

LABOUR AGREEMENT

BETWEEN

NORTHERN SAWMILLS INC.

AND

**COMMUNICATION, ENERGY AND
PAPERWORKERS UNION
LOCAL 38X**

SEPTEMBER 1, 2003 – AUGUST 31, 2008

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INDEX

SECTION		PAGE
1	PURPOSE OF AGREEMENT	1
2	DURATION OF AGREEMENT	2
3	RECOGNITION & MEMBERSHIP	2
4	RATES AND CLASSIFICATIONS	3
5	SENIORITY	4
	Layoff and Recalls	6
	Vacancies, New Classification, Promotions	8
	Transfers	10
6	DISPUTES AND GRIEVANCES	11
7	ARBITRATION.....	14
8	STRIKES AND LOCKOUTS	15
9	HOURS OF WORK	15
	Maintenance Crews.....	16
10	WAGES.....	18
11	SHIFT PREMIUMS AND OVERTIME	19
	Meal Allowance	20
12	RECOGNIZED HOLIDAYS	20
13	VACATION WITH PAY	23
	Supplementary Vacation with Pay.....	24
14	JURY SERVICE	26
15	BEREAVEMENT PAY	27
16	ONTARIO HEALTH INSURANCE PLAN (O.H.I.P.)	28
17	SUPPLEMENTAL HEALTH CARE PLAN	28
18	DENTAL CARE PLAN	29
19	HEALTH INSURANCE (Supplemental Health Care, Dental)	30
20	LIFE INSURANCE	30
21	WEEKLY INDEMNITY	31
22	LONG TERM DISABILITY	32
23	VISION CARE	32
24	PENSION PLAN	33
	Early Retirement Allowance	35
25	CANADA SAVINGS BONDS	35
26	WORKING CONDITIONS	36
27	RULES	37
	Attendance at Work.....	37

	Absence without Permission	39
	Leave of Absence for Union Business	39
	Parental Leave	40
	Smoking	40
	Fire Service	40
	Car Parking	40
	Safety	40
	Bulletin Boards	42
	Application of Benefits	42
	Causes for Discipline	42
28	MAINTENANCE	43
	Cross Trading	43
	Tradesmen - Insurance for Tools	43
	Apprentices	43
29	AUTOMATION	44
30	SEVERANCE PAY	45
	SCHEDULE A WAGE SCHEDULE -HOURLY	
	RATES	46
	Maintenance Rates	49
	APPENDIX "A" WEEKLY INDEMNITY	
	INSURANCE PLAN	50
	APPENDIX "B" LONG TERM DISABILITY	
	BENEFIT PLAN	59
	APPENDIX "C" DENTAL CARE PLAN	64
	APPENDIX "D" SUPPLEMENTAL HEALTH	
	CARE PLAN	70
	LETTERS OF UNDERSTANDING	
	Forklift Operator Classification	75
	Overtime	76
	Temporary Vacancies	77
	10 Hour Shift Operations	78
	7 Day - 24 Hour Operations	82
	Pensionable Service	86
	Recall Rights	89
	Shift Schedule Changes	90

LABOUR AGREEMENT
BETWEEN

NORTHERN SAWMILLS INC.
(Hereinafter known as "the Company")

AND

**COMMUNICATION, ENERGY AND
PAPERWORKERS UNION LOCAL 38X**
(Hereinafter known as "the Union")

WITNESSETH:

that the Parties agree as follows:

SECTION I - PURPOSE OF AGREEMENT

1.01 The general purpose of this agreement is in the mutual interest of the Company and the employees to provide for the operation of the plant of the Company under methods which will further, to the fullest extent possible, the safety of the employees, economy of operation, quality and quantity of output, cleanliness of plant and protection of property.

1.02 It is the further purpose of this agreement to establish a relationship between the management of the Company and its employees that will contribute toward the maintenance of industrial peace.

1.03 It is recognized by this agreement to be the duty of the Company, its employees and the Union to co-operate fully, individually and collectively for the advancement of said conditions.

1.04 The Union and the Company will work together to find ways and means to improve the efficiency of the operation, decrease costs and improve production.

2.
1.05 Use of the masculine gender in this agreement shall be considered also to include the feminine.

SECTION 2 - DURATION

2.01 This agreement shall become effective on the 1st day of September, 2003 and shall continue in full force and effect until the 31st day of August, 2008 inclusive and thereafter from year to year unless either party shall desire a change and shall file notice in writing within ninety (90) days prior to expiration of the said agreement term or any subsequent yearly period ending August 31st and the established wage scales and condition specified herein shall continue in force and effect pending negotiations and settlement of any proposed changes suggested by either party.

SECTION 3 - RECOGNITION & MEMBERSHIP

3.01 The Company recognizes the Union as the sole collective bargaining agency for all employees engaged in the plant and yard of the Company with the exception of the office **staff**, superintendents, persons above the rank of sub-foreman, any party who has the right to hire or lay off or discharge men and engineers and hoisting men belonging to the Operating Engineers' Union.

3.02 (1) Supervisory personnel shall not perform work which would normally be a function of an employee in the job classification covered by this agreement except when instructing employees and in cases **of** emergency which involve physical danger to employees or danger **to** property.

(2) The Union shall be notified of the position and authority of all supervisory personnel and also of changes as they occur.

3.03 Every employee **who** is now or hereafter becomes a member of the Union shall maintain his membership in the Union as a condition of his employment and every new employee whose employment commences hereafter shall

3.

after completion of the probationary period, apply for and maintain membership in the Union as a condition of his employment.

3.04 (1) Upon receipt of a written authorization from the employee, such authorization to be a form satisfactory to the Company, the Company agrees to deduct initiation fees and Union dues from the wages of each Union member covered by this Agreement and the Company further agrees to pay not later than the 15th day of the following month the amount so deducted to the Financial Secretary of the Union each month, accompanied by a list of names in alphabetical order.

(2) Any employee who works one (1) day per month shall be required to pay dues for the month.

3.05 The Union representative shall be allowed on Company's premises at any time on regular business, however, he shall not interfere with the Company's operation during such visits.

3.06 Jurisdictional disputes shall be dealt with by the Unions involved in conformity with the Ontario Labour Relations Act. The Company will not be asked to act upon jurisdictional matters between Unions. It is agreed that the Company operations and/or work assignments shall not be adversely affected or interrupted as a result of any jurisdictional dispute.

SECTION 4 - RATES AND CLASSIFICATIONS

4.01 If, during the life of this Agreement, a significant change in job content occurs in any job classification listed in the wage schedule, the rate thereto shall be adjusted by negotiations between the parties. Upon failure to reach agreement the matter may be referred to Section 7, Arbitration.

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4.02 (1) For job classifications not listed in the wage schedule the Company shall set estimated or temporary rates of which the Union will be notified in writing. Any such rates will be based on comparison with the prevailing rates for similar and/or related occupations in the wage schedule. Such rate or rates shall be negotiated with the Local Union and after agreement is reached, shall become a part of the wage schedule. Upon failure to reach agreement of the rate or rates, the matter may be referred to the Grievance Procedure.

(2) Rates, when established shall be retroactive to the date of establishment of the new job classification.

(3) The Union will be notified of any upward or downward adjustment in any rate during the term of the Agreement.

SECTION 5 - SENIORITY

5.01 (1) Employees shall be regarded as probationary employees until they have worked for the Company four hundred (400) regular hours in a six (6) month period, or such longer period as may be mutually agreed upon. During the probationary period an employee may be terminated without recourse to the grievance procedure. When employees have completed the required period they shall have seniority status beginning with the date of last hiring.

(2) Seniority for the purpose of this Agreement during the first year of employment shall mean all days worked plus working days lost as a result of sickness, accident and/or leave of absence.

(3) An employee shall accrue one (1) year's seniority on the first anniversary date of hiring.

(4) Seniority after the first anniversary date of hiring shall accrue on the basis of one (1) year service on each anniversary date of hiring thereafter.

5.02 (1) The seniority of an employee shall not be affected or interrupted as a result of injury, illness, leave of absence and/or lay-off after the first anniversary date, or other cause not due to the voluntary act or fault of the employee. However, the seniority status of an employee shall be **lost** if:

- (a) He voluntarily quits his job.
- (b) He is discharged for proper and sufficient reason and not reinstated.
- (c) He fails to report to work within five (5) days after he is notified by the Company to do so by written notice sent by registered mail to his last known address on Company records.
- (d) Absents himself from work for more than five (5) consecutive days without securing a leave of absence or without producing evidence justifying absence, or he overstays a leave of absence without prior permission and fails to produce a valid reason for doing so.
- (e) He is absent **from** work for a period of twelve (12) months **for any** reason except military service, prolonged illness or accident, with further twelve (12) months if requested in writing by the employee affected.
- (f) Forfeits his Union Membership.

5.03 (1) Seniority will be applied on a Company wide basis in lay-offs, recalls, transfers and promotions, with consideration being given to reasonable skill and ability of the employee.

(2) In all cases of lay-offs, recalls, transfers and promotions, the Union will have the opportunity to **discuss** such with the Company.

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LAYOFF AND RECALLS

5.04 Layoffs

5.04 (1) Where there is a reduction in the work force, all probationary employees shall be laid off prior to any employee with seniority provided that employees with seniority are qualified to do the work available. In all cases of layoff, it is expected that employees will exercise their bumping rights. **Exceptions** to this principle will be mutually agreed to between the Company and Union.

(2) The Company will notify the Union and employees intended to be laid off as soon as possible, no later than during the calendar day in advance of the lay-off, and will at the same time give the Steward's Committee a list of those intended to be laid off.

(3) In all cases junior employees in a classification will be laid off. All labourers affected shall have the opportunity to bump any labourer.

(4) Employees must initiate the bump within three (3) days from the day of layoff.

