

e) Employees may submit standing job bids for job postings prior to going on vacation or on a leave of absence that is not longer than their current vacation entitlement. Employees who wish to bid on a job

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posting that becomes available when he is on vacation can process a job bid in the same manner as outlined in (a).

f) A temporary vacancy anticipated to exceed three (3) months will be posted mill wide.

L-5:02 Temporary Relief for Permanent Positions

In the event that a permanent job becomes temporarily vacant it shall be filled through the following with the understanding that overtime would only be used when all other avenues have been exhausted:

- Department Utility – employee who holds permanent Utility position
- Department Alternate Utility - person who holds a permanent job bid but is qualified as a Utility. This person will be paid the rate of Utility when doing any job other than their permanent bid. A separate job posting will occur for *this* job.
- Department Employees - employees within the specified department who are fully qualified.
- Spareboard Employees – for entry level positions in Groups 1 to 8 who are fully qualified.

Departments will be defined **as:** Outside, Sawmill, Planer

L-5:03 Spareboard

The Part **Time** Spareboard will be governed by the following conditions:

...

A. Staff&

- 1) The Spareboard will be staffed with the number of employees deemed necessary to supplement in-plant relief capability. The size of the Spareboard will be adjusted periodically to meet the coverage requirements of the Division. There will be no utilization of Spareboard language while permanent employees are on **lay** off, unless the requirements are beyond the availability of the employees on lay off.
- 2) Attempts will be made to contact trained individuals in order of ranking. If the Company **is** unable to reach a member of the Spareboard or the member is called and is not available, the next person on the list will be called and the individual who could not be

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reached or was not available retains his order on the list. However failure to reach a Spareboard employee or failure to be available on three (3) occasions in a six (6) month period of time will result in the Spareboard employee being terminated unless extenuating circumstances acceptable to the Company can be demonstrated.

- 3) Spareboard employees will provide the Company with one designated telephone number at which they want to be contacted at.
- 4) Spareboard employees will be called and must be able to be contacted at their designated phone number during the following call-in windows Monday through Friday: **5am to 8am**; 1:30 pm to 4:30 pm and 10pm to 1am.

B. Work Schedule

- 1) Individuals on the Spareboard will not have scheduled days of rest unless they are following a regular schedule for at least a one week period.
- 2) Overtime and shift differential will be paid in accordance with the applicable provisions of the collective agreement.
- 3) Individuals on the Spareboard may be called to come in or have their schedule changed on short notice provided they have had at least eight (8) hours off between assignments. Individuals have the option to decline working a second shift in a 24 hour period or decline shifts beyond working 40 hours per week if requested to do so.
- 4) Every effort will be made by the Company to give as much notice as possible to individuals on the Spareboard as to when they will be required to work.
- 5) Spareboard individuals will be able to bid on permanent positions only. If the posted permanent position is not filled from within, then the highest ranking qualified Spareboard individual that bid on that permanent position will be offered the position.

C. Benefits

- 1) Spareboard individuals become eligible for group insurance coverage upon completing 480 hours of service in a twelve (12) month period of time. If the Spareboard employee has become eligible for group insurance coverage and has not worked for two (2) consecutive months, such coverage will cease at the end of the two (2) month period. Spareboard individuals need **only** serve one eligibility period to qualify for benefits.

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- 2) Vacation pay will be as per the Collective Bargaining Agreement.
- 3) Statutory Holidays shall be paid to Spareboard individuals **as** per the Collective Bargaining Agreement.

D. General

- 1) The Company will designate the individual(s) responsible for the scheduling of the Spareboard employees **as** per the above guidelines.
- 2) Union Dues will be **as** per the Collective Agreement.

Once fully implemented and executed, the parties will review and make adjustments if necessary to the plan on **an** annual basis. However, this does not preclude immediate issues being dealt with in a timely manner.

ARTICLE L-6 Lumber General

L-6:01 **An** employee absent from work, due to illness or other reason shall notify his foreman at least one (1) hour ahead of his shift commencement. A medical certificate will not be required for a one (1) day absence, provided however that cases of habitual absenteeism will require medical certificates for one (1) day absences. Failure to notify the Company or provide a valid reason for absence will be dealt with in accordance with Article 2, Section 2:02 of this Agreement.

L-6:02 It shall **not** be considered a violation of this Agreement for employees to respect a legal picket line established by a bona fide trade **union** provided such picket line blocks entrance to the employer's premises and has been authorized by the trade union.

L-6:03 The Company will continue to monitor the skill needs of its Planerman and Sawfilers and will review the option of using training through a recognized apprenticeship program in meeting its future requirements.

L-6:04 The use of utility/relief **as** regular operators will be limited to five (5) shifts.

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SCHEDULE "L-1" Sawmill Rates

	EFFECTIVE			
	Feb 1/09	Feb 1/10	Sep 1/10	Feb 1/11
Group 1				
Janitor	\$23.50	\$23.50	\$23.97	\$23.97
Group 2				
Clean Up Chipper Attendant	\$23.61	\$23.61	\$24.08	\$24.08
Group 3				
Accelerator/Tally Helper	\$23.72	\$23.72	\$24.19	\$24.19
Clean Up/Planer	\$23.72	\$23.72	\$24.19	\$24.19
Group 4 - No Category				
	\$23.90	\$23.90	\$24.38	\$24.38
Group 5				
Planer Hoist Operator	\$24.04	\$24.04	\$24.52	\$24.52
#2 Car Blocker	\$24.04	\$24.04	\$24.52	\$24.52
Sorter Chaser J-Bar/SM	\$24.04	\$24.04	\$24.52	\$24.52
Group 6				
Sorter Chaser J-Bar/PM	\$24.20	\$24.20	\$24.68	\$24.68
Log Deck Chaser	\$24.20	\$24.20	\$24.68	\$24.68
Group 7				
Planer Stacker Operator	\$24.34	\$24.34	\$24.83	\$24.83
Group 8				
Planer Feeder # 1 or #2	\$24.51	\$24.51	\$25.00	\$25.00
Bander Operator/Recording	\$24.51	\$24.51	\$25.00	\$25.00
Group 9				
#1 Car Blocker/Forklift	\$24.65	\$24.65	\$25.14	\$25.14
Stacker Op/Kiln	\$24.65	\$24.65	\$25.14	\$25.14
Clean Up/Bobcat	\$24.65	\$24.65	\$25.14	\$25.14

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	EFFECTIVE			
	Feb 1/09	Feb 1/10	Sep 1/10	Feb 1/11
Group 10				
Auto Trimmer/Opt/Feeder/#2 Line	\$24.80	\$24.80	\$25.30	\$25.30
Auto Trimmer/Opt/Feeder/#1 Line	\$24.80	\$24.80	\$25.30	\$25.30
Feeder/Gang Edger Optimized	\$24.80	\$24.80	\$25.30	\$25.30
Group 11				
Feeder/Optimized Edger/Robo Gde	\$25.00	\$25.00	\$25.50	\$25.50
Forklift Sawmill				
Forklift/Planer Infeed	\$25.00	\$25.00	\$25.50	\$25.50
Forklift/Planer Outfeed	\$25.00	\$25.00	\$25.50	\$25.50
Group 12				
Forklift/Shipping	\$25.18	\$25.18	\$25.68	\$25.68
Group 13				
Chip/Hog Truck Driver	\$25.38	\$25.38	\$25.89	\$25.89
Canter Edger Feeder/ Optimized/DDM6	\$25.38	\$25.38	\$25.89	\$25.89
Log Cut OFF Op/Slasher	\$25.38	\$25.38	\$25.89	\$25.89
Truck Driver/Loader Clean Up	\$25.38	\$25.38	\$25.89	\$25.89
Group 14				
Debarker	\$25.55	\$25.55	\$26.06	\$26.06
Kiln/Forklift Operator	\$25.55	\$25.55	\$26.06	\$26.06
Group 15				
Log Yard Equipment Operator	\$25.76	\$25.76	\$26.28	\$26.28
Deal Processor Operator	\$25.76	\$25.76	\$26.28	\$26.28
Group 16				
Canter/TwinSaws/DLI	\$26.00	\$26.00	\$26.52	\$26.52
Group 17 - No category				
	\$26.28	\$26.28	\$26.80	\$26.80
Group 18				
Canter/TwinSaws/Edger Op	\$26.56	\$26.56	\$27.09	\$27.09

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	EFFECTIVE			
	Feb 1/09	Feb 1/10	Sep 1/10	Feb 1/11
Group 19 - No category	\$26.84	\$26.84	\$27.38	\$27.38
Group 20 - No category	\$27.11	\$27.11	\$27.65	\$27.65
Group 21 Planer Grader	\$27.41	\$27.41	\$27.96	\$27.96
Group 22 - No category	\$27.71	\$27.71	\$28.27	\$28.27
Group 23 - No category	\$28.01	\$28.01	\$28.57	\$28.57
Group 24 - No category	\$28.40	\$28.40	\$28.96	\$28.96
Group 25 - No category	\$28.79	\$28.79	\$29.37	\$29.37
Group 26 - No category	\$29.21	\$29.21	\$29.80	\$29.80
Group 27 - No category	\$29.65	\$29.65	\$30.24	\$30.24
All Tradesmen	\$30.77	\$30.77	\$31.39	\$31.39
Oiler	\$26.00	\$26.00	\$26.52	\$26.52

Leadhand - to receive a rate of \$0.75 per hour above the regular rate of the individual chosen by the Company to fill the position. Leadhands, in addition to their regular job duties, will act as coordinators and will lead job/work direction on shift and maintenance lead hands will plan, schedule and assign work. The designated Leadhand shall have a regular fulltime job. He is classified as a work coordinator in his respective areas of employment. He has no authority to discipline employees. He can exercise job direction in his work area, all of which shall be relayed to him by supervision.

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SCHEDULE "L-2"

Sawmill Job Evaluation Plan

1. Principles and Procedures

The implementation and administration of the job evaluation program shall be in accordance with the principles and procedures set out in a manual dated December 1971 and entitled "Interior Sawmill Industry Job Evaluation Manual" as amended July 1973 and as further amended in 1974 (herein referred to as the "Manual").

2. Job Evaluation Committee

There shall be a committee constituted and named the Job Evaluation Committee to consist of one member representative of Tolko Industries Ltd., Manitoba Solid Wood Division, and one member representative of USW-Canada.

3. Function of Evaluation Committee

- a)** The Job Evaluation Committee shall assume general responsibility for the administration of the job evaluation program.
- b)** The unanimous decision of the said Committee shall be final and binding on the Parties hereto.

4. Plant Job Review Committee

a) There shall be a committee constituted in the Sawmill named the Plant Job Review Committee (herein referred to as "Review Committee") to consist of two members representative of Management and two members representative of the employees. At least one representative of Management must be a member of the Plant's salaried staff or Management, and at least one representative of the employees must be an employee of the Plant whose job is subject to Sawmill Job Evaluation. Management may choose their second representative from amongst persons not employed at the Plant, and the Union may do likewise except that effective January 1, 1975 neither party may choose as its representative a member of the Sawmill Evaluation Committee or any person who is employed as a job evaluator by Interior Forest Labour Relations Association or by National Council No. 1 of the USW-Canada.

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b) The Company shall reimburse any of its hourly paid employees for time lost while acting as a member of the Review Committee or while presenting information, regarding his own job, before a regularly convened meeting of the Review Committee. The Company shall not be responsible for remunerating employee representatives **who** are not hourly-paid employees.

5. Function of Review Committee

a) The Review Committee will be responsible for seeing that all requests for evaluation or re-evaluation of jobs are adequately and accurately documented before being passed to the Job Evaluation Committee for further action. The documents required will include a "Request for Job Evaluation" form submitted either by **an** individual employee or by local Management, and a fully completed job description, which provides sufficient information for the subsequent work of the Job Evaluation Committee. The form of the documents, the procedures for submitting and handling them may be amended **as** required by the Job Evaluation Committee under the authority given them by Article 3 of this schedule.

b) Decisions of the Review Committee respecting the appropriateness of a request for evaluation or re-evaluation, or respecting the adequacy and accuracy of documents, shall be by unanimous agreement. Failing such agreement, the Review Committee shall at the request **of** any one of its members, immediately forward the Request for Job Evaluation, together with any other documents on which there is unanimous agreement to the Job Evaluation Committee and shall then have no further responsibility for documenting that request.

c) When the Job Evaluation Committee has made a decision respecting the evaluation of a job it shall communicate that decision to the Review Committee who will be responsible for informing Management and the employees concerned, giving reasons for the outcome where these are available. A decision of the Review Committee that an Application for Job Evaluation should not be forwarded to the Job Evaluation Committee will, similarly, be communicated with reasons to those Concerned.

d) Nothing in this Article limits the right of the Job Evaluation Committee to determine the facts about any job, by direct observation or

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otherwise, or to amend any job description of material submitted to them in support of Request for Job Evaluation form.

6. Application of Program

The job evaluation program shall apply to all employees in the Lumber Division except those categories listed below.

Millwright	Filers, Fitters and Helpers
Electrician	Oiler
Carpenter	Apprentice

7. Direction of Work

Job evaluation descriptions are written with the intent to set forth the general duties and requirements of the job and shall not be construed as imposing any restrictions on the right of the Company to create a new job or to assign duties to employees other than those specifically mentioned in job descriptions, provided always that if the assignment of such duties changes the job content sufficiently to justify a review of the evaluation, the Job Evaluation Committee shall make such a review in accordance with the procedure set out herein.

8. Re-evaluation

a) When a job has moved to a higher group as a result of re-evaluation, the resulting rate shall be retroactive from the date that management or the employee has applied to the Review Committee for re-evaluation.

b) When a job is moved to a lower grade as a result of re-evaluation, the incumbent shall maintain his job rate as a red circle rate subject to the provisions of paragraph 10 herein.

9. New Jobs Created

Where the Company has exercised its right to create a new job, a temporary rate shall be set by Management.

a) When the evaluated rate for a new job is higher than the temporary rate, the resulting rate shall be retroactive from the date that the job was installed.

b) When the evaluated rate for a new job is lower than the temporary rate, the incumbent(s) shall continue at the temporary rate, however, the

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temporary rate will be considered a red circle rate subject to the provision of paragraph 10 and 11 below.

10. Red Circled Jobs

a) The Company shall supply the Union with a list of employees holding red circled jobs, the said list to include the name of the employee, name of the job category filled, the evaluated rate for the job, and the actual rate paid.

b) Employees on red circle rates who are promoted to a higher grade shall regain the red circle rate if subsequently found incompetent to continue in the higher grade.

c) Employees holding red circle jobs **who** are demoted during a reduction of forces, shall be paid only the evaluated rate for the job to which they are assigned. If at a later date **an** employee is re-assigned to his former job he shall regain his red circle rate.

d) When the Company terminates a job, or a job is not occupied during a period of one year, **a** record as to the cancellation of **the** applicable job description and classification shall be established.

e) If **an** employee is temporarily transferred at the request of the Company he shall retain his existing rate or receive the rate for the new job, whichever is higher. On return to his regular job the said employee shall regain his red circle rate.

11. Red Circled Rates

a) The amount of a job rate that is in excess of the evaluated worth will be red circled at the time of evaluation.

b) It is intended that the red circled amount never increase. Therefore, it must be subtracted from a rate prior to the application of a percentage wage increase and then added back.

c) A red circle amount will be reduced **as** the evaluated worth of the increases.

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12. Seniority

Subject to the provision herein set out, Article 12 (seniority) of this Agreement shall continue to apply.

13. Referral Procedure

a) When the Job Evaluation Committee has decided the outcome of a request for evaluation, it shall transmit its decision to the Plant Job Review Committee.

b) **An** evaluation done by the Job Evaluation Committee shall be final and binding on the Parties, but, at any time after five years since the last evaluation or re-evaluation of a job, management or an individual employee may submit a request for re-evaluation of that job and no other reasons than the elapsed time shall be necessary.

c) If the Job Evaluation Committee is unable to reach agreement regarding the disposition of a Request for Job Evaluation or any other matter regarding the job evaluation program which falls within their jurisdiction, the matter shall be referred to Management and to the USW-Canada Local 1-324 for settlement.

d) All communication between the Plant Review Committee and the Job Evaluation Committee referred to above shall be affected by sending one copy to the Union representative or representatives on the committees and one copy to the employer representative or representatives. In the case of communications to the Plant Review Committee, the Union representative will be addressed care of the office of the local Union and the employer representative care of the Company's offices.

14. Training Program

A program of training for members of the Review Committee in the plant shall be instituted, the details of which shall be arranged by Tolko Industries Ltd., Manitoba Solid Wood Division and the USW-Canada National.

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15. The point range and increments for 27 groups are as follows:

**JOB EVALUATION RATES
EFFECTIVE**

Group No.	Points	Feb 1/09 (per hr)	Feb 1/10 (per hr)	Sep 1/10 (per hr)	Feb 1/11 (per hr)
1	001 - 060	\$23.50	\$23.50	\$23.97	\$23.97
2	061 - 070	\$23.61	\$23.61	\$24.08	\$24.08
3	071 - 080	\$23.72	\$23.72	\$24.19	\$24.19
4	081 - 095	\$23.90	\$23.90	\$24.38	\$24.38
5	096 - 115	\$24.04	\$24.04	\$24.52	\$24.52
6	116 - 140	\$24.20	\$24.20	\$24.68	\$24.68
7	141 - 165	\$24.34	\$24.34	\$24.83	\$24.83
8	166 - 195	\$24.51	\$24.51	\$25.00	\$25.00
9	196 - 230	\$24.65	\$24.65	\$25.14	\$25.14
10	231 - 270	\$24.80	\$24.80	\$25.30	\$25.30
11	271 - 320	\$25.00	\$25.00	\$25.50	\$25.50
12	321 - 370	\$25.18	\$25.18	\$25.68	\$25.68
13	371 - 420	\$25.38	\$25.38	\$25.89	\$25.89
14	421 - 470	\$25.55	\$25.55	\$26.06	\$26.06
15	471 - 520	\$25.76	\$25.76	\$26.28	\$26.28
16	521 - 570	\$26.00	\$26.00	\$26.52	\$26.52
17	571 - 620	\$26.28	\$26.28	\$26.80	\$26.80
18	621 - 670	\$26.56	\$26.56	\$27.09	\$27.09
19	671 - 730	\$26.84	\$26.84	\$27.38	\$27.38
20	731 - 790	\$27.11	\$27.11	\$27.65	\$27.65
21	791 - 850	\$27.41	\$27.41	\$27.96	\$27.96
22	851 - 910	\$27.71	\$27.71	\$28.27	\$28.27
23	911 - 970	\$28.01	\$28.01	\$28.57	\$28.57
24	971 - 1030	\$28.40	\$28.40	\$28.96	\$28.96
25	1031 - 1090	\$28.79	\$28.79	\$29.37	\$29.37
26	1091 - 1150	\$29.21	\$29.21	\$29.80	\$29.80
27	1151 - 1210	\$29.65	\$29.65	\$30.24	\$30.24

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**SCHEDULE “L-3”
LETTER OF UNDERSTANDING
Twelve Hour Shifts**

STATUTORY HOLIDAYS

Tour Workers, working on a Statutory Holiday on the twelve hour **shift** schedule will receive:

- Twelve hours Statutory Holiday pay.
- Time and one half (1 ½) for all hours worked on a Statutory Holiday
- Employees normally scheduled to work on these days will be required to work, however, employees not wanting to work will not be required to take a vacation day or leave of absence, provided another employee is willing to work for them.
- The mill will not operate on Remembrance Day, Christmas Day and Boxing Day. If a Maintenance employee is requested to work on one of these three statutory holidays, they will be paid double (2) time for hours worked.
- If the Company elects not to run on other Statutory Holidays, those employees that were scheduled to work will receive twelve hours Statutory Holiday pay.

OVERTIME/PREMIUM PAY

- Time and one half (1 ½) will be paid for all hours worked on Sunday.
- Double time will be paid for all hours worked in excess of twelve hours.
- **Shift** differential will be paid in accordance with Article L-3:06 of the CBA.

VACATIONS

- Will be taken on a tour basis **only** and will constitute one week of vacation for 12-hourshift workers.
- Employees have the option of taking cash payouts (on the first payday after June 1st and December 1st) for vacations above the legal minimums. Vacation payouts can be on a separate cheque.

HOURS OF WORK

- The proposed change of shift time is between 6:00am–8:00am and 6:00pm–8:00pm.

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- Maintenance employees can be scheduled 1 hour before or after the start of the Production shift within the above time frame. Maintenance employees include: Millwright, Electrician, Filer, Oiler, Planer Technician, and Carpenter.
- Relief will be sought from employees on their days off first, by qualified senior person second.
- Break time will total 75 minutes, actual time is to be determined at the crew level. For example, it has been proposed there be five fifteen minute breaks.
- The shift rotation will be four days on, four days off, rotating between days and nights. It will be up to the company to determine how many employees they need on the day shift vs. the night shift which will determine how often the shift rotation occurs (example – two employees working days and one on nights would require the employees to rotate to nights every third tour).