(5) Bumping will proceed on the following basis:

Employees may bump a junior employee provided they have greater Company seniority and they have the necessary skill and ability to do the work. Up to five (5) days training will be provided to allow the change to take place and the employee to be assessed. If an employee is unsuccessful he must displace a junior labourer in the Company provided he has greater seniority.

5.05 Recall Rights

5.05 (1) An employee's regular classification is the most recent classification which an employee obtained via

the posting procedure or, if he has never used the posting procedure, the classification to which he was hired.

(2) **An** employee may only hold one regular classification at any time and recall rights to a previous regular classification are extinguished when an employee uses the job posting procedure and thereby obtains a new regular classification.

(3) (a) Before any permanent vacancies are filled by posting, employees who have exercised their bumping rights to different classifications shall be returned to their regular classification in the order of their seniority in that regular classification. Tradesmen and apprentices will be recalled by seniority into their specific trade classification.

(b) If the permanent vacancy which needs to be filled is in a labour position, the employee on layoff with the greatest seniority will be placed in the position provided they are able to perform the duties of the job.

(4) (a) If an employee is not recalled to his regular classification within one year of the date of layoff from that classification, his recall rights to that classification will expire and he will be deemed to have a new regular classification which will be the classification he is in at the one year **date**. The date of layoff will be the date of original layoff where more than one bump is triggered.

(b) For these purposes, if the employee is not actively working on the anniversary **date** of the layoff from his regular classification he will be deemed to hold a

8.

labourer classification. This does not apply to tradesmen and apprentices.

(5) Should a vacancy in excess of four (4) weeks occur because of accident, illness, injury or parental leave, **then** the senior active employee who has bumped and has recall **rights** to that classification will be recalled pending the return of the absent employee. Once the absent employee returns, the displaced employee will be returned **to** the previous bumped classification should his seniority allow such movement, if **not**, he will be allowed a bump. This will apply to the movement of affected employees within this process.

VACANCIES, NEW CLASSIFICATION, PROMOTIONS

5.06 Changes in Position

5.06 (1) **The** following procedure will apply when a regular full time permanent vacancy arises or a new permanent position is created

(a) **The** vacancy will be posted for seven (7) calendar days.

(b) Regular full time employees interested in filling the position can apply for the vacancy during the posting period. Only those employees applying during the seven (7) calendar day period will be considered.

(c) The position will be awarded on the basis of seniority with consideration given to skill and ability.

(d) The successful applicant will be given a trial period not to exceed forty (40) scheduled hours (or such further time as may be mutually agreed). If the employee proves satisfactory he will then be confirmed in his

new position. If the employee proves unsatisfactory during the trial period, he will return to his former classification and department at his former rate of pay, as will others who were transferred or promoted by the reason of the employee's successful application.

(e) The Company shall post notices showing the name(s) of successful applicant(s) for all posted vacancies and newly created jobs.

(l) The Company will advise the Union of successful candidate. Should there be a dispute there will be a meeting to discuss the successful candidate.

(g) For vacancies that occur in Local 38:02, and are not filled within that bargaining unit, prior to being filled from other sources, consideration shall be given to members of Local 38:X who have the required qualifications.

5.07 Temporary Vacancies

- 5.07 (1) (a) Temporary vacancies will be filled first from within the shift in the department using the Shift Support. The regular employees on the shift in the department will normally assign themselves after considering seniority and efficiency of operations. The Company will however have the final right to approve such decisions and may, if necessary, make such decisions in its full discretion.

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(b) For the purposes of this article the “departments” shall be:

- (i) sawmill (new)
- (ii) sawmill (old)
- (iii) planer (new)
- (iv) planer (old)
- (v) log handling
- (vi) lumber handling (forklift, drykiln, shipping)
- (vii) tie sawmill

(c) Relief for temporary vacancies in log handling and lumber handling departments will be as determined by the department and shift utilizing sawmill and planer employees. It is understood that the shift support employees will not be used for this relief.

TRANSFERS

5.08 (1) In transfers from one job classification to another, senior employees shall receive first consideration.

(2) In all cases of lay-offs, recalls, transfers and promotions, the Union will have the opportunity to discuss such with the Company.

5.09 A seniority list showing the total accumulated seniority of each employee shall be maintained by the Company and copies of such list will be made available to the Union at least once a year or upon request when required.

5.10 (1) The Union and the Company will endeavour to provide employment for employees hurt in the work place.

(2) An employee who, over the years has given good faithful service to the Company and who, through advancing years or temporary disablement is unable to perform his regular duties shall be given preference of any

light work available, at the wages payable at the time for the position to which he is assigned.

5.11 Students who are hired for temporary or summer employment shall not accrue seniority. Subject to this provision such students shall enjoy all other rights and obligations covered by this Collective Agreement with the exception of those outlined in Sections 16, 17, 18, 19, 20, 21, 22 and 24. A student, as above, who becomes a permanent employee, shall upon completion of the thirty (30) day working probationary period, have seniority status from his last date of hire. He shall then be eligible for benefit coverage in accordance with his seniority.

SECTION 6 - DISPUTES AND GRIEVANCES

6.01 (1) It is the mutual desire of the parties that grievances as defined below, be adjusted as quickly as possible.

(2) A grievance under the provisions of this Agreement is defined to be any difference between the parties or between the Company and employees covered by this Agreement involving the interpretation, application, administration, or alleged violation of any of the provisions of this Agreement.

(3) It is generally understood that an employee has no grievance until he has given his immediate supervisor an opportunity to adjust his complaint.

(4) Matters concerning the application, interpretation or administration of the agreement that concerns a group of employees or that would not normally fall within the authority of a general supervisor as defined in Stage 1 and 2 may be submitted as a grievance in Stage 3.

6.02 (1) The Union shall have the right to elect and maintain a Steward's Committee as follows:

12.

- (a) Specialty/Tie Division - 1 Steward per shift
- (b) Planer Mills - 1 Steward per shift
- (c) Lumber Sawmills - 1 Steward per shift
- (d) Retort/Maintenance Shop - 2 Stewards
- (e) Garage - 1 Steward
- (f) Tie Sawmill - 1 Steward per shift
- (g) Woodyard/Security/Watchman - 1 Steward

whose duties shall be to handle all affairs of the members in general and when necessary to meet with Department Foremen for the adjustment of disputes and grievances.

(2) The Union recognizes and agrees that Stewards have **regular** duties to perform in connection with their employment and that only such times **as** is reasonably necessary will be consumed by such persons during working hours in order to attend to the business of administering this agreement.

6.03 **Stage 1**

An employee, believing he has a grievance shall present it to his immediate supervisor, verbally, within ten (10) days of the occurrence which gave rise to the grievance. **He** may if he wishes, be accompanied **by** a Union representative.

The supervisor shall reply to the grievance within a further five (5) days.

Stage 2

If the matter is not resolved at Stage 1 then, within five (5) days of the issuance of the Company's Stage 1 reply, the matter may be presented in writing to the Industrial Relations Superintendent by the Steward's Committee. The Company shall reply within five (5) days of receipt of this Stage 2 grievance.

Stage 3

If the matter is not resolved at Stage 2 then, within five (5) days of the issuance of the Company's Stage 2 reply, the matter may be referred to the Manager of the Company or his representative, and an Officer of the Local Union and the National Representative. The Company shall reply within seven (7) days of receipt of the Stage 3 grievance.

Stage 4

If a grievance cannot be resolved through the grievance procedure either party may, within fifteen (15) days of the issuance of the Company's Stage 3 reply, refer the matter to arbitration. This notice of intent to proceed to arbitration shall be accompanied by the name of that party's nominee.

6.04 (1) Saturdays, Sundays and Holidays shall not be included in any time limits in this Section of the Agreement.

(2) The time limits for the processing of grievances shall be strictly observed by the parties except in the case of mutual agreement to alter these time limits.

6.05 (1) Any employee discharged for cause shall have the right to appeal his case through the Steward's Committee and may appear in person to state his case before the person responsible for his discharge in the presence of the Steward's Committee and the Manager. In all cases the employee will be notified in writing, at the time of discharge, of the reason for such discharge.

(2) A discharge grievance will commence at Stage 3 of the grievance procedure within ten (10) days from the date of the Company's written notice of discharge.

14.

6.06 (1) If the Company has a grievance as defined in article 6.01 it shall commence at Stage 3 of the grievance procedure by the Manager or his representative presenting the matter in writing to the Officers of the Local Union.

(2) The Officers of the Local Union shall reply within ten (10) days of receipt of the Company grievance. Failing a resolution of the grievance, then either party may, within fifteen (15) days of the issuance of the Union's reply, refer the matter to arbitration.

SECTION 7 - ARBITRATION

7.01 The function of the Board of Arbitration shall be to interpret and apply this Agreement and it shall deal only with the specific question as submitted and shall have no power to alter, add to, or amend this Agreement. However, the function of the Arbitration Board shall include the power to consider adjustments to individual job classifications and rates for new jobs as referred to in article 4.01 and 4.02 of Section 4 and to revise the rates therefore.

7.02 (1) The Board of Arbitration shall be composed of three (3) members; one appointed by the Company, one by the Union, and the two (2) so appointed shall select the third who shall be Chairman.

(2) ~~Either~~ party shall appoint ~~its~~ nominee not later than ten (10) days after receipt of ~~written~~ notice of the other party's nominee.

(3) Should either party fail to select its nominee within the above time period, or should the appointed nominees fail to agree upon a Chairman within fifteen (15) days, then the Ontario Minister of Labour shall be requested to make the selection(s).

(4) The Union and the Company shall each bear the expense of its own representative and the expenses of the chairman shall be borne equally between the Union and

the Company and this article shall also apply when selections are made by the Minister of Labour of Ontario.