BEREAVEMENT LEAVE

- Will receive twenty-four (24) hours pay and will be allowed three (3) days off.

WEEKLY INDEMNITY

- Pay will be based on a seven-day week. The waiting period will be reduced to two days.

JURY DUTY

- Upon presentation of a voucher from the Clerk of The Court showing fees received for Jury Duty, Coroner's Witness, Coroner's Duties and Crown Witness, an employee will be paid the difference between such fees and normal hourly rate for regular straight time twelve (12) hour working days lost as a result of such duties.
- Employees can take the night shift off with pay the day prior to Jury **Duty**.

MUTUAL EXCHANGE OF SHIFTS

- Employees will not be permitted to work twenty-four (24) hours straight by a mutual exchange of shifts.
- Mutual exchange of shifts will be reviewed on an individual basis.

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CANCELLATION

- Cancellation will be restricted to unforeseen events that cause the required fibre to be made unavailable.

PLANT COMMITTEE

- A Committee will be formed to review the Master Agreement for clarification or adjustments required with respect to the twelve-hour shift schedules.

Signed on September 2, 2009 on behalf of:

Tolko Industries Ltd.
Manitoba SolidWood Division



Dave Neufeld, Plant Manager



Jackie Marlow, Accounting Supervisor

United Steelworkers Local 1-324



Chris Perlow, President Local 1-324



Steven Butler, USW Plant Chairman

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SCHEDULE “L-4”
LETTER OF UNDERSTANDING
Enhanced Termination Guidelines

Given the extraordinary circumstances faced by the MSW Lumber Division, upon expiration of an employee’s recall rights, on a one-time only basis, and only for the term of this Collective Agreement, an employee will have the following options:

1. Have his recall rights extended to August 31, 2011.
2. Elect to receive the standard termination pay he/she is entitled to under the Manitoba Employment Standards Act in which case he/she upon re-hire would be treated in as a new employee in **all** respects **except** for rate of pay.
3. Elect to take the enhanced termination pay under the terms and condition of the Enhanced Termination Guidelines Letter of Understanding in which case he/she upon re-hire will be treated **as** a new employee in all respects **including** rate of pay.
4. Elect to take immediate termination pay between February 1, 2010 and July 1, 2010 based on the total enhanced termination pay outlined below in which case he/she upon re-hire will be treated **as** a new employee in all respects **including** rate of pay. This option only applies to employees who are still laid **off** from the Sawmill and whose recall rights have not yet expired.
5. Rates used to calculate Enhanced Termination pay will be based on the employee’s rate of pay during their last day worked prior to being laid off.

The Enhanced Termination Guidelines Letter of Understanding will not apply to MSW employees transferred to TMKP or other Divisions within Tolko.

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Years of Service	Current Employment Standards Act	Enhancement to Employment Standards Act	Total Enhanced Termination
0 < 1	1 Week	1 Week	2 Weeks
1 < 3	2 Weeks	1 Week	3 Weeks
3 < 5	4 Weeks	2 Weeks	6 Weeks
5 < 10	6 Weeks	3 Weeks	9 Weeks
10 < 15	8 Weeks	4 Weeks	12 Weeks
15 < 20	8 Weeks	6 Weeks	14 Weeks
Over 20	8 Weeks	8 Weeks	16 Weeks

Signed on September 2, 2009 on behalf of:

Tolko Industries Ltd.
Manitoba Solid Wood Division



Dave Neufeld, Plant Manager



Jackie Marlow, Accounting Supervisor

United Steelworkers Local 1-324



Chris Marlow, President Local 1-324



Steven Butler, USW Plant Chairman

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PART III - CLAUSES RELATING SPECIFICALLY TO WOODLANDS DIVISION

ARTICLE W-1

Scope – Woodlands Division

W-1:01 This Agreement shall apply to and cover all employees of the Company save and except Foremen, those above the **rank** of foreman, scalers, office staff and persons excluded by the Act.

W-1:02 Contractors and/or sub-contractors of the Company working within the jurisdictional boundaries **of** the Union must become signatory to this Agreement unless specifically excepted **as** hereinafter set forth.

W-1:03 The following employees and sub-contractors are specifically excluded from the terms and conditions of this Agreement.

- a) Independent owners operating under permits issued by the Manitoba Conservation of the Province within the said Schedule W-2.
- b) Maintenance personnel employed by vendors of manufacturers of equipment engaged in maintaining equipment manufactured, sold or leased by their respective employers pursuant to a guaranteed maintenance program covering the specific equipment.
- c) Contractors working south of the 53rd parallel and new contractors and/or subcontractors engaged after November 1, 1995 who supply wood to the operation. These contractors shall be required to pay a minimum of 75% the rates listed in Schedule "W-1" of this agreement.
- d) Contractors and/or sub-contractors engaged in the construction and/or maintenance of all weather roads including bridges.
- e) Contractors and/or sub-contractors engaged in silviculture activities (site prep, scarification, and juvenile spacing).
- f) Contractors hired on casual equipment contracts, i.e. tractor work, hauling **of** equipment, winter road construction, etc.

W-1:04 The Company will pay the Union a work permit fee for independent owner/operators delivering wood to the mill and for contractors described in W-1: 03 c), d), e) and f) working in the Company's F.M.L.

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- W-1:05 a)** The Company shall notify the Union office prior to any new contractors covered by the agreement coming on the job.
- b)** No current Company employee(s) shall be displaced from their position as a result of the Company's use of contractors.
- c)** Contractors in existence prior to November 1, 1995, who sell, transfer, or replace their equipment, shall **as** a condition of this contract, do so under successor rights only. The replacement contractor will be automatically covered by the terms and conditions of this agreement.
- d)** Successor rights would not apply when contractors choose to retire and dispose of their business and machinery or when the business is sold as part of an estate, receivership, and/or bankruptcy sale.

W-1:06 In the event that contractors and/or sub-contractors do not submit dues, health and welfare or pension check-off assessments, the Company shall be responsible for all such deductions.

ARTICLE W-2

Hours of Work and Overtime

W-2:01 The regularly scheduled workweek for all production employees shall commence on Monday.

W-2:02 The regular hours of work shall consist of five (5) consecutive eight (8) hour days. A rate of one and one half (1 1/2) shall be paid for all work performed on the sixth (6th) day and double time for the seventh (7th) day of the regularly scheduled work week. Overtime payment on a daily basis will not be duplicated on a weekly basis.

W-2:03 All hours worked in excess of eight (8) hours in any one (1) day or forty (40) hours in the work week shall be paid at the rate of one and one half (1 1/2) times. All hours worked on Sunday shall be paid at rate and one half (1 1/2).

W-2:04 All hours worked, at the request of the Company, in excess of twelve (12) hours on a daily basis shall be paid at the rate of double time provided no rate shall be pyramided.

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W-2:05 Camp staff on a daily rate shall be paid overtime after eight (8) hours worked in each day. They shall not split shift more than twelve (12) hours per day.

W-2:06 For the purpose of this Article, a statutory holiday shall be considered as a shift worked.

W-2:07 The Union recognizes that the Company **has** the right to schedule hours of work subject to the following:

- a) The Company will post the regular hours of work for all its employees in a conspicuous place in the operations.
- b) Forty-eight (48) hours of notice will be given of any of any change of posted hours of work. The notice required refers to a change in the crew schedule and does not refer to individual change.

W-2:08 All employees who are required to work unscheduled overtime of more than two (2) hours shall be **supplied with a hot meal** after two (2) hours, or in lieu of a meal, receive **fifteen (\$15) dollars**. Sandwiches or T.V. dinners shall be no substitute. The hot meal shall be served on Company time. An employee working on an unscheduled overtime shift shall be supplied with a hot meal at each regular meal period.

W-2:09 Employees shall not be required to suspend work during their normal work week for the purpose of absorbing overtime.

W-2:10 a) When **an** employee works, continuously for more than sixteen (16) hours, lunch period included, and if scheduled to work the next day he will be given a rest period of eight (8) hours. He will not be required to report for work until the end of the eight (8) hour rest period. He will **be** paid straight time for any time lost **from** his workday as a result of the rest period.

b) Afternoon shift employees, rescheduled to work day shift the following day shall be given an eight (8) hour rest period. They shall be paid straight time for any time lost **from** their workday as a result of the rest period.

W-2:11 No employee shall be required to work more than five (5) hours without a lunch period. Lunch period shall consist of one (1) **thirty (30) minute period in each regular shift.**

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The employees agree to take rest periods and lunch breaks during any changeover or breakdown within one half (½) each way of the scheduled break time.

For example, if an interruption or planned outage occurred at 10:30 a.m. and the regular lunch period was 11:00 am. - 11:30 a.m., the lunch period would be taken between 10:30 am. and 11:00 am. The same principle would apply to rest breaks.

W-2:12 a) All employees shall be entitled to two (2) ten (10) minute rest periods during each regular shift provided always that the Company shall have the right to use relief employees in implementing this provision.

b) When operations are running three (3), eight (8)-hour shifts, the paid breaks will be 2 - 10 minute coffee breaks and 1 - 20 minute lunch breaks.

W-2:13 In the event that normal operating **shifts** are cancelled during the week for weather conditions or equipment failure the Company and the employee may mutually agree to make up these **shifts** on the weekend at straight time rates provided the employee has worked less than forty hours in the week.

ARTICLE W-3

Rates of Pay

W-3:01 a) The Company and the Union agree that the rates of pay as set forth in the attached Schedule "W-1" shall form part of **this** Agreement **and** shall continue in effect for the duration of this Agreement.

b) Effective February 1, 2009 all newly hired employees will receive an adjusted rate of eighty percent (80%) of the job rate for the first year (365 days) of their employment and ninety percent (90%) of the job rate for the second year of their employment prior to moving to ninety-five percent (95%) of the job rate for the duration of their employment. This does not apply to tradesmen or employees working in the trades **that fall under the Apprenticeship agreement.**

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W-3:02 When an employee is assigned to perform work in a job classification paying a higher rate than his own, he shall be paid at the rate of the job to which he is assigned. No hourly rated employee shall receive a rate lower than the rate of pay at which he commenced his day's work. Piecework employees unable to complete their normal days work due to circumstances beyond their control will be given the opportunity to perform other work if available. In the event there is a reduction in the work force an employee shall receive the rate of the job to which, by virtue of his seniority, he is assigned providing he is able to perform the work of the job concerned.

W-3:03 In all cases where a pieceworker is to be paid for non-productive hours he shall be paid at the power saw operator's rate, except where otherwise specifically stated.

W-3:04 In those areas where it is necessary to clean up an area which has previously been partially cut, or where the density of wood is less than eight (8) cords per acre, the hourly rate in Schedule "W-1" for skidder and power saw operators together with the hourly rate for power saw plus wood will be paid.

W-3:05 On cut and skid operations main or designated roads for the access of pieceworkers that are more than one thousand feet (1,000) long will be cut in advance and a premium of twenty percent (20%) of the regular piecework rate will be paid. Designated access roads will be indicated on the map provided in Article W-7:11.

W-3:06 It is agreed that skidder and power saw operator rates as stated in Schedule "W-1" will not be used for production work except working behind feller-bunchers.

W-3:07 The hourly rates as agreed are minimum guaranteed rates and do not preclude the Company and Contractors from establishing piecework rates for the loading and driving crews. This minimum guaranteed rate is to be computed at the end of each two (2) week consecutive period on an hourly basis and the piecework rates to be computed at the end of the same two (2) week consecutive period and the loaders and drivers shall be paid the greater of the two (2) sums. The employer will confirm the offered piecework rates for each haul area in

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writing to the employee involved in the loading and driving crews at the same time the rate for each area is agreed upon. The Company will provide the Union with an agreement signatory page for all contractor companies covered by this agreement. The truck drivers are required to help load and unload their trucks as instructed.

W-3:08 Shift schedules for trucks shall not exceed twelve (12) hours.

W-3:09 Any shift other than the designated day shift will receive a blended shift differential rate of 37.5 cents per hour worked.

W-3:10 Field Tradesmen normally assigned off site shall be paid a field allowance of ten cents (.10) per hour.

W-3:11 The Company agrees that existing bonus rates will continue at present levels, unless changes in equipment or methods dictate a revision.

W-3:12 All cheques will be directly deposited in the account of the employee's choice.

ARTICLE W-4

Travel Time and Transportation

W-4:01 Woodlands employees shall be paid at the regular hourly rate for all time spent by him in proceeding from the marshalling point to and from the place of work, in excess of one (1) hour.

Travelling time shall not be included in the regular workday. Standard Measure for walking time is established as three (3) miles per hour. For the purpose of this Agreement the camp shall be the marshalling point. In the case of pieceworkers, their place of work shall be their block. It is agreed that the marshalling point for garage employees is the garage to which they are assigned in accordance with this Agreement.

W-4:02 Transportation **shall** be available on all job sites.

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ARTICLE W-5

Scaling

W-5:01 The Company shall supply scale sheets to employees itemizing each pile on separate scale slips.

W-5:02 When a dispute over the scale arises, it shall be dealt with, in the first instance by the Company Check Scaler, the employees involved and the Camp Steward. The check scale must be called for by the employees within fourteen (14) calendar days after receiving the original scale slip and then must be completed and returned to the employees within fourteen (14) calendar days after notifying their immediate supervisor. The maximum relative scaling variation is plus or minus (+/-) four percent (4%) on stack scale and no adjustments will be made unless the variation exceeds plus or minus (+/-) four percent (4%) in which case the actual pile as scaled will be adjusted accordingly to reflect the full difference.

If no agreement is reached it shall be dealt with by the Chief Scaler, Union Business Agent or his appointee, the employees involved and a licensed Manitoba Scaler agreed upon by both parties.

The tree length deck will be slashed or bucked into 16'6" and 8'6" lengths and will be cube-scaled by this licensed scaler.

On the third (3rd) and final binding cube scale if it differs from the original scale by more than plus or minus (+/-) three percent (3%) of the original scale, the original scale will be adjusted accordingly and the cost for the independent scaler will be charged to the party who was out of favour with the final and binding scale.

In the event the Manitoba Scaling Manual is changed to provide for tree-length scaling this clause will be reviewed to reflect the change(s).

W-5:03 A Committee will be formed consisting of the Woodlands Manager, Business Agent of the Union, one employee representing the Company and one employee representing the USW to meet as required to review check scaling requests and procedures.

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W-5:04 Pieceworkers intending to quit shall give the Company Foreman reasonable notice of leaving and the scalers shall scale him up within three (3) days. Such time limit shall be exclusive of Sundays and holidays.

W-5:05 It is understood the intent of this section is that the Company will endeavour to have the pieceworkers final scale completed and the worker paid in accordance with the final scale prior to the worker leaving the operation.

ARTICLE W-6

Health and Safety (Woodlands)

W-6:01 a) The Company will supply to Garage Mechanic employees four (4) pairs of coveralls with access to a washer, dryer and laundry detergent on site. Should a pair be destroyed doing work related activities, a replacement pair will be provided on an exchange basis. Coveralls requiring repairs shall be turned into the company for such repairs.

b) The Company will supply clean coveralls as required on an exchange basis to employees required to service the following mobile company equipment:

- Drotts
- Slashers
- Dozers
- Loaders
- Graders
- Scrapers

c) The Company will supply each field mechanic with one pair of insulated coveralls per calendar year.

W-6:02 The Company shall make available where possible, personal safety items such as work gloves at company cost.

a) The Company shall supply hard hats, winter hard hat liners, earmuffs and safety goggles.

b) In the case of safety-toes boots, the Company shall cover 50% of the cost of one pair of normal safety toed boots per calendar year and shall cover 50% of the cost of one pair of winter safety boots per calendar year.

c) The Company will cover fifty (50%) percent of the cost of safety pants to a maximum of fifty (\$50) dollars per year, and fifty (50%) percent of the cost of safety mitts/gloves to a maximum of fifteen (\$15) dollars per year.

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d) Coveralls for Woodlands Division employees. The Company will use a “common sense approach”, Mobile equipment operators who will be required to do routine maintenance on their equipment will be provided with coveralls.

W-6:03 Where an employee is scheduled to work by himself in an area remote from other employees, a second man will be assigned.

W-6:04 The Company shall supply windshields for all skidders during the winter months.

W-6:05 If weather conditions are found to be too severe for crews to work they shall have the option (subject to common sense) to cease work for the duration of such weather conditions.

ARTICLE W-7

Assignment of Blocks

W-7:01 A block is defined as a worksite or area where individual crews are assigned.

W-7:02 There shall be no strip cutting for the duration of this Agreement.

W-7:03 When supervision has had four (4) hours or more advance notice preferably at the end of the day's shift or prior to the day's shift commencing of the completion time of a block and the crew is caused to wait for supervision to move them to another block the crew shall be compensated for such time lost at power saw operator rate plus the power saw rental rate per hour for their power saw.

W-7:04 Supervisors shall check the block before the crew moves and state at that time if it is satisfactory or not. If after receiving assurance that the block is satisfactory and the crew is requested to return, Article W-3 Section W-3:04 will apply. However, if a crew has been instructed during the four (4) hour notice, to clean up a block before moving and fails to do so and must return to that block to clean up, they shall not be paid for the time so spent on clean up.

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W-7:05 Each employee in the crew involved will be paid for moving time in excess of one-half (1/2) hour at the power saw operator rate plus the power saw rental rate when moving from one block to another or to a new area if the move takes place during the normal working day. Moving time is the lapse time required to move a cutter(s) from one block or area to the other. This clause shall not apply in the case of an employee requesting a transfer from crew to crew or camp to camp.

W-7:06 Each block shall have definite markers on all four (4) sides where possible except where obvious natural boundaries are used such as creeks, roads and lakes. Markers shall not be moved after the crew has been assigned the block unless agreed to between the parties involved. A swamp shall not be considered a natural boundary and should be ribboned off before cutting begins.

W-7:07 All blocks will be numbered consecutively. The blocks will be assigned in sequence, after each crew has completed their previous block.

W-7:08 Should a dispute over block assignment arise, the crew and the Union representative shall have access to all area layout information.

W-7:09 In the event a block has been improperly assigned, the rate of compensation shall not be less than their daily average gross earnings for days actually worked during their last pay period.

W-7:10 Where regular production crews are assigned to cleanup situations for more than one (1) block the rate of compensation shall not be less than their daily average gross earnings for days actually worked during their last pay period.

W-7:11 A map with the numbered blocks will be posted in a suitable location in each operation stating all the necessary information.

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ARTICLE W-8

Cut & Skid

W-8:01 The Company agrees to have a sufficient number of lunch shacks available for each crew on or before October 1st of each year and they shall be kept in good repair or replaced as required.

W-8:02 The Company agrees to the principle of the two (2) man crews and will apply this principle whenever possible.

W-8:03 The Company shall supply each pulp cutting crew, upon request, with a ten (10) gallon drum for power saw gas, at no cost and all power saw gas will be free of charge.

W-8:04 Fallers and buckers shall be supplied one (1) free chain saw file per week.

W-8:05 a) The Company agrees to supply one (1) power saw chain every twenty-two (22) days worked for those people cutting sixteen (16) and eight (8) foot wood, and one (1) power saw chain every twenty-one (21) days worked for those fallers cutting tree length. Those employees normally working, as skidder operators will receive a saw chain every forty-two (42) days worked on an exchange basis.
b) Buckers will receive a power saw chain as required on an exchange basis. Fallers will receive a power saw chain every twenty-one (21) days worked on an exchange basis.
c) The Company will maintain a reasonable supply of power saw parts in each camp, which will be available to employees at cost.

W-8:06 The Company agrees to have power saws available for purchase with payment on the basis of one dollar (\$1) per cubic meter.

W-8:07 It is agreed that when new Company owned skidders or reconditioned skidders are assigned to a cutting area the skidder operator with the most seniority will be given the first option to have the skidder assigned to him on a one time basis within six (6) months.

W-8:08 Skidders shall not be required to skid over one thousand (1,000) feet from skidway or landing.

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- W-8:09 a)** The Company shall have one (1) spare skidder in each operating area.
- b) The Company shall supply chokers as required.
- c) The Company shall provide a cable cutter for each skidder.

ARTICLE W-9

Camps

W-9:01 The Company may establish camps and upon the completion of the construction and erection thereof, the Company shall maintain therein good conditions of cleanliness, sanitation and health.

W-9:02 The Company shall install a washing machine and dryer in all camps for laundry purposes.

W-9:03 Meal periods in camps will consist of one (1) hour for example; dinner shall be from 12:00 noon until 1:00 p.m.