(5) Nothing herein prevents the parties from mutually agreeing to a single arbitrator.

7.03 The Arbitration Board shall hear the case at its earliest convenience and shall render a decision as soon as possible. Such decision shall be final and binding on both parties to this Agreement.

7.04 Saturdays, Sundays and Holidays shall not be included in any time limits in this Section of the Agreement.

SECTION 8 - STRIKES AND LOCKOUTS

8.01 It is agreed that there shall be no strikes, lockouts, walkouts or other similar interruptions of work during the life of this agreement.

SECTION 9 - HOURS OF WORK

9.01 (1) The standard work day or shift shall consist of eight (8) consecutive hours, meal time excepted, and the standard work week shall consist of five (5) consecutive eight-hour (8) days or shifts, excepting watchmen. Hours of work for watchman shall be as presently practiced,

9.02 The standard working day shall be from 7:00 a.m. to 11:00 a.m. and 11:30 a.m. to 3:30 p.m.

9.03 Where two shifts are worked, the first shift shall be from 7:00 a.m. to 11:00 a.m. and from 11:30 a.m. to 3:30 p.m. The second shift shall be from 4:00 p.m. to 8:00 p.m. and 8:30 p.m. to 12:30 a.m.

For Sawmill:

1st shift 7:00 a.m. to 11:00 a.m. and 11:30 a.m.
to 3:30 p.m.
2nd shift 4:30 p.m. to 8:30 p.m. and 9:00 p.m.
to 1:00 a.m.

Clean up personnel will also be subject to shift of:
 7:30 a.m. to 11:30 a.m. and 12:00 p.m.
 to 4:00 p.m. and
 4:00 p.m. to 8:00 p.m. and 8:30 p.m. to 12:30 a.m.

9.04 (1) Where three shifts are worked, the first shift shall be from 7:00 a.m. to 3:00 p.m. The second shift shall be from 3:00 p.m. to 11:00 p.m. The third shift shall be from 11:00 p.m. to 7:00 a.m.

(2) For the purpose of article 9.04 the standard week shall commence at 11:00 p.m. Sunday.

(3) The schedule shall be posted by 3:00 p.m. Thursday of the previous week. If the Company causes any changes to the schedule after it has been posted, the Company shall pay time and one-half (1 ½) his regular rate for the first shift worked after the change.

9.05 Maintenance Crews

9.05 (1) For the purpose of this section all maintenance crews shall be subject to the following shifts.

One Shift: 7:00 a.m. to 3:30 p.m. – 8:00 a.m. to 4:30 p.m.

Two Shift: 7:00 a.m. to 3:30 p.m. – 8:00 a.m. to 4:30 p.m.
 3:30 p.m. to 12:00 a.m. – 4:00 p.m. to 12:30 a.m.

Three Shift: 7:00 a.m. to 3:00 p.m.
 3:00 p.m. to 11:00 p.m.
 11:00 p.m. to 7:00 a.m.

(2) It is understood that the 4:00 p.m. to 12:30 a.m. shift when required will be staffed by a maximum of two (2) maintenance staff who shall alternate.

(3) Maintenance crew shifts shall be arranged so as lunch breaks are during or within the half hour prior to or

following the regular lunch break. Maintenance employees who work in excess of eight (8) hours during a standard day or shift, exclusive of overtime, shall be paid eight and ~~three-~~fourths (8 ¾) hours pay. All other employees shall be covered by article 9.08 of this section of the Agreement.

9.06 (1) There shall be a ten-minute coffee break for each employee near the midpoint of each half shift. Coffee breaks shall be on Company time.

(2) If a production employee is scheduled to work nine (9) hours or more, he will receive a coffee break after eight (8) hours, and every two (2) hours thereafter.

9.07 (1) Unless notified by the Company at least four (4) hours prior to the start of a shift any employee reporting for work shall, if possible, be given an opportunity to ~~work~~ for four (4) hours or more and the employee will be expected to accept such work. However, if work is not available, four (4) hours straight time shall be paid.

(2) Further, if an employee has left the premises following his regular shift and is called out to do overtime work, he shall be paid applicable overtime rates as set out in this Agreement, but in no case will he receive less than an amount equal to five (5) hours pay at his regular rate.

9.08 Any work performed by an employee during his lunch period will be compensated for at the rate of time and one half (1 ½) the regular rate for actual time worked

9.09 When the work schedules are based on *dry tics* and poles, the Company will staff the locomotive in the Pressure Plant with operators and helper on the first shift and second shift. The third shift will be staffed with operator only.

9.10 The Company may, as it requires, move or stagger the starting and stopping times of shifts for individual employees to provide for continuous coverage of certain aspects of its operations. This will not occur without the

18.

agreement of the Union. The Company will supply the Union with a list of positions that require alternate starting and stopping times and additions or deletions to the list of positions involved in continuous coverage will be provided to the Union.

9.11 Terms and Conditions Applying to Employees Working the 10 Hour Shift Operations and the 7 Day - 24 Hour Operations Schedule.

(1) The terms and conditions applying to employees working the 10 hour shift operations and the 7 Day - 24 Hour Operations Schedule are set out in the letters of understanding attached to this agreement. These shall govern employees covered by these letters.

SECTION 10 - WAGES

10.01 An employee who desires to transfer shall receive the rate for the job to which he is transferred. In case of a temporary transfer to a lower job classification at the Company's request, the employee shall retain the rate of his previous job classification for a minimum of two (2) working days.

10.02 (1) An employee who occasionally is called upon to fill a higher paid classification due to the unexpected absence of another employee at the start of a shift, shall receive the higher rate of pay for the entire shift provided he has worked at the higher classification at least one (1) hour.

(2) Where employees other than those on red letter rates regularly perform work in more than one job classification in a standard day or shift they shall receive the rate of pay of the classification to which they work.

10.03 During the period an employee is being trained for a higher rated job his regular rate will apply. When he is qualified to take over the job the higher rate shall apply.

10.04 Payday shall be every other Thursday afternoon, except when the Monday in the pay week is a recognized holiday. Then payday in that week shall be Friday afternoon. Company agrees to show gross vacation pay earned and accumulated total on bi-weekly pay cheques. The payday may be amended by mutual agreement.

10.05 When an employee has accumulated thirteen (13) or more years seniority and his job classification is discontinued permanently or temporarily he shall be paid the rate for the job he performs or for three (3) months a rate mid-way between his former rate and the general labour rate, whichever is greater.

SECTION 11 - SHIFT PREMIUMS AND OVERTIME

11.01 (1) A shift differential of fifty-five (.55) cents per hour shall be paid for all hours worked on afternoons and fifty-eight (.58) cents per hour for all hours worked on midnights. Effective April 1, 2005 change fifty-five (.55) cents to fifty-eight (.58) cents and change fifty-eight (.58) cents to sixty (.60) cents.

(2) Watchmen to be covered by shift premium.

11.02 All time worked over and above the standard working day, on Saturdays or on an employee's sixth (6th) day, when on seven (7) day operations, shall be paid for at the rate of time and one-half (1 ½) the regular rate.

11.03 All time worked on Sundays, recognized holidays or on the employee's seventh (7th) day, when on seven (7) day operations, shall be paid for at the rate of double time the regular rate.

11.04 Where an employee has completed eight (8) hours overtime and is requested to continue to work he shall be paid double time rate for all work performed until there is an eight (8) consecutive hour break.

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11.05 The Company shall endeavour to limit overtime and Sunday work as much as possible.

11.06 Meal Allowance

11.06 (1) An employee who is required to work three (3) consecutive hours or more after completion of his regular shift will be supplied with a hot meal free of charge.

(2) Meals at expense of the Company may be given to employees in case of overtime when such overtime extends over the usual meal period and the employee has not had sufficient advance notice to provide for his own meal.

(3) When a meal at the Company expense has been authorized the employees shall be paid for the time taken to eat the meal. It is expected that he will return to work as soon as possible. (Twenty minutes is recognized as the normal period for eating on the job.)

(4) The immediate supervisor may have to make alternate arrangements to supply a lunch.

11.07 Overtime shall not be pyramided nor shall more than one basis of calculating overtime be used to cover the same hours.

SECTION 12 -RECOGNIZED HOLIDAYS

12.01 (1) The designated holidays are:

- | | |
|------------------|--|
| 1. New Years Day | 6. Labour Day |
| 2. Good Friday | 7. Thanksgiving Day |
| 3. Victoria Day | 8. Remembrance Day |
| 4. Dominion Day | 9. Christmas Day |
| 5. Civic Holiday | 10. Boxing Day or any day celebrated as such |

(2) The Union and the Company will meet to agree upon the twenty-four (24) hour period which will be the holiday.

12.02 (1) An employee will be paid eight (8) hours at his regular rate of pay on his last standard day or shift worked prior to the holiday, for the above holidays under the following rules:

(a) He has established seniority with the Company.

(b) **He works** his last scheduled shift prior to the holiday and he works his first scheduled shift following the holiday, or

(c) Having worked any **of the** available work days within **the thirty (30) day period** immediately prior to **the** holiday, has been granted a leave of absence, or

(d) **Has been obliged to cease work due to illness or accident during the thirty (30) day period** immediately prior to the holiday.

(e) Has been laid off during the thirty (30) day period immediately prior to the holiday.

(2) In c, d and e above he shall receive pay for holidays that occur during the first thirty (30) days of his absence as set out below:

45 - 59 days seniority.....1 holiday
 60 - 89 days seniority.....2 holidays
 90 or more days seniority.....3 holidays

12.03 When any of the above holidays fall on Saturday or Sunday, the following Monday shall be deemed to be the holiday or any day designated by the Government.

22.

12.04 Should any of the above holidays fall within a vacation period of an employee, said holiday or holidays shall be paid at straight time rates, and the employee may request additional vacation time accordingly at the end of his vacation period or at a later date if so desired.