W-9:04 The Company agrees to provide a power saw shack at all resident camps and such shacks shall be properly lighted and heated and equipped with vice, anvil, chain breaker, air compressor, and proper lock-up locker for power saw storage, such facilities shall be available for the use of employees at each camp.

W-9:05 The Company will at all time supply fresh meat, milk, fruit juices, fresh fruit and vegetables when in season. Fruit juices shall be supplied for breakfast served in containers allowing self-service for consumption at the table.

W-9:06 All camps shall have one (1) tier single beds and *two* (2) clean sheets and one (1) pillow case will be issued once a week. Clean blankets will be issued to employees upon arrival at camp and will be replaced **as** conditions warrant. All beds shall be provided with a canvas cover.

W-9:07 The Company will provide separate drying rooms, washrooms, storage facilities for baggage, a clothes closet or locker, and where

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possible, adequate hot water supply. Where possible inside showers and toilets will be provided.

W-9:08 Pest control measures within the camp buildings shall be carried out as required.

W-9:09 The Company will provide suitable refrigeration for all perishables.

W-9:10 a) The charge for board and lodgings shall be two (\$2.00) per man per day. **An** employee who leaves camp on authorized leave, weekends, or because he is ill or has been injured, will not be charged, providing he notifies the camp clerk at the time of leaving camp.

b) Disabled or sick Company employees may stay in a Company camp during their recovery period for two dollars (\$2.00) per day. During the recovery period, the employee must observe normal camp rules and regulations.

W-9:11 **An** employee shall be required to pack his own lunch, unless other mutual arrangements have been made. The preparation of lunches shall be supervised. Wax paper shall be supplied for the wrapping of lunches.

W-9:12 Food served to the employees shall at all times be of high quality and of sufficient quantity and shall include fresh fruit, vegetables and greens when in season.

W-9:13 It is the intention of the Company to show a film once per week at each camp, provided on a camp basis if there is a reasonable demand for this service. Shuffleboards or pool tables will be provided in each recreation hall.

W-9:14 The Company agrees to supply air conditioners for all camp kitchens.

W-9:15 The Company will install twenty-six (26) inch colour T.V.'s in all camps.

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W-9:16 The Company agrees to the following schedule of cookery staff; Schedule for the cafeteria style cookerries (with mechanical dishwasher):

NO. Persons	COOK	2 ND COOK	COOKEE	NIGHT BAKER	TOTAL
1 – 14	1				1
15 – 30	1		1		2
31 – 50	1		2		3
51 – 70	1	1	2		4
71 – 100	1	1	3		5
101 – 125	1	1	4		6
126 – 150	1	1	4	1	7
151 – 180	1	1	5	1	8
181 – 215	1	1	6	1	9
216 – 250	1	2	6	1	10
251 – 285	1	2	7	1	11

W-9:17 Schedule for Cookery Personnel (with no mechanical labour saving devices):

No. Persons	COOK	2 ND COOK	COOKEE	NIGHT BAKER	TOTAL
14 or less	1				1
15 – 25	1		1		2
25 – 45	1		2		3
45 – 65	1	1	2		4
65 – 85	1	1	3		5
85 – 105	1	1	4		6
105 – 125	1	1	5		7
125 – 145	1	2	6		9
Over 145	1	2	6	1	10

It is agreed that the above schedule(s) may be changed by mutual consent during the term of this Agreement when labour-saving devices or other factors reducing the workload are introduced.

W-9:18 A single room for the Union Camp Chairman is available under the following procedure:

a) After the Area Logging Superintendent is advised in writing of the name of the Union Camp Chairman, and after a request for a single room is made to the Area Logging Superintendent.

b) In such instances where a change is made re: Union Camp Chairman the former Union Camp Chairman reverts back to the standard of two (2) employees to a room.

c) ~~No alteration will be made to the room during the Union Camp Chairman's occupancy.~~

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ARTICLE W-10

Woodlands General

W-10:01 The Company will be responsible for all tools **as** listed in the inventory of the employee's own tools mutually agreed to by the supervisor and the employee which are left in locked Company buildings with the consent of the employee's immediate supervisor.

W-10:02 It is agreed that no Woodlands employee on the Tolko Industries Ltd., Woodlands Division payroll as of September 1, 1998 will be put out of work because of the use of mechanical felling equipment.

W-10:03 The Company agrees to make available at each camp or marshalling area, for the use of employees, the following equipment **and** supplied at Company cost plus five **(5)** percent for handling:

Axe bits, axe handles, pulp hooks, gas cans, wedges, lunch **kits** and thermos bottles. These above items will be debited to the man's account but upon return of each item to Company Stores the account of the workman will be so credited. Oil will be supplied for power saw use at Company cost plus five **(5%)** percent for handling. Items on loan that are not returned at the time **an** employee exits from his camp or marshalling area will be charged for at the wholesale price plus five **(5%)** percent handling charge. It is understood and agreed that in the case of loss or breakage of these items while they are on loan, the cost will be borne by the employee at his own expense.

W-10:04 Air conditioning will be provided in the lunchroom of the Woodlands Division garage.

W-10:05 a) Pieceworkers who are transferred at the request of the Company from one camp to another will be given the first opportunity to return to their original camp when openings occur in that original camp from which they had been transferred.

b) The senior employee shall have the right to transfer or remain in his camp/marshalling area. In case of transfer of a machine, the operators assigned to the machine will be transferred with the machine.

If a machine must be transferred without its regular operator and a

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spare is available the supervisor will explain to the operator why the regular machine and not the spare(s) must be transferred.

c) Job transfers at the request of the Company shall be paid at the hourly rate and mileage where applicable.

W-10:06 An employee may not bump to another classification within their work area if the layoff does not exceed two working days. Employees laid off from their work group may not bump to a different work group unless the layoff exceeds five working days.

W-10:07 All mechanics positions will be posted on the following basis:

a) All mechanics will be considered permanently posted to their location of work on March 1, 1986.

b) Effective March 1, 1986, all permanent vacancies will be posted in accordance with Article 13.3 of the Collective Agreement.

c) Notwithstanding Section 13.3.1.3, temporary and relief vacancies will be filled by asking for volunteers and if there are none, the junior mechanic will be temporarily transferred.

d) If a mechanic's regular work is temporarily moved to the Divisional Garage, he will move with the work, and the Divisional Garage becomes his marshalling point. In this situation the Company will not be responsible for a mechanic's room and board.

W-10:08

a) It is understood that the Company does not intend to own or operate equipment for log production on its Forest Management License.

b) It is understood that the Company currently employs "dry rental" contractors, namely, Armann Jonasson. This named contractor will become an independent contractor and will become signatory to this Collective Agreement. The owner operator will have the ability to operate his own equipment, in line with the Collective Agreement.

c) All current Company employees, as of January 1, 1999, will continue to be direct employees of the Company and shall remain covered under the terms and conditions of the Collective Agreement. The Company employees will not lose employment as a result of a sale/transfer/bankruptcy, etc., of the contractors named in b) above. It is

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agreed by both parties that the contractor assumes all management rights.

d) These employees shall be entitled to bid or exercise Company seniority on vacancies that occur in the independent contractor operations named in section b) and in accordance with section W10:06. Should the Company require the use of additional equipment, which could include slashers, delimiters, etc., it shall do so under the conditions set out by section W-1:03 c).

e) Employees hired after January 1, 1999 by the independent contractors operations shall also be direct employees of said contractors but shall be subject to terms and conditions of the Collective Agreement, as it applies to the contractor they are employed by.

f) Employees hired after January 1, 1999 by the independent contractors will not be entitled to exercise or carry seniority from contractor to contractor.

g) Employees under section c) above shall have the opportunity to transfer into the Sawmill when a vacancy occurs, or, in the event of temporary layoffs in the Woodlands, the same employees will be given the opportunity to fill temporary needs at the mill. Such employees will be considered new hires and will not have any Company seniority, except for vacation and pension service entitlements.

h) It is understood by both parties, that efficiencies need to be gained and implemented through a common sense approach to flexible work practices.

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SCHEDULE "W-1" Woodlands Rates

	EFFECTIVE			
	Feb 1/09	Feb 1/10	Sep 1/10	Feb 1/11
Cook	\$199.39	\$199.39	\$203.38	\$203.38
2 nd Cook	\$189.78	\$189.78	\$193.57	\$193.57
Cookee	\$187.99	\$187.99	\$191.75	\$191.75
Bull Cook	\$189.43	\$189.43	\$193.21	\$193.21
Night Watchman	\$187.99	\$187.99	\$191.75	\$191.75
Labourer	\$23.51	\$23.51	\$23.98	\$23.98
Driller Helper	\$23.77	\$23.77	\$24.24	\$24.24
Power Saw Operator	\$24.11	\$24.11	\$24.60	\$24.60
Handy Man	\$24.19	\$24.19	\$24.68	\$24.68
Parts Man	\$24.21	\$24.21	\$24.70	\$24.70
Powder Man	\$24.64	\$24.64	\$25.14	\$25.14
Bus Driver	\$24.65	\$24.65	\$25.15	\$25.15
Truck Driver Tandem	\$24.65	\$24.65	\$25.15	\$25.15
Skidder Operator	\$24.90	\$24.90	\$25.40	\$25.40
Grapple Skidder or Flail	\$25.00	\$25.00	\$25.50	\$25.50
Forwarder Operator	\$25.00	\$25.00	\$25.50	\$25.50
Bombardier Swamp Tractor	\$25.00	\$25.00	\$25.50	\$25.50
Truck Driver Multi -Trailer	\$25.26	\$25.26	\$25.77	\$25.77
Heavy Duty Equipment Opr	\$25.47	\$25.47	\$25.98	\$25.98
Slasher On/Off Loader	\$25.61	\$25.61	\$26.12	\$26.12
Feller/Limber/Buncher	\$25.62	\$25.62	\$26.13	\$26.13
Processor Operator	\$25.62	\$25.62	\$26.13	\$26.13
Slasher Operator	\$25.83	\$25.83	\$26.35	\$26.35
Tradesman	\$30.77	\$30.77	\$31.39	\$31.39

Power Saw Operators working on a hourly basis, using their own saws will be paid one dollar and twenty-five cents (\$1.25) per hour for their saw, plus free gas **and** oil.

Rates **for** payment **of** mileage **for** the use of private vehicles will be twenty-five **(25)** cents per km.

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Cut and skid crews felling, limbing, skidding and piling tree length merchantable timber shall be paid per crew cord including power saw rental **as** follows:

Crew of two (2) consisting **of** a Faller and Skidder Operator.

EFFECTIVE

METER	Feb. 1/09 (per m3)	Feb. 1/10 (per m3)	Sept. 1/10 (per m3)	Feb. 1/11 (per m3)
7.5	\$ 13.28	\$ 13.28	\$ 13.28	\$ 13.28
9.0	\$ 12.31	\$ 12.31	\$ 12.31	\$ 12.31
10.5	\$ 11.13	\$ 11.13	\$ 11.13	\$ 11.13
12.0	\$ 10.31	\$ 10.31	\$ 10.31	\$ 10.31
13.5	\$ 9.94	\$ 9.94	\$ 9.94	\$ 9.94
15.0	\$ 9.57	\$ 9.57	\$ 9.57	\$ 9.57

Cut and skid crews felling, limbing, skidding and piling tree length merchantable timber shall be paid per crew cord including power saw rental as follows:

Crew of two (2) consisting of a Faller and Skidder Operator.

CREW OF THREE (3)

EFFECTIVE

	Feb 1/09 (per m3)	Feb 1/10 (per m3)	Sep 1/10 (per m3)	Feb 1/11 (per m3)
Fallers and/or Buckers	\$ 12.34	\$ 12.34	\$ 12.34	\$ 12.34
Skidder Operator	\$ 11.29	\$ 11.29	\$ 11.29	\$ 11.29

CREW OF TWO (2)

EFFECTIVE

	Feb 1/09 (per m3)	Feb 1/10 (per m3)	Sep 1/10 (per m3)	Feb 1/11 (per m3)
Fallers and/or Buckers	\$ 12.34	\$ 12.34	\$ 12.34	\$ 12.34
Skidder Operator	\$ 12.34	\$ 12.34	\$ 12.34	\$ 12.34

Cut and skid crews felling, limbing, skidding and bucking eight feet, six inch (8'6") and sixteen feet **six** inch (16'6") merchantable timber shall be paid per crew cu.m., including power saw rental.

Crew of three (3) consisting of two (2) Fallers and a Skidder Operator

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SCHEDULE "W-2"

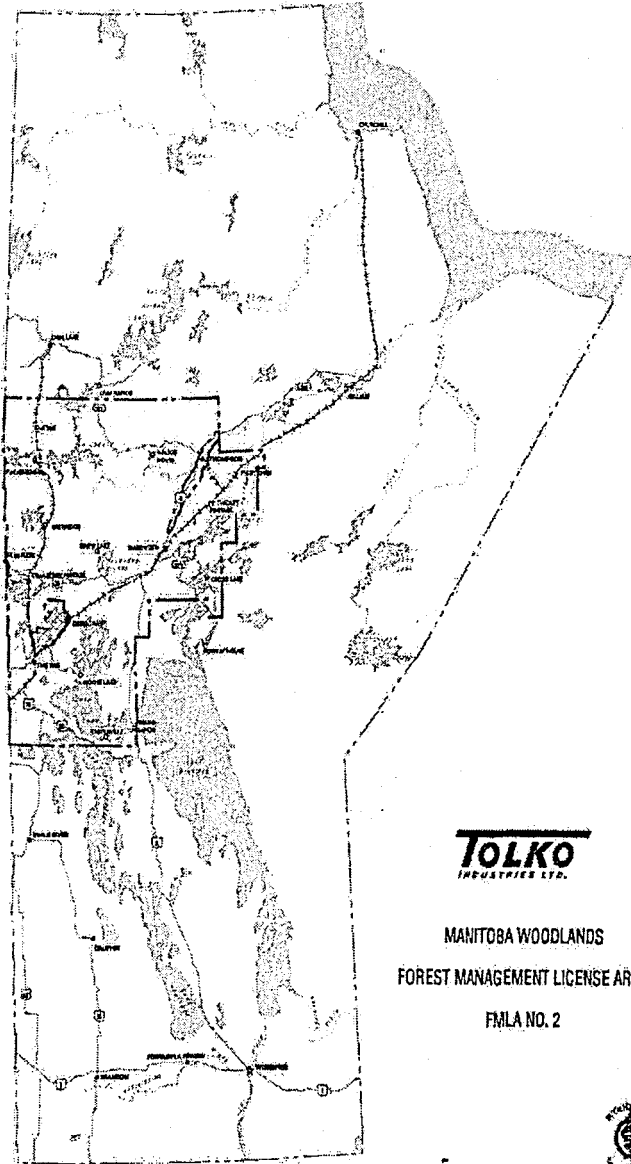
Woodlands Boundaries

The Legal Description of the Forest Management Licence Area (F.M.L.A.) for Tolko Manitoba Solid Wood Division, is found in Plan No. 19349 and is filed in the Office of the Director of Surveys in Winnipeg, Manitoba. Plan No. 19349 was approved by the Director of Forestry on May 19, 1989 and by the Director of Surveys on May 26, 1989.

EXCLUDED AREAS

The F.M.L.A. for Tolko Manitoba contains the area shown in Plan No. 19349 except there out all those portions thereof contained within the limits of the Cormorant Provincial Forest and the Clearwater Provincial **Park**, all rights-of-way for railways, highways and roadways, all lands underlying any natural rivers or lakes or other body of water, and excepting also all lands therein to which the Government has granted a valid subsisting lease, licence or patent before May 4, 1989, a list whereof has been given to the Company by the Government on or before such date, which said area represents the area in which the Company will operate under the terms hereof, or any extension of the said area granted by the Government to the Company under the terms hereof.

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TOLKO
INDUSTRIES LTD.

MANITOBA WOODLANDS
FOREST MANAGEMENT LICENSE AREA

FMLA NO. 2



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**SCHEDULE “W-3”
Contractors
(Previously referred to as Schedule “A”)**

The contractors listed below represent all the contractors who were signatory to the collective agreement in their respective activities at the time of the signing of the memorandum of agreement. All employees (present and future) of these contractors engaged in these activities shall remain covered by the terms and conditions of the collective agreement.

Contractor

Harvesting

Moose Lake Logging Company Ltd.
Anderson Logging Ltd.

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SCHEDULE "W-4"
LETTER OF UNDERSTANDING
Procedure for Exercising Seniority in the Woodlands Division

In order to qualify to exercise seniority, the following will apply:

- 1) Be on the payroll for 240 cumulative hours worked.
- 2) Must be laid off.
- 3) When reducing the workforce, senior employees may exercise seniority to displace the junior employee in the work area in any job, which the employee is able to perform the work. Employees exercising their seniority shall be allowed a two (2) day re-familiarization period.
- 4) If a Woodland's employee is unable to exercise seniority in his/her work area and wishes to exercise seniority in other areas within the Woodlands Division, the same procedure will apply **as** above, (bump the junior employee on the seniority list in the classification being bumped).
- 5) When the employee's original job is reactivated again, the employee has to return to the original job provided the employee has not bid into another job during that period.
- 6) In the case of layoffs, the Company will notify the employee or employees concerned at least fourteen (14) calendar days in advance unless the lack of work is beyond the Company's control.

Within seven (7) days of notification, where practical, a Personnel Notification form should be completed stating whether they accept a lay-off or wish to exercise seniority.

7) a) If during the lay-off period, the employee wishes to return to work and so notifies the Company, he shall be called back to work as **soon as his** seniority entitles him to a job once an opening occurs.

b) The application of this provision shall not result in an employee, in the exercise of his rights, bumping an employee with less seniority once he accepts a layoff in six (6) above.

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8) In the event of a permanent layoff due to job elimination as a result of a management decision to make changes that result in a more efficient operation, any employee affected will be allowed to exercise his seniority **and** receive the necessary training into one job category that requires no more than twenty days training.

Signed Sept 4, 2009, on behalf of:



Tolko Industries Ltd.



USW, Local 1-324

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SCHEDULE "W-5"
LETTER OF UNDERSTANDING
Tree Planting

The parties hereto agree that the following are the only conditions of the collective agreement that apply to tree planting contractors.

1. RATESOPPAY

The rate of pay for tree planting shall be \$0.080/tree. This rate is subject to review.

The rate of pay for a helper shall be thirteen dollars and **fifty** cents per hour (\$13.50/hr.).

A quality bonus of \$0.005/tree planted for 90% - 100% correctly planted will apply.

2. CAMPCOSTS

It is agreed that the camp costs will be set at twelve dollars (\$12) per day for each planter during the planting season. It is further agreed that the camp standards must be in compliance with the Manitoba Workplace Safety and Health Act.

Signed Sept 4 2007, on behalf of:



Toiko Industries Ltd.
Manitoba Solid Wood Division



USW Local 1-324

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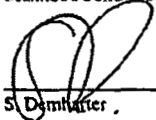
SCHEDULE "W-6"
LETTER OF UNDERSTANDING
Scope - Woodlands

The purpose of this Letter of Understanding is to streamline the effective harvesting of wood fibre and as such provides clarity to W 1.05 b) of the collective agreement between the parties hereto. Both parties agree that this Letter of Understanding will not change, alter, or amend W 1.05 b) of the Collective Agreement.


Both parties recognize the harvesting can depend on site conditions, stand and seasonal constraints (weather, fire) and other access constraints that **vary** across the Forest Management License. **As** such, contractors may do work at different times of the year. Such differences shall not be construed **as** a displacement of work as outlined under W 1.05 b) **as** each contractor is required to meet the terms of their respective harvesting contract between Tolko Industries Ltd and the contractor.

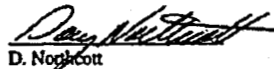
Signed on October 15th, 2000 on behalf of:

Tolko Industries Ltd
Manitoba Solid Wood and Woodlands


S. Demfetter

IWA Canada Local 324


T. Derhousoff


D. Northcott

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SCHEDULE "W-7"
LETTER OF UNDERSTANDING
Work Permit Fees for Non-Union Contractors

The parties hereto agree that the work permit fee referred to in W-4:01 will be paid as follows:

Stump to Dump	\$0.1202/m ³
Stump to Roadside	\$0.0800/m ³
Delivery - Purchases Fiber	\$0.0805/m ³
Juvenile Spacing	\$6.5106/ha
Site Prep/Scarification	\$0.5967/ha
Road Construction	\$230.7943/km

The above rates were arrived at by taking the dues submitted by the various contractors engaged in the above mentioned activities in 1994 and dividing them by the units produced.

It is further agreed that these rates will be re-calculated using 1995 data. If this recalculation produces a significant change in rate either positively or negatively, adjustments will be made.

Signed December 16, 1992 on behalf of


Tolko Industries Ltd.