12.05 Notwithstanding any other provisions of this Agreement, students who have worked forty-five (45) days, shall be entitled to recognized holidays as provided for in this section of the Agreement.

12.06 (1) In addition to recognized holidays listed in this section, employees who have six (6) months or more seniority will be granted three (3) floating holidays per calendar year to be taken at a time satisfactory to the employee and his foreman in accordance with the following provisions.

(a) At least three (3) working days advance notice is to be given to the employee's foreman in writing on a form provided and shall be subject to the foreman's approval so that the holiday shall not interfere with the efficiency of the department.

(b) Floating holidays will be granted on a first-come first-serve basis. However, should an occasion arise when employees requesting the same day at the same time would unduly interfere with the efficiency of the Department, Company seniority within that Department shall govern.

(c) Floating holidays must be taken on a day the employee would otherwise be scheduled to work and will not be paid for unless he actually takes time off.

(d) Floating holidays are not cumulative from year to year and must be taken in period

for which they are given, or be forfeited by the employee.

(e) An employee off work at the end of period due to disability, who has not had opportunity to take his floating holiday shall be paid for unused floating holiday.

(f) An employee who qualifies for a floating holiday and is laid off prior to taking same shall be paid for such floating holiday.

(g) To be eligible for payment for his floating holiday the employee must work his last scheduled shift prior to, and his first scheduled shift following the day designated as his floating holiday.

(h) Payment for a floating holiday shall be eight (8) hours at the employee's regular rate of pay, on his last standard day or shift worked prior to the holiday.

12.07 Shifts to be worked on Christmas Eve and New Year's Eve will be discussed and agreed to mutually by the Company and Union each year.

SECTION 13 - VACATION WITH PAY

13.01 (1) Vacations with Pay are intended to enable each employee to enjoy a respite from routine duty with no financial worry to distract from their benefits. Vacations are in no way considered as a bonus.

(2) Vacations will be based on a calendar year system, and vacation entitlement shall be according to seniority as of December 31 of the previous year. Every January vacation monies owing from the previous year are paid. Further when employee takes his/her vacation he/she

24.

may request monies earned up to the time of vacation.

13.02 Vacation with pay shall be paid each employee on the following basis:

4% of Gross Earnings from one (1) year up to four (4) years seniority.

6% of Gross Earnings from four (4) years up to nine (9) years seniority.

8% of Gross Earnings from nine (9) years up to seventeen (17) years seniority.

10% of Gross Earnings from seventeen (17) years up to twenty-two (22) years seniority.

12% of Gross Earnings from twenty-two (22) years or more seniority.

13.03 All employees covered by this Agreement shall be entitled to annual vacation based on their service as per article 13.01 in accordance with the following schedule.

1 week from six (6) months to one (1) years seniority.

2 weeks from one (1) year to four (4) years seniority.

3 weeks from four (4) years to nine (9) years seniority.

4 weeks from nine (9) years to seventeen (17) years Seniority.

5 weeks from seventeen (17) years to twenty-two (22) years seniority

6 weeks from twenty-two (22) years or more seniority.

13.04 Supplementary Vacation with Pay

13.04 (1) Each employee who has twenty-five (25) years or more seniority shall receive the following additional vacation upon attaining:

Age 60 - 3 days

Age 61 - 5 days

Age 62 - 8 days
Age 63 - 9 days
Age 64 - 12 days

(2) Above days **off** will be in accordance with rules set out in article 12.06, Floating Holidays.

13.05 (1) Vacation schedules shall be arranged by the department foreman and approved by the personnel department. In drawing up the schedule the foreman will endeavour to meet the wishes of the individual employee. However, the necessities of operation must be given full consideration. Where there is a conflict in vacation time requested by individual employees, Company seniority within vacation groups shall govern.

(2) The confirmed vacation schedule will be posted in the lunch room by March 15 of the vacation year for vacation requests that are received in writing, on forms to be supplied by the Company, no later than March 1. A vacation requested after March 1 will be issued on a first come first serve basis and will be signed and dated by the Supervisor upon confirmation.

(3) Vacations are to be taken in units of calendar weeks. Deviations from this may be considered by the Company for exceptional reasons.

(4) Vacations shall not be cumulative from year to year. Requests for vacations at a later date **may** be considered by the Company.

(5) Notwithstanding an emergency the cancellation of vacations or floaters must be done within a minimum of five (5) working days prior to said approved vacation or floater. Availability of vacations or floaters that have been approved, then canceled, must be made by seniority.

13.06 (1) In order to qualify for vacation pay, an

26.

employee shall take off for each week of vacation, five (5) working days (or one (1) week of vacation entitlement) which otherwise he would be scheduled to work.

(2) If an employee so requests, he shall have the privilege of drawing his vacation pay just prior to taking his vacation.

(3) Employees shall not be permitted to work for the Company during the first ten days of their vacation in order to draw double pay.

(4) When vacation with pay cheques are issued, the following information will be supplied: Gross earnings, Percentage for Vacation Pay purposes and gross amount of Vacation Pay.

(5) Normal payroll deductions will be made from vacation pay cheques.

(6) An employee's normal payments will be made on his behalf when he is on scheduled vacation and such payments will be deducted from his next cheque.

13.07 Effective date of ratification, employees will receive an additional sixty (\$60) dollars per week for each week of vacation taken, excluding supplemental vacation. Effective date of ratification change sixty (\$60) dollars to seventy-five (\$75) dollars.

SECTION 14 - JURY SERVICE

14.01 (1) An employee who is prevented from working his scheduled shift(s) due to being on Jury Duty, reporting for Jury Roll-Call, or a subpoenaed witness, shall be paid the difference between the pay received for such Jury Service and his regular straight time pay for the shift(s).

(2) In making application for payment, the employee will present proof of service and the amount of pay received therefore.

SECTION 15 - BEREAVEMENT PAY

15.01 (1) Compassionate Leave with pay will be granted to an employee losing time from regular scheduled work days to attend the funeral or memorial service of a deceased member of his/her immediate family, in accordance with the following schedule:

(a) Spouse and children up to five (5) days.

This section will apply to a common-law spouse where an employee has signed a document stating he/she co-habits in a husband and wife common-law relationship.

(b) Step Children, Parents, Legal Guardian, Brother and Sister up to three (3) days (effective date of ratification).

(c) Mother-in-law, Father-in-law, Sister-in-law, Brother-in-law, Grandmother, Grandfather, Grand-children, step-parents, son-in-law and daughter-in-law, up to two (2) days.

(2) In order to qualify for this benefit an employee must have completed the probationary period and must attend the funeral or memorial service.

(3) The allowable leave, as identified above, must be taken within five (5) consecutive calendar days from the date of death.

(4) When distance prevents the employee from attending the funeral, one (1) day of compassionate leave

28.

with pay will be allowed, for the purpose of attending a memorial service, within the five day period beginning with the date of death.

(5) For each consecutive scheduled working day lost within the allotted absence period, the employee shall be paid eight (8) hours at his/her regular straight time rate.

(6) The regular straight time rate means the straight time rate of the job at which the employee would have worked had he not been on funeral leave.

(7) Claims for payment must be submitted by the employee to the Company, in writing, along with proof of bereavement in the employee's immediate family.

SECTION 16 - ONTARIO HEALTH INSURANCE PLAN (O.H.I.P.)

16.01 In the event that O.H.I.P. premiums are reinstated, the Company agrees to pay those premiums for the term of the Collective Agreement for active employees who have completed their probationary period.

SECTION 17 - SUPPLEMENTAL HEALTH CARE PLAN

17.01 (1) Entitlement for the insurance coverage of section 17 will be effective the date on which the probationary period is completed and will be restricted to active regular full time employees.

(2) Family member is defined as 'spouse' and unmarried dependant children under the age of twenty-one (21) or under the age of twenty-three (23) if a full time student at an accredited school, college or university.

17.02 (1) Effective January 1, 1981 for all active employees who have accumulated six (6) months seniority with the Company, a Plan will be introduced to provide:

(a) semi-private hospital coverage

(b) Prescription Drug Plan with a \$5/\$10 deductible

(2) The terms and conditions of the Plan are as per attached appendix.

17.03 (1) The Company will pay the prevailing premium costs up to the rates in effect to August 31, 2008 to provide the agreed to coverage.

(2) For the purpose of W.I. or L.T.D. the Company agrees to reimburse employees to a maximum of thirty (\$30) dollars per ~~report~~ upon presentation of receipt, for charges levied by a medical practitioner for completion of medical forms/reports required by the Company or Insurer.

(3) The Company will provide for chiropractic coverage payable at eighty (80%) percent of the fee charged to an annual maximum of four hundred (\$400) dollars per family. Effective the first of the month following the date of ratification increase annual maximum to four hundred and fifty dollars (\$450) per family. Effective September 1, 2006 increase annual maximum to five hundred dollars (\$500) per family.

(4) All costs of medical reports or doctor certificates requested by the Company or the Insurance Carrier will be fully paid by the Company.

17.04 The prescription drug policy may be amended to provide generic drugs unless the prescription does not allow for substitution.

SECTION 18 - DENTAL CARE PLAN

18.01 The Company will provide a Dental Care Plan for eligible employees covered by this Agreement. The terms

30.

and conditions of the Plan form part of this Agreement and are attached hereto as Appendix "C". Insurance policies applicable to this coverage are held by Northern Sawmills Inc. The Company will pay the prevailing premium costs, up to the rates in effect to August 31, 2008 to provide the agreed to coverage.

Effective September 1, 2003 - 2002 ODA Schedule.

Effective September 1, 2004 - 2003 ODA Schedule.

Effective September 1, 2005 - 2004 ODA Schedule.

Effective September 1, 2006 - 2005 ODA Schedule.