IWA Canada, Local 324

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SCHEDULE "W-8"
LETTER OF UNDERSTANDING
Mobile Garage

10 Hour Shift Schedule and Weekend Shift Schedule

The parties agree to this schedule on behalf of Toiko Woodlands Garage Employees only (Mechanics).

All language in the current Collective Bargaining Agreement is in effect except for the following language which supersedes the current CBA.

1.0 Regular hours of work

10 Hour Shift Schedule:

Weekdays	Monday to Thursday	7:00 a.m.-5:00 p.m.
Weeknights	Monday to Thursday	5:00 p.m.-3:00 a.m.

Weekend Shift Schedule:

Weekend Days	Friday	7:00 a.m.-3:30 p.m.
	Saturday	8:00 a.m.-8:00 p.m.
	Sunday	8:00 a.m.-8:00 p.m.
Weekend Nights	Friday	3:30 p.m.-12:00 a.m.
	Saturday	8:00 p.m.-8:00 a.m.
	Sunday	8:00 p.m.-8:00 a.m.

1.1 Weekend shift equals 32 hours of work for 40 hours of pay. Pension Plan, LTD contributions, Education Fund contributions will be based on a **minimum** of forty (**40**) hours per week.

1.2 **Shift** differential will be paid as per CBA

1.3 Break times will be as follows:

Weekend Shift

Rest periods per shift shall consist of the following: Friday-two 10(ten) minute breaks and one 30 (**thirty**) minute unpaid lunch; Saturday and Sunday-three 10 (ten) minute breaks and one 30 (thirty) minute lunch

10 Hour Shift

Rest periods per shift shall consist of one 15 (fifteen) minute and one 10 (ten) minute break and one 20 (twenty) minute lunch.

2.0 Overtime

- 2.1 Overtime will be paid on all hours outside of regularly scheduled shifts daily and 40 hours weekly. Double time will be paid on all hours worked after 12 hours daily.
- 2.2 It is understood that overtime worked on a daily basis will not be pyramided on a weekly basis.
- 2.3 Overtime meals will be provided to all employees as per the current CBA.

3.0 Bereavement Leave

As described by Collective Agreement.

Weekend Shift and 10 Hour ~~Shift~~ will be permitted up to 3 consecutive days leave and be paid for scheduled time up to 24 hours pay at their regular straight time rate. If the sum of scheduled hours on the 3 days leave is in excess of 24 hours, a leave of absence for the remainder of hours will be granted.

4.0 Statutory Holidays

4.1 Statutory Holidays for Weekend Shift Employees

Statutory holidays that occur on Friday, Saturday or Sunday will be recognized on those days and will be paid at 8 (eight), 12 (twelve), and 12 (twelve) hours, respectively, at the employees regular rate of pay. Statutory holidays that fall on an employee's regular day off will be paid at 8 (eight) hours, which can be paid out or banked. Employees may bank up to a maximum of 48 (forty-eight) hours of stat time.

4.2 Statutory Holidays for 10 Hour Shift Employees

Statutory holidays will be recognized as per the CBA. A holiday falling on Saturday will be celebrated on Friday and a holiday falling on Sunday will be celebrated on Monday. Statutory holidays recognized on Monday will be paid at 10 (ten) hours, at the employees regular rate of pay. Statutory holidays that fall on an **employee's** regular day off will be paid at 8 (eight) **hours**, which can **be paid out or banked.** Employees may bank up to a maximum of 48 (forty-eight) hours of stat time.

- 4.3 Employees may be asked to work these Stat Holidays and if they agree they shall be paid time and one half for all hours worked in addition to their normal stat holiday pay.

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5.0 Benefits

5.1 Weekly Indemnity-Employees suffering from a non-occupational sickness shall be eligible for W.I. benefits upon missing 2 days of work (full shifts) provided all other qualifying conditions are met.

6.0 Vacation Entitlement

6.1 Vacation entitlement for Weekend Shift Employees

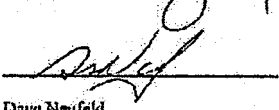
Employees will be required to take the appropriate number of hours of vacation time to cover the time off taken, i.e., weekend shift-Friday requires eight hours of vacation time, Saturday and Sunday require 12 hours of vacation time. Employees taking a full tour off must take 32 hours of vacation time. Employees will receive vacation weeks as per the Collective Agreement. Vacation will be accrued at 32 hours for each week of entitlement.

6.2 Vacation entitlement for 10 Hour Shift Employees

For the purposes of this agreement one week vacation entitlement will be considered to be the equivalent of four (4) ten (10) hour shifts. Employees will receive vacation weeks as per the Collective Agreement. Vacation will be accrued at 40 hours for each week of entitlement.

6.3 Employee will receive vacation pay as per the Collective Agreement.

Signed this day of Jan 25/08, 2008 on behalf of:



Dave Neufeld

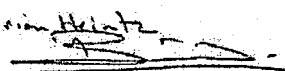


Chris Parlow

Tolko Industries Ltd.

United Steelworkers Local 1-324

Eugene Wonnacott
Eugene Wonnacott

Brian Helton

U.S.W. Local 1-324

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SCHEDULE "B"

RELEASE

FROM: _____
(name of employee)

TO: **TOLKO INDUSTRIES LTD.,
MANITOBA SOLID WOOD DIVISION**
(hereinafter referred to as "TOLKO")

KNOW ALL MEN BY THESE PRESENTS that I, _____,
(name of employee)

for and in consideration of the terms and conditions set out in the Election Form signed by me _____
and other good and valuable consideration
(date of signing)

the receipt and sufficiency of which is hereby acknowledged, do hereby remise, release and forever discharge TOLKO and all its officers, directors, employees, agents, predecessors in interest, related entities, successors and assigns (hereinafter jointly and severally called the "Releasees") of and from all actions and all manners of action, cause and causes of action, suits, debts, dues, sums of money, claims and demands whatsoever at law or in equity which he ever had or now has or which his heirs, executors, agents, administrators, successors or assigns hereafter can, shall or may have against the Releasees for or by reason of any cause, matter or thing whatsoever existing up to the date hereof, including, without limiting the generality of the foregoing, any claims pursuant to *The Employment Standards Code*, *The Manitoba Human Rights Code* or any other legislation, or the common law, for damages for breach of contract, for inducing breach of contract, for causing mental or emotional anguish, distress, disability, vexation and frustration, for salary, wages, overtime pay, vacation pay, holiday pay, severance pay, pay in lieu of notice, reimbursement for expenses, or any other pay, compensation, allowance, credits, benefits or damages in any form whatsoever.

FOR THE SAID CONSIDERATION I further agree not to make any claim or take any proceedings against any other person or corporation which might claim contribution or indemnity from the Releasees under the provision of any statute or otherwise with respect to any matter covered by this Release.

I HEREBY AFFIRM AND WARRANT that I have had full opportunity to receive advice from my Union with respect to the terms of this Release and that this Release is executed by me voluntarily without any form of undue influence, or fraud or coercion or misrepresentation of any kind.

I UNDERSTAND AND ACKNOWLEDGE that by the consideration aforesaid no liability is acknowledged by the Releasees, or any of them, and any such liability is denied.

IN WITNESS WHEREOF I have hereunto set my hand and seal
this _____ day of _____, 2010.

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
)
)
)

Employee Signature

General Wage Increase

Effective February 1, 2009, for those employees on the payroll as of the date of ratification:

Reinstate wages to pre-FSP rates (10%) followed by an additional general wage increase of 2%

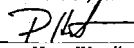
Effective September 1, 2010, an additional general wage increase of 2%

Signed on September 2, 2009 on behalf of:

Tolko Industries Ltd.
Manitoba Solid Wood Division



Dave Neufeld, Plant Manager



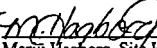
Doug Hunt, Woodlands Manager



Jackie Marlow, Accounting Supervisor




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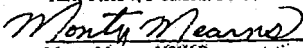


Marju Hagborg, Site Human Resources

United Steelworkers Local 1-324



Chris Parlow, President Local 1-324




Monty Meams, USW Representative



Steven Butler, USW Plant Chairman



Ivan Butler, USW Representative



Doug Northcott, USW Representative



Bill Kobelka, USW Representative

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Schedule “W-4” Letter of Understanding – Procedure for Exercising Seniority in the Woodlands Division (originally dated December 16, 1999)

Renew with one change:

- 1) Change from “Be on the payroll for Forty five (45) days” to “Be on the payroll for 240 cumulative hours worked.”

Schedule “W-5” Letter of Understanding – Tree Planting (originally dated December 16, 1999)

Renew with one change:

1. Rates of Pay

The rate of pay for tree planting shall be \$0.080 / tree. This rate is subject to review.

Letter of Understanding– Woodward and Site Management Understanding (originally dated September 20, 2001)

Renew with one change:

- 8) Replace with “Idle equipment owned by Tolko can be used by employees from either division to perform their respective duties within their jurisdiction.”

Other Letters of Understanding to be Renewed:

Letter of Understanding – “Mobile Garage - 10 Hour ~~Shift~~ Schedule and Weekend Shift Schedule” originally dated January 25, 2008.

Letter of Understanding – “Northern Travel Allowance Benefit Memorandum of Agreement” originally dated December 16, 1999.

Letter of Understanding – “Article W-1 - Scope • Woodlands” originally dated October 15, 2000.

Letter of Understanding – “Work Permit Fees for Non-Union Contractors” originally dated December 16, 1999.

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Replace current language with new Schedule L-7 - Twelve Hour Shifts Letter of Understanding attached.

Article W-1 Scope - Woodlands Division

W-1:03(a) Change “Department of Mines, Natural Resources and Environment of the Province” to “Manitoba Conservation”

W-1:05(a) Replace current language with the following “The Company shall notify the Union office prior to any contractors covered by the agreement coming on the job.”

Article W-3 Rates of Pay

W-3:01(c) Replace current language with the following “Effective February 1, 2009 all newly hired employees will receive an adjusted rate of eighty percent (80%) of the job rate for the first year (365 days) of their employment and ninety percent (90%) of the job rate for the second year of their employment prior to moving to ninety-five percent (**95%**) of the job rate for the duration of their employment. This does not apply to tradesmen or employees working in the trades that fall under the Apprenticeship agreement.”

W-3:09 Replace current language with the following “Any shift other than the designated day shift will receive a blended shift differential rate of 37.5 cents per hour worked.”