Effective September 1, 2007 - 2006 ODA Schedule.

SECTION 19 - HEALTH INSURANCE (Supplemental Health Care, Dental)

19.01 The Company will carry the premiums while employee is off on Weekly Indemnity for twelve (12) months.

19.02 In any calendar month in which an employee ceases to be an active employee due to layoff, the Company will continue to carry the premiums for drug and dental coverage during the month of layoff if the employee has worked five (5) regular shifts in that month prior to his layoff. The same will apply if an employee on layoff works five (5) regular shifts during a month.

SECTION 20 - LIFE INSURANCE

20.01 The Company will provide fifty-five thousand (\$55,000) dollars of Life Insurance (Effective first of the month following date of ratification change \$55,000 to \$60,000. Effective September 1, 2005 change \$60,000 to \$65,000. Effective April 1, 2006 change \$65,000 to \$70,000) for each employee while actively employed. The cost to the employee will be twenty (.20) cents per one thousand (\$1,000) dollars of coverage per month.

20.02 Entitlement for insurance coverage will be effective

the date in which the probationary period is completed and will be restricted to active regular full time employees.

SECTION 21 -WEEKLY INDEMNITY

21.01 (1) The Company will maintain and pay the premium cost of a Weekly Indemnity Insurance Plan. The plan will provide seventy (70%) percent of weekly earnings, forty **(40)** times the base general labourer's rate. The benefits will commence on the first day in case of disability caused by a non-compensable accident and after three (3) continuous days from the commencement of a disability due to sickness.

(2) The terms and conditions of the Plan are as per the Weekly Indemnity Insurance Plan, attached hereto as Appendix "A".

(3) Entitlement for insurance coverage will be effective the date in which the probationary period is completed and will be restricted to active regular full time employees.

21.02 Disability must be certified by a medical practitioner. Benefits will be paid for the duration of a disability up to a maximum of fifty-two **(52)** weeks provided that the employee continues to be certified as disabled by a medical practitioner.

21.03 If an employee's W.I. benefit is delayed by more than one (1) month, the Company will advance the benefit payments to the employee; except where the delay is a result of tardiness on the part of the employee or his doctor.

21.04 In the case of day surgery, the employee will be covered from the first day provided the disability exceeds three (3) days.

32.

SECTION 22 - LONG TERM DISABILITY

22.01 (1) The Company will provide a Long Term Disability Plan with a maximum monthly benefit of one thousand eight hundred and fifty (\$1,850) dollars. The premium cost of the Plan will be borne by the Company. Effective the first of the month following the date of ratification the maximum monthly benefit will increase to one thousand nine hundred (\$1,900) dollars.

(2) The terms and conditions of the Plan are as per the Long Term Disability Benefit Plan, attached hereto as Appendix "B".

(3) Entitlement for insurance coverage will be effective the date in which the probationary period is completed and will be restricted to active regular full time employees.

(4) Effective first of the month following the date of ratification the Company will pay the premium to amend the LTD policy to provide the employee with prescription drug coverage continuation while receiving LTD benefits under the policy. The extended coverage will include those employees on LTD on the effective date.

SECTION 23 - VISION CARE

23.01 (1) Vision Care Plan of one hundred and fifty (\$1 50) dollars every two years for eyeglasses, frames, contact lenses, etc., per family member. Effective the first of the month following the date of ratification increase to one hundred and sixty-five (\$165) dollars every two (2) years. Effective September 1, 2005 increase to one hundred and eighty (\$180) dollars every two (2) years. Effective September I, 2006 increase to two hundred (\$200) dollars.

(2) Family member is defined as spouse, and unmarried dependent children under age twenty-one (21).

(3) The Company agrees to pay fifty (50%) percent of the cost of pitted prescription safety glasses limited to one (1) per employee per year effective ~~date~~ of ratification.

SECTION 24 - PENSION PLAN

24.01 (1) The Company will implement a Pension Plan at no cost to the employees effective May 16, 1989. The Plan will be based on future pensionable service from May 16, 1989. The benefit will be as described below. The above benefit applies to normal retirement age of sixty-five (65), which parties discussed and agreed to in Document signed September 3, 1987, however, should an employee choose to retire early his benefit would be actuarially reduced for each year of early retirement. To qualify an employee must have one (1) year of service with the Company.

(2) For employees retiring after May 16, 1999 at age 65, the monthly benefit will be no lower than five hundred dollars (\$500) subject to the maximum allowed for registered pensions under the Income Tax Act.

24.02 (1) The Pension Benefit will be as follows:

(a) Effective May 16, 1989 the pension benefit is \$20.00 per month times the number of years of future pensionable service from May 16, 1989.

(b) Effective October 16, 1992 the pension benefit will increase to \$35.00 per month times the number of years of future pensionable service from October 16, 1992.

(c) Effective May 16, 1994 the pension benefit will increase to \$40.00 per month times the number of years of future pensionable service from May 16, 1994.

(d) Effective May 16, 1995 the pension benefit will increase to \$45.00 per month times the number of years of future pensionable service from May 16, 1995.

(e) Effective May 16, 1996 the pension benefit will increase to \$50.00 per month times the number of years of future pensionable service from May 16, 1996.

(f) Effective November 30, 1996 the pension benefit will increase to \$55.00 per month times the number of years of future pensionable service from November 30, 1996.

(g) Effective May 16, 1997 the pension benefit will increase to \$60.00 per month times the number of years of future pensionable service from May 16, 1997.

(h) Effective May 16, 2000 the pension benefit will increase to \$65.00 per month times the number of years of future pensionable service from May 16, 2000.

(i) Effective May 16, 2001 the pension benefit will increase to \$70.00 per month times the number of years of future pensionable service from May 16, 2001.

(j) Effective May 16, 2002 the pension benefit will increase to \$75.00 per month times the number of years of future pensionable service from May 16, 2002.

(k) Effective May 16, 2003 the pension benefit will increase to \$80.00 per month times the number of years of future pensionable service from May 16, 2003.

24.03 Pensionable service is defined in the letter of understanding attached hereto.

24.04 Early Retirement Allowance (Effective date of ratification)

24.04 (1) In an effort to assist employees who retire early with possible medical expenses, the Company will provide, on retirement, an early retiring allowance for those employees who retire between the age of 60 and prior to their 65th birthday. This allowance will only be available if the employee has, on their retirement day, worked more than 25 years for the Company and is currently working. The allowance will be paid only once and will be determined in accordance with the following:

<u>Age at Retirement</u>	<u>Allowance</u>
<u>With more than 25 Years Worked</u>	
60	\$25,000
61	\$20,000
62	\$15,000
63	\$10,000
64	\$5,000

(2) Employees taking advantage of this benefit between birthdays will have the amount of the allowance prorated.

(3) Upon early retirement, the employee will receive 50% of the above qualified amount and the balance will be payable to either the employee or their beneficiary, one year from the date of retirement. The employee may designate these payments into a tax friendly program.

SECTION 25 - CANADA SAVINGS BONDS

25.01 The Company will make available a payroll deduction system for employees wishing to buy Canada Savings Bonds. Once registered in the payroll deduction system an employee must remain therein.

SECTION 26 - WORKING CONDITIONS

26.01 A lunchroom with adequate space and suitable facilities, washroom with lockers, shower and toilet facilities and a drying room will be provided. These shall be maintained properly at all times.

26.02 (1) The employer will supply the following without charge:

- (a) Aprons for treated tie handlers.
- (b) Mitts/Gloves as required to all employees.
- (c) Coveralls for regular employees of the Garage, Machine Shop, Treater, Treater Helpers, Loco. Operators, Loco. Helpers, Planer Setters, Planer Feeder, Oiler in Lumber Sawmill, Oiler/Spare in Tie Sawmill, ~~Dry~~ Kiln Operator, lunch room clean-up, oiler/cleanup planer and employees who regularly work as painters. Company agrees to two (2) changes per week to Maintenance and Garage departments.
- (d) **Gloves**, rainsuits and rubber boots to men engaged in cylinder tanks.
- (e) The use, as needed, of rainsuits for the automotive force and other employees required to work outside in wet weather.
- (f) The Company will subsidize the cost of approved safety footwear purchased by the active employee who has not been given notice of layoff for his **own** use at the rate of ~~fifty~~ (\$50) dollars per pair. Effective date of ratification increase to fifty-five (**\$55**)

dollars per pair. Effective September 1, 2005 increase to sixty (\$60) dollars.

(2) Any person having rainsuits and rubber boots, as issued above, and not able to produce same when required, shall be charged for same.

SECTION 27 - RULES

27.01 Plant Rules Agreed to by the Union and the Company:

27.01 (1) Attendance at Work

Regular attendance at work is essential to the efficient operation of the Mill. In order to reduce absenteeism and its negative effects on production, employee turnover, safety and morale, the following rules and guidelines will apply:

(a) It is the duty of each employee to report on time for his regular scheduled shift.

(b) In the event of sudden illness, accident or other emergency preventing an employee from reporting for work, it is his responsibility to notify the Company before the start of his shift or as soon as possible thereafter.

For notification by telephone, the Company will provide the Union and the employees with phone numbers and times during which to call.

(c) An employee who wishes a leave of absence from work must request and be granted approval from Management prior to being absent. Requests for leave of absence,

must be made well enough in advance of the contemplated absence, so that if leave is granted, arrangements can be made to replace the employee. A minimum of one (1) working day in advance is required for leaves of up to five (5) days.

(d) Leave of absence, without pay, for legitimate personal reasons may be granted as per (e) of this section. The Company may require an employee to exhaust his normal vacation entitlement before commencing a leave of absence.

Leave of absence shall be limited as to reason and shall not exceed sixty (60) calendar days. Employees when granted a leave of absence in excess of thirty (30) calendar days will be required to prepay the full premiums for group life insurance coverages in accordance with the provisions of the respective policies.

(e) Permission for absences will be covered as follows:

(i) All leaves taken as an extension of scheduled vacation and all other leaves of over five (5) working days, by application in writing, stating reasons, with permission in writing from Management.

(ii) Leaves of up to five (5) working days that are not an extension of scheduled vacation by verbal permission of the employee's immediate supervisor.

(2) Absence without Permission

(a) Inexcused absence, emergency absence when notification is not given within reasonable time. will be dealt with as follows:

(i) First Occasion: The employee shall be warned in writing in the presence of the Department Steward to ensure that he understands Company Policy and the consequences of a future inexcused absence.

(ii) Second Occasion: The employee shall be suspended for three (3) days without pay.

(iii) Third Occasion: Providing that it is within twelve (12) months of the first offence, disciplinary action shall be taken which may include discharge.

(b) If an employee's attendance is satisfactory for a period of twelve months following his last offence, his attendance record shall be considered clear.

(c) If an employee has been absent from work a day or more, he shall give adequate notice to personnel department of his intention to return. This notice should be given as far in advance as circumstances permit.

(3) Leave of Absence for Union Business

Any men appointed by the Union to do Union business shall be granted leave of absence without pay for ninety (90) days but shall be limited to a maximum of seven (7) men at any one time.

(4) Parental Leave

Time off for pregnancy shall be as spelled out in the Employment Standards Act.

(5) Smoking

Smoking is absolutely prohibited everywhere throughout the plant with the exception of designated smoking zones.

(6) Fire Service

(a) In case of fire all employees must assist in preventing the destruction of the Company's property.

(b) Fire apparatus must not be removed from its designated location or used except in the case of fire.

(7) Car Parking

(a) The Company has provided parking space and plug-ins for cars, etc. and all such vehicles must be parked in this designated area. No unauthorized parking of vehicles is allowed inside the plant gate. Cars parked in other than designated spaces will be towed away at the owner's expense.

(b) In the interest of safety, the Company shall assure adequate lighting on the main walking route to and from the parking lot.

(8) Safety

(a) All employees must co-operate to the fullest extent in promoting safety in the Plant.

(b) Safety is part of your job and under no circumstances does the Company require of its employees that they shall risk life or limb in carrying on its work.

(c) For your protection and that of your fellow worker, you must make sure you fully understand the nature **and** risk of any work assigned to you before proceeding with it. If you do not understand your assigned work ask your immediate supervisor or foreman.

(d) Unseemly conduct including any form of horse-play or making unnecessary noises is dangerous and is positively forbidden.

(e) The wearing of hard hats and safety footwear are conditions of employment and must be worn. All employees will be furnished with "First" hard hat but charged at a rate of five **(\$5)** dollars if not returned in good condition on termination of employment.

(f) **The Occupational Health and Safety Act R.S.O. 2002** and its regulations must be adhered to at all times as well as all directives issued under this Act by the Ministry of Labour or Local Inspector by both Company and employees.

(g) The Company will provide for eight (8) hours training for eight (8) safety stewards during the life of the agreement.

(h) All accidents must be reported promptly to your foreman and all employees when injured even to a minor extent must promptly avail themselves of plant first aid facilities.

No disciplinary action shall be taken against an employee as a result of reporting an accident.

(i) An employee who has been designated by the Union to attend education course on Occupational Health and Safety will be paid eight (8) hours at his regular rate of pay up to five (5) scheduled days lost. This article will apply to one (1) employee per year.

(9) Bulletin Boards

The Union shall have the right to post notices dealing with bona fide Union affairs upon official bulletin boards of the Company. The Company will assure all bulletin boards are well lit.

(10) Application of Benefits

For the purpose of eligibility for Benefit Plan under this Agreement seniority shall be reckoned in calendar months.

(11) Causes for Discipline

Infractions of the following are considered as cause for discipline, which can include dismissal.

- (a) deliberate inefficiency
- (b) bringing intoxicants into the plant
- (c) under the influence of intoxicants
- (d) willful destruction or removal of Company's or employees' property
- (e) operating any equipment in plant without authority
- (f) smoking outside smoking zones
- (g) **horseplay**
- (h) violation of safety rules presently in practice

An employee's discipline record will **be** cleared after eighteen (18) months provided there has been no new discipline in the eighteen (18) month period.

SECTION 28 -MAINTENANCE

28.01 Cross Trading

28.01 (1) It is agreed that the "Cross Trading" concept will apply to all tradesmen and apprentices working at Northern Sawmills Inc. Tradesmen and apprentices will generally be assigned work in their primary trade, but will, however, be required to perform work in other trades **as** part of their normal job duties.

(2) All tradesmen and apprentices shall assist each other and work together, **as** required, in the interest of getting the job done as quickly as possible. Alternatively, in the interest of efficiency, all tradesmen and apprentices will do work within their capability without assistance from any particular trade.

(3) In a lay-off no journeyman will be allowed to bump a Class A tradesman.

28.02 Tradesmen - Insurance for Tools

28.02 The Company **to** pay for insurance covering **the** loss through theft or fire of a tradesman's tool **box**. Insurance should cover a loss up to a maximum of five thousand (\$5000) dollars with presentation of an inventory establishing the purchased tools.

28.03 Apprentices

28.03 (1) Along with specified time periods, an apprentice must fulfill the obligations of the apprenticeship program, including the necessary training periods in a vocational school, in order to advance in accordance with rates listed for apprentices.

44.

(2) The apprentice may receive a weekly training allowance from the government while attending a Trade School Course. The Company will supplement this allowance to provide the apprentice with a total weekly income equal to forty (40) times his regular hourly rate of pay. Calculation of the Company's portion will be based on the government allowance for an apprentice who is able to live at home while attending the Trade School.

(3) If the apprentice is required to live away from home in order to attend a Trade School he will receive the Company pay supplement referred to above in addition to any increased allowance paid by the government to an apprentice living away from home while attending Trade School.

(4) Should an apprentice be absent from the Trade School during the period of time that the supplement is being paid for, an amount equal to eight (8) times his rate of pay being paid while attending Trade School shall be deducted for each day of such absence.

(5) The Company will cover the cost of tuition related to completing an apprenticeship.

(6) Any apprentice entering his fourth (4th) year and is deemed to be laid off, will be retained at work above any journeyman or Class A with less seniority.

(7) Any apprentice who fails any exams shall be required to be re-examined within twelve (12) months but not earlier than six (6) months. Failure to pass the re-examination will result in the apprentice being dropped from the program and returned to his former department without loss of seniority.

SECTION 29 - AUTOMATION

29.01 The Company will advise and discuss with the Union any technological changes as far in advance as

possible, but no less than two (2) months prior **to** the implementation of these changes.

29.02 If an employee with ten years seniority is set back to a lower paid job he will retain **his** rate for a **period of** six (6) months from the date of set back and for a further three (3) months will receive a rate midway between **his** previous rate and the rate of the new job. At the end of the nine (9) month period the new **job** rate will apply.

SECTION 30 - SEVERANCE PAY

30.01 (1) Company agrees to an employee with five or more years of continuous service for whom no job is available because of mechanization, technological changes or automation, will upon termination, receive a severance allowance of one (1) week's pay for each **year of** employment during his last period of **continuous** service, computed **on** the basis of forty (40) straight time hours at the employee's regular rate.

(2) It shall be the responsibility of the employee **to** make application for such severance pay. Any employee refusing a recall shall forfeit his right to severance pay.

(3) Severance pay shall not be paid due to job elimination for such causes as fire, flood, explosion or "Act of God."

SCHEDULE A
WAGE SCHEDULE - HOURLY RATES

	Oct 31/04	Sept 1/04	Apr 1/05	Sept 1/05	Apr 1/06	Sept 1/06	Sept 1/07
WOODYARD & SLASHER							
Sub-Foreman		23.99	24.24	24.74	25.24	25.74	26.24
Lead Hand		22.76	23.01	23.51	24.01	24.51	25.01
Slasher Operator		21.87	22.12	22.62	23.12	23.62	24.12
Slasher Hydraulic Loader		21.66	21.91	22.41	22.91	23.41	23.91
Slasher Debarker & Chipper Operator		21.66	21.91	22.41	22.91	23.41	23.91
Cutters(Treelength Buckers/Inspector)		21.27	21.52	22.02	22.52	23.02	23.52
Labour		20.42	20.67	21.17	21.67	22.17	22.67
TIE SAWMILL							
Sub-Foreman		23.99	24.24	24.74	25.24	25.74	26.24
Shift Support	22.15	22.45	22.70	23.20	23.70	24.20	24.70
Carriage Sawyer		22.45	22.70	23.20	23.70	24.20	24.70
Twin Sawyer		22.18	22.43	22.93	23.43	23.93	24.43
Double Arbour Edger		21.66	21.91	22.41	22.91	23.41	23.91
Barker Operator		21.66	21.91	22.41	22.91	23.41	23.91
Lumber Trimmer		21.13	21.38	21.88	22.38	22.88	23.38
Chipper		21.13	21.38	21.88	22.38	22.88	23.38
Edger		21.08	21.33	21.83	22.33	22.83	23.33
Chip Edger		21.08	21.33	21.83	22.33	22.83	23.33
Oiler Spare & Cleanup		20.94	21.19	21.69	22.19	22.69	23.19
Tail Accumulation Table		20.82	21.07	21.57	22.07	22.57	23.07
Tail Accumulation Deck		20.82	21.07	21.57	22.07	22.57	23.07
Tail Bull Edger		20.54	20.79	21.29	21.79	22.29	22.79
Log Deck		20.54	20.79	21.29	21.79	22.29	22.79
Tall Twin Saw		20.54	20.79	21.29	21.79	22.29	22.79
Log Conveyor		20.45	20.70	21.20	21.70	22.20	22.70
Green Chain		20.45	20.70	21.20	21.70	22.20	22.70
Labour		20.42	20.67	21.17	21.67	22.17	22.67
LUMBER SAWMILL							
Sub-Foreman		23.99	24.24	24.74	25.24	25.74	26.24
Working Lead Hand		22.76	23.01	23.51	24.01	24.51	25.01
Shift Support	22.28	22.58	22.83	23.33	23.83	24.33	24.83
DDM Operator	22.28	22.58	22.83	23.33	23.83	24.33	24.83
Chipper Canter		22.58	22.83	23.33	23.83	24.33	24.83
QuadBand		21.80	22.05	22.55	23.05	23.55	24.05
Barker		21.66	21.91	22.41	22.91	23.41	23.91
LogDeck		21.66	21.91	22.41	22.91	23.41	23.91
Chip-N-Saw		21.66	21.91	22.41	22.91	23.41	23.91
Trimmer Feeder		21.66	21.91	22.41	22.91	23.41	23.91
Horizontal Resaw		21.41	21.66	22.16	22.66	23.16	23.66