Article W-6 – Health & Safety Woodlands)

W-6:01(a) Replace current language with the following “The Company will supply to Garage Mechanic employees four (**4**) pairs of coveralls with access to a washer, dryer and laundry detergent on site. Should a pair be destroyed doing work related activities, a replacement pair will be provided on an exchange basis. Coveralls requiring repairs shall be turned into the company for such repairs.”

Article W-10 - Woodlands General

W-10:01 Delete first sentence

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Article L-5 – Lumber General

Becomes Article L-6

L-5:01 Change “at least one half (½) hour ahead” to “at least one (1) hour ahead”

(becomes L-6:01 and L-5:02, L-5:03 and L-5:04 become L-6:02, L-6:03 and L-6:04)

New Article L-5 – Job Posting Spareboard & Guidelines

Replace Letter of Understanding Schedule L-5 and Letter of Understanding Schedule L-6 with new Article L-5 Job Posting & Spareboard Guidelines attached.

Schedule “L-1” Sawmill Rates

Add a new classification of Lead Hand to receive a rate of \$0.75 per hour above the regular rate of the individual chosen by the Company to fill the position. Leadhands, in addition to their regular job duties, will act as coordinators and will lead job/work direction on shift and maintenance lead hands will plan, schedule and assign work. The designated Leadhand shall have a regular fulltime job. He is classified as a work coordinator in his respective areas of employment. He has no authority to discipline employees. He can exercise job direction in his work area, all of which shall be relayed to him by supervision.

Schedule “L-4” – Letter of Understanding – Progression Line Job Bids

Eliminated and replaced by new Article L-5 Job Posting & Spareboard Guidelines attached.

Schedule “L-5” – Letter of Understanding – Sawmill Training Program

Eliminated and replaced by new Article L-5 Job Posting & Spareboard Guidelines attached.

Schedule “L-6” – Letter of Understanding – Job Bid Procedure

Eliminated and replaced by new Article L-5 Job Posting & Spareboard Guidelines attached.

Schedule “L-7” – Letter of Understanding – Twelve Hour Shifts

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- L-3:01(d) Replace current language with the following “Effective February 1, 2009 all newly hired employees will receive an adjusted rate of eighty percent (80%) of the job rate for the first year (365 days) of their employment and ninety percent (90%) of the job rate for the second year of their employment prior to moving to ninety-five percent (95%) of the job rate for the duration of their employment. This does not apply to tradesmen or employees working in the trades that fall under the Apprenticeship agreement.”
- L-3:01(e) Effective February 1, 2009 employees hired **as** summer relief shall receive an adjusted wage rate of eighty percent (80%). Employees may only be hired **as** summer vacation relief for the period of May 15th to September 15th each year. The use of summer vacation relief employees will not result in the loss of a regular full time position held by a current employee.
- L-3:06 Replace current language with the following “Any shift other than the designated day shift will receive a blended shift differential rate of 37.5 cents per hour worked.”

Article L-4 – Health & Safety (Lumber)

- L-4:02(i) Replace current language with “Work gloves will be replaced on an as needed basis for all workers.”
- L-4:02(ii) Delete
- L-4:02(vi) Change “will be provided with coveralls.” to “will be provided with one pair of coveralls. The company will not be responsible for lost coveralls.”
- L-4:05(a) Replace current language with “The Company will supply to maintenance employees four (4) pairs of coveralls with access to a washer, dryer and laundry detergent on site. Should a pair be destroyed doing work related activities, a replacement pair will be provided on an exchange basis. Coveralls requiring repairs shall be turned into the company **for** such repairs.”

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This Article will be deleted in its entirety effective February 1st, 2009 once Financial Stabilization Plan (ROCE) has been completed, and a new collective agreement is in place.

Schedule “B” – Trades Apprenticeship Program

Replace with new Trades Apprenticeship – Training Program attached.

Schedule “C” – Letter of Understanding - Rehabilitation Program

Renew

Article L-1 Scope – Lumber Division

L-1:02(b) Change “Forty-five (45) day probationary period” to “two hundred and forty (240) cumulative hours worked during the probationary period”

Article L-2 – Hours of Work and Overtime

L-2:12 Replace current language with the following “Manitoba Solid Wood Division employees shall work overlapping shifts if deemed necessary by Management whereby Maintenance employees can be scheduled 1 hour before or after the start of the Production shift provided the Maintenance employees start the day shift between the hours of 6:00am-8:00am. Maintenance employees include: Millwright, Electrician, Filer, Oiler, Planer Technician, and Carpenter. The Manitoba Solid Wood Division shall have the right to operate the plant or any part thereof on a three (3) shift basis and all employees working under this arrangement shall receive eight (8) hours pay upon completion of the full hours established as their regular shift. Any hours worked beyond their regular scheduled shift shall be at the premium rate. Graveyard shift shall not be swing shift for Production workers.”

Article E 3 – Rates of Pay

L-3:01(b) Delete

L-3:01(c) #1 – Delete “for the term of this agreement”

#7 – Delete

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This Article will be eliminated and replaced by Article L-5 • Job Posting & Spareboard Guidelines attached.

Note “All subsequent Articles in the general section will be re-numbered accordingly.”

Article 15 – Health & Safety

New

15:02(h) Add to read “The Company and the Union agree to cooperate in developing and maintaining a strong sense of safety awareness among employees and supervisors. It is, therefore recognized that every employee has the right to refuse work if he has reasonable cause to believe that to perform the work would create undue hazard to the health or safety of any person.”

Article 19 – Duration of Agreement

19:01 Change to read “The provisions of this Agreement shall become effective February 1, 2009 and shall, notwithstanding any statutory provisions to the **contrary**, continue in force and effect until the 31st day of January, 2012 and thereafter from year to year, provided that either party may, not less than thirty (30) days nor more than ninety (90) days before said expiry date of January 31, 2012, serve notice in writing by Registered Mail, on the other party to terminate or negotiate a revision of this Agreement, and where notice is given the party shall forthwith bargain collectively with a view to the renewal or revision or conclusion of a new Agreement.”

Article 22 – Review of Site Financial Records

Change to read “The Company will provide pertinent financial information to a representative of the United Steelworkers National Research Department by February 1st, 2010 for the purposes of disclosing current financial conditions at the site in order that 4th year of ROCE can **be** revealed. Information will be provided under the terms of a confidentiality agreement. Following this there will be no **further** requirement by the Company to disclose such information.”

Article 23 – Make Whole Agreement

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policy. The lumber must be picked up during regular working hours.”

Article 7 – Call Time

7:01 In second paragraph, first sentence, drop “with a shop steward”

Article 9 – Annual Vacations

9:02 Change to read “After one (1) year continuous employment, time not exceeding one (1) year lost as the result of an accident recognized ~~as~~ compensable by the Workers Compensation Board and suffered during the course of employment shall be considered ~~as~~ time worked for the purpose of qualifying for vacation time, with pay, to be taken provided that the employee returns to his employment.”

9:08 Delete

Article 10 – Health and Welfare Contributions

10:02 Change “upon completion of forty-five (45) calendar days of continuous employment” to read “upon completion of working two hundred and forty (240) cumulative hours”

10:02(b) Change “more than forty-five (45) calendar days “to read “more than two hundred and forty (240) cumulative hours worked”

Article 12 – Seniority

Refer to Enhanced Termination Guidelines Letter of Understanding attached.

12:08(c) Change first sentence of fist paragraph to read “Persons transferred out of the bargaining unit for Relief Supervisory **Duty** with the Company for a period of not more than six (6) months within a twelve month period starting on the first day of their Relief supervisory Duty shall continue to retain seniority.”

Article 13 – Job Posting

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3:07 Add the following sentence - “The Union Bulletin Board to be provided will have a sealed enclosure with lock.”

3:08 Change the second sentence to read. “For this reason, the Company will have the Agreement printed in booklet form, where all costs associated with the printing of the Agreement will be borne by the Company and one copy per employee will be available for pickup at the Lumber Administration office.”

Add a third sentence to read. “Woodlands employees will have a copy mailed to them.”

Article 4 – Employee’s Security

4:05(a) Delete

4:05(b) Becomes 4:05 and change to read “The Company shall establish regular pay days on every second Friday and hand deliver to each employee on shift an itemized statement of earnings and deductions for the period. Each statement will include the total number of hours worked, the applicable rate of pay, all deductions made, the purpose for which such deductions were made, the total amount actually payable and other such information as may, from time to time, be agreed upon by the parties. The remainder of statements will be available at the office for pick up upon the employee’s return to work. Any **pay** shortage equivalent to one (1) or more days pay attributable to Company error will be processed the next working day. Shortages due to employee error or shortage less than one (1) working days pay will be paid on the next regular payday. Woodlands employees will be provided with an itemized statement every pay period via mail.”

4:09(a) Change seventy-five percent (**75%**) to one hundred percent (100%)

4:14 Change to read “The Company will sell to its employees full packages of lumber for their own use at the existing market **price at the time of purchase in accordance with the Company**

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TOLKO INDUSTRIES LTD.
MEMORANDUM OF AGREEMENT
between
TOLKO INDUSTRIES LTD.
MANITOBA SOLID WOOD DIVISION
and
UNITED STEELWORKERS LOCAL
1-324

THE PARTIES AGREE TO RECOMMEND TO THEIR RESPECTIVE PRINCIPLES TO RENEW THE 2006-2009 LABOUR AGREEMENT WITH THE FOLLOWING AMENDMENTS:

All terms of the Memorandum will become effective on February 1, 2009 except **as** herein amended and remain in effect until January 31, 2012.

The parties commit to continue to work together over the term of the agreement to identify further savings/cost reductions to help solidify the viability of the operations for the future.

Article 1 – Purpose

1:01 Add after the safety and physical welfare of the employees, “protection of the environment,”

Article 3 – Union Recognition and Security

3:02(a) Change to read “All employees covered by this Agreement as a condition of employment, who are now employees, or have worked 240 cumulative hours, whichever last occurs, shall become and remain members of the Union to the extent of keeping paid all regular initiation fees, assessments, and the regular dues **as** set by the Union.”

3:03 Eliminate the last sentence which reads “The Company agrees to furnish the Union with the Social Insurance Number of all employees when the first Union dues are deducted from the employees pay.”

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The Collective Agreement contains all new Letters of Understanding and all previous Letters of Understanding agreed to be renewed for the duration of this agreement. Any previous Letters of Understanding not contained herein are considered expired.

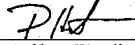
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
Dave Neufeld, Plant Manager



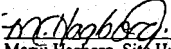
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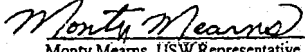
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