Chipper	21.13	21.38	21.88	22.38	22.88	23.38
Rough Grader	21.13	21.38	21.88	22.38	22.88	23.38
Chip Edger	21.08	21.33	21.83	22.33	22.83	23.33
Edger	21.08	21.33	21.83	22.33	22.83	23.33
Bull Edger	21.08	21.33	21.83	22.33	22.83	23.33
Returns	21.08	21.33	21.83	22.33	22.83	23.33
Stacker	21.08	21.33	21.83	22.33	22.83	23.33
Resaw Feed	20.94	21.19	21.69	22.19	22.69	23.19
Filer Helper	20.84	21.09	21.59	22.09	22.59	23.09
Tail Horizontal Resaw	20.84	21.09	21.59	22.09	22.59	23.09
Tail Bull Edger	20.84	21.09	21.59	22.09	22.59	23.09
Tail Chip-N-Saw	20.84	21.09	21.59	22.09	22.59	23.09
Tail Quad	20.75	21.00	21.50	22.00	22.50	23.00
Sticker	20.75	21.00	21.50	22.00	22.50	23.00
Sling Tender "A" Side	20.75	21.00	21.50	22.00	22.50	23.00
Sling Tender "B" Side	20.75	21.00	21.50	22.00	22.50	23.00
Sticker Helper	20.59	20.84	21.34	21.84	22.34	22.84
Spare Labour Clean-up	20.59	20.84	21.34	21.84	22.34	22.84
Pond	20.54	20.79	21.29	21.79	22.29	22.79
Labour	20.42	20.67	21.17	21.67	22.17	22.67
LUMBER CENTRE (PLANER, YARD & DRY KILN)						
Sub-Foreman	23.99	24.24	24.74	25.24	25.74	26.24
Planer Shift Support 22.08	22.38	22.63	23.13	23.63	24.13	24.63
Licensed Grader (Finished)	22.38	22.63	23.13	23.63	24.13	24.63
Dry Kiln Operator	22.26	22.51	23.01	23.51	24.01	24.51
Planer Setter-Feeder	22.69	22.94	23.44	23.94	24.44	24.94
Lead Hand	21.36	21.61	22.11	22.61	23.11	23.61
Trimmer	21.36	21.61	22.11	22.61	23.11	23.61
Slacker	21.08	21.33	21.83	22.33	22.83	23.33
Oiler Clean-up 20.67	20.97	21.22	21.72	22.22	22.72	23.22
Resaw Feeder	20.76	21.01	21.51	22.01	22.51	23.01
Sling Tender 20.45	20.75	21.00	21.50	22.00	22.50	23.00
Tilt Hoist Operator	20.76	21.01	21.51	22.01	22.51	23.01
Packager & Stenciler	20.92	21.17	21.67	22.17	22.67	23.17
Package Hoist	20.61	20.86	21.36	21.86	22.36	22.86
Chipper	20.59	20.84	21.34	21.84	22.34	22.84
Forklift Helper	20.54	20.79	21.29	21.79	22.29	22.79
Strapper, Flat Car Loading	20.92	21.17	21.67	22.17	22.67	23.17
Flat Car Nailer	20.50	20.75	21.25	21.75	22.25	22.75
Labour	20.42	20.67	21.17	21.67	22.17	22.67
POLE, TIMBER FRAMING & INCISING						
Mobile Log Picker	21.77	22.02	22.52	23.02	23.52	24.02
Pole Peeler Operator	21.66	21.91	22.41	22.91	23.41	23.91
Pole Inspector/Bucker	21.58	21.83	22.33	22.83	23.33	23.83
Framer	20.79	21.04	21.54	22.04	22.54	23.04

Incising Machine Operator & Framer	21.36	21.61	22.11	22.61	23.11	23.61
Pole Handler	21.15	21.40	21.90	22.40	22.90	23.40
Labour	20.42	20.67	21.17	21.67	22.17	22.67

TIE - A.B.I. MILL

Sub-Foreman	23.99	24.24	24.74	25.24	25.74	26.24
Machine Operator	21.93	22.18	22.68	23.18	23.68	24.18
Hydraulic Loader	21.40	21.68	22.15	22.65	23.15	23.65
Tram Loader	20.75	21.00	21.50	22.00	22.50	23.00
Labour - Tie Shipping	20.62	20.87	21.37	21.87	22.37	22.87
Labour	20.42	20.67	21.17	21.67	22.17	22.67

TREATING SERVICE

Senior Shift Operator	23.96	24.21	24.71	25.21	25.71	26.21
Treater	22.19	22.44	22.94	23.44	23.94	24.44
Treater Helper	21.15	21.40	21.90	22.40	22.90	23.40
Treater Probationary Period	20.93	21.18	21.68	22.18	22.68	23.18
Locomotive Operator Helper	20.54	20.79	21.29	21.79	22.29	22.79
Labour	20.42	20.67	21.17	21.67	22.17	22.67

Cylinder and Tank Cleanout \$.90

per hour bonus**GENERAL**

Senior Watchman	21.36	21.61	22.11	22.61	23.11	23.61
Watchman	20.75	21.00	21.50	22.00	22.50	23.00
Gate Security	20.69	20.94	21.44	21.94	22.44	22.94
Labour	20.42	20.67	21.17	21.67	22.17	22.67

MOBILE EQUIPMENT OPERATORS

Log Handling Equipment	21.72	22.02	22.27	22.77	23.27	23.77	24.27
Lumber Handling Equipment	21.06	21.36	21.61	22.11	22.61	23.11	23.61
Yard Maintenance Operator (bucket, grader, bulldozer, unlicensed truck)	20.85	21.15	21.40	21.90	22.40	22.90	23.40
Locomotive	20.85	21.15	21.40	21.90	22.40	22.90	23.40

MAINTENANCE (JOURNEYMAN & CLASS A)

Sub-Foreman	26.11	26.36	26.86	27.36	27.86	28.36
lead Hand	25.71	25.96	26.46	26.96	27.46	27.96
Mechanic (Auto), Carpenter, Electrician, Machinist, Millwright, Filer:						
Class A	24.78	25.03	25.53	26.03	26.53	27.03
Journeyman	24.47	24.72	25.22	25.72	26.22	26.72
Class B	23.20	23.45	23.95	24.45	24.95	25.45
Class C	22.44	22.69	23.19	23.69	24.19	24.69
Painter	24.47	24.72	25.22	25.72	26.22	26.72
Helper	20.97	21.22	21.72	22.22	22.72	23.22
Oiler	20.97	21.22	21.72	22.22	22.72	23.22
Helper Probationary Period (30 Day Period)	20.42	20.67	21.17	21.67	22.17	22.67

APPRENTICES

First Year

1 st Half	20.42	20.67	21.17	21.67	22.17	22.67
2 nd Half 83.5%	20.48	20.73	21.23	21.73	22.23	22.73

Second Year

1 st Half 84%	20.60	20.85	21.35	21.85	22.35	22.85
2 nd Half 85%	20.84	21.09	21.59	22.09	22.59	23.09

Third Year

1 st Half 88%	21.57	21.82	22.32	22.82	23.32	23.82
2 nd Half 91%	22.29	22.54	23.04	23.54	24.04	24.54

Fourth Year

1 st Half 94%	23.02	23.27	23.77	24.27	24.77	25.27
2 nd Half 97%	23.74	23.99	24.49	24.99	25.49	25.99

Fifth Year

100% of Journeyman	24.47	24.72	25.22	25.72	26.22	26.72
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Maintenance Rates

There shall be two rates of pay for Mechanics, Carpenters, Electricians, Machinist/Millwrights, and Filers. These shall be Journeyman and Class **A**. To be eligible for the Class **A** rate a person must be in possession of an Ontario or Inter-Provincial Trade Certificate.

There shall be four rates for Welders, Class "**A**" Welder with pressure ticket and five years practical experience in the trade; Journeyman - all positions; Class **B** - Flat, Horizontal and Vertical; Class **C** - Flat, Horizontal. Welders will be given the opportunity of taking a test when they feel they are ready and the Company will make every effort to have an inspector available. These tests will be paid for by the Company,

When a Welder takes a pressure test and passes two coupons, he shall be paid as a Welder Class **C**. If he passes three coupons, he shall be paid as a Welder Class **B**. If he passes four coupons, and he is able to qualify under journeyman trade requirements, he shall be paid as a Journeyman Welder,

APPENDIX "A"**WEEKLY INDEMNITY INSURANCE PLAN****1. Definitions**

In this Plan, unless otherwise specifically provided,

- (a) "Accident" is a bodily injury caused by external violent means.
- (b) "Disability" is a disability preventing an employee from pursuing gainful occupation arising from any mental infirmity, bodily disorder, or injury, verified to the satisfaction of the Company and/or insurer, and not otherwise excluded by this Plan.
- (c) "Employee" means an employee in the active employment of the Company, who comes under jurisdiction of the Labour Agreement by and between Northern Sawmills Inc., and Local 38X, Communications, Energy and Paperworkers Union of Canada.
- (d) "insurer" means the insurance Company or carrier appointed by the Company.
- (e) "Plan" means the Weekly Indemnity Insurance Plan.
- (f) "Weekly earnings" means in the case of a day or shift worker forty (40) times his regular hourly rate, excluding any overtime premium or shift bonus.
- (g) "Medical Practitioner" means registered physician or surgeon, registered dentist, or registered chiropractor.

2. Participation

- (a) All employees of the Company covered by this Agreement shall be eligible to participate in this Plan, in accordance with the provisions listed herein.
- (b) Entitlement for insurance coverage will be effective the date in which **the** probationary period is completed **and** will be restricted to active regular full time employees.

3. Amount of Disability Benefits

- (a) The amount of disability benefit shall be seventy **(70%)** percent of **an** employee's weekly earnings, forty **(40)** hours times the base general **labourer's** rate, immediately preceding the date of disability.
- (b) Any employee not actively at work on **the** effective date or dates of the changes in benefits will not be eligible for **the** increase in benefits until the date of his return to active employment.

4. Eligibility for Payment

- (a)
 - i) Except in the **case** of a disability **arising out** of an accident, an employee shall be eligible to receive **an** amount of disability benefit in accordance with Section 3 hereof, for a period not exceeding **fifty-two (52)** weeks for any one illness, beginning after **three (3)** continuous days from the commencement of the disability.
 - ii) In the case of a disability arising out of an accident, an employee shall be eligible to receive an amount of disability benefit in accordance with Section 3 hereof, for a period not exceeding **fifty-two (52)** weeks

52.

for any one accident, commencing from the date of the accident.

- (b) An employee absent from work and in receipt of an amount of disability benefit under this Plan, shall continue to receive such benefit, even though a work shortage develops which would have resulted in his being laid off had he been at work, provided that the employee remains disabled and continues to furnish evidence satisfactory to the Company and/or insurer, and verifies the continuance of disability.
- (c) An employee shall not be eligible for an amount of disability benefit under this Plan unless he is actively employed by the Company at the date he becomes eligible or until he subsequently returns to active employment.
- (d) An employee making a claim for an amount of disability benefit after lay-off or termination of employment, for disability established to the satisfaction of the Company and/or insurer as having occurred prior to his lay-off or termination, shall be eligible for an amount of disability benefit provided such disability was accompanied by a continuance of absence that commenced prior to actual lay-off or termination.
- (e) An employee shall be considered as eligible to submit a claim for benefit if he is requested to return to work **within** seven **(7)** calendar days after **the date** of lay-off and is unable to **return** to work because of disability. Disability will be considered as starting **from** the date he **is** required to **return** to work.
- (f) Successive **periods** of disability separated by less than four **(4)** consecutive weeks shall be

considered one period of disability, unless the subsequent disability is due to an accident or illness entirely unrelated to the previous disability and commences after return to active employment of full time.

- (g) An amount of disability benefit under this Plan shall not be paid in the event the absence is a result of.
- i) Any injury arising out of or sustained while doing any act or thing pertaining to any occupation or employment for remuneration or profit, or
 - ii) Any injury or illness entitling the employee to compensation under any Workers' Compensation or similar legislation, ~~or~~
 - iii) Self-destruction or any self-inflicted injury, while sane or insane, or
 - iv) Any injury or illness resulting from insurrection or war, whether war be declared or not, or ~~from~~ participation in a riot, or civil commotion, or
 - v) Disability for which the employee is not under the treatment of a medical practitioner, or
 - vi) For a ~~period~~ of disability in excess of four **(4)** weeks where treatment is rendered solely by a chiropractor. ~~In~~ the case of chiropractors, certification of disability will only be accepted for payment of benefit for up to a maximum of four **(4)** weeks per insured ~~person~~ per calendar year, or
 - vii) "Alcoholism or Drug Addiction" unless the employee is undergoing a recognized course of treatment by a specialist in the care and treatment of alcoholism and drug addiction or the employee is undergoing regular rehabilitative treatment approved by the insurer and a licensed physician.

54.

- (h) **An amount of disability benefit will not be payable for those for which the employee receives holiday pay, vacation pay, or more than one-half (1/2) days regular pay, from the Company.**
- (i) **An amount of disability benefit will not be payable following the normal retirement date of an employee, other than retirement under the total and permanent disability provision of the Company pension plan.**
- (j) **An amount of disability benefit will not be payable following the early retirement date of an employee, if early retirement was approved prior to the onset of disability.**
- (k) **The amount of disability benefit under this plan will be reduced by the amount of pension for which the employee is eligible under the total and permanent disability provision for the Company Plan.**
- (l)
 - (i) **An amount of disability benefit under the plan shall not be paid in the event the absence is a result of pregnancy-related disabilities when an employee is on pregnancy leave of absence or could be placed on such leave by the Company, in accordance with the pregnancy leave provisions of any relevant provincial or federal legislation.**
 - (ii) **An employee who fails to qualify for pregnancy leave of absence because of failure to meet the length of service requirements in the relevant provincial or federal law will not have benefits payable for disability due to any cause during any leave of absence agreed upon by the employer and employee or after the date the employee's insurance is terminated.**

5. **Payment of Benefit**

- (a) In computing the amount of disability benefits, disability will be considered **as** starting from the first day of disability; however, an employee must be certified by a medical practitioner for the disability within the first three (3) days of disability. In the event that the employee **is** not certified within the first three (3) days, disability will be considered **as** starting two (2) complete days prior to the day that the employee is actually certified by a medical practitioner. In the case of day **surgery**, the employee will be covered from the first day provided the disability exceeds three (3) days.
- (b) A daily rate of payment for each calendar day of absence that qualifies for payment shall be one-seventh (1/7) the weekly amount of disability benefit under Section 3 hereof.
- (c) The amount of disability payments will be paid every week. Such benefits on account of short periods of disability will be paid as soon as the amount is ascertained.

6. **Miscellaneous Provisions**

- (a) An employee absent on an authorized leave of absence on the date he was to become eligible under this **Plan**, as set out in Section 4, shall, upon the date of his return **to** active employment, be eligible **to** participate in this plan.
- (b) If an employee who has been covered under the terms of this plan is granted an authorized leave of absence, such employee shall be considered as still covered under the terms of this plan **up** to a maximum of thirty-one (31) days, or up to the date he would have been laid off should lay-off occur during this period.

56.

- (c) **The 5/12th, employee's share of the U.I.C.** premium reduction will be retained by the Company.

7. **Government Disability Plans**

- (a) The amount of disability benefit under this plan will be reduced by the amount for which the employee and/or the employee's dependent is eligible and receives under the disability benefit provision of the Canada or Quebec Pension Plan, or similar provisions in any other Government Plans for disability, for which the employee is receiving an amount of disability benefit under this Plan, except for war disability pensions and Workers' Compensation Disability Pensions. The Company reserves the right to request that an employee make application for Government benefits, **and** if the employee refuses, **his** benefits will be suspended under the Weekly Indemnity Plan.
- (b) The Company and/or insurer may require certification or verification of the amount of income from the Canada/Quebec Pension Plan or such other Government Plans.
- (c) The amount of disability benefit in excess of the amount which should have been paid may be deducted from the amount of any future disability benefit, or repaid by the employee to the Company and/or Insurer, **as** the case may be, through some other mutually satisfactory arrangement.

8. **Physical Examinations**

The Company and/or Insurer reserves the right to require periodic physical examinations throughout the duration of the employee's absence due to disability. Such examinations shall be conducted by a medical practitioner, designated by the Company and/or Insurer.

Cost of the physical examinations, transportation and reasonable out-of-pocket expenses related thereto will be paid by the Insurer.

All costs of medical **reports** or doctor certificates requested by the Company or the Insurance Carrier will be fully paid by the Company.

9. **Administration**

- (a) It shall be the obligation of the employee to notify immediately the Company of his absence due to disability, following which the Company will issue the necessary initial claim forms to him.
- (b) Completed claim forms will be checked by the Company to determine whether or not an employee is a participant in the Plan and the Company may then forward the claim forms to the Insurer as its agent for further processing.
- (c) The Company will meet with representatives of the Union from time to time, for purposes of discussing the administration of the plan **and** any problems which may arise.
- (d) Should any employee or the Union have any complaint concerning entitlement to benefits under the plan, the matter may be taken up as a grievance and processed to arbitration **as** provided for under Section 6 and 7 of the Collective Agreement, commencing at Stage 3 of the grievance procedure. The arbitration board shall have powers to adjudicate on the merits of the grievance.

58.

10. Interpretation

It is our understanding and interpretation that an employee *is* entitled to benefits, for which he may be eligible under the provisions of the Plan as a result of non-occupational injury or illness when unable to perform his regular duties and the Company is unable to offer him alternative suitable employment. It is understood the employee will be expected to accept the alternative employment, if it is available. If an employee voluntarily accepts employment with another employer, the employee will not be eligible for benefits under this Plan.

APPENDIX "B"**LONG TERM DISABILITY BENEFIT PLAN**

The Company shall pay the monthly premium cost of the long Term Disability Benefit Plan.

The Long Term Disability Benefit Plan shall be administered in accordance with the terms of an insurance policy.

1. Eligibility

The Long Term Disability Benefit Plan shall be compulsory for all employees. Entitlement for insurance coverage will be effective the date in which the probationary period is completed and will be restricted to active regular full time employees.

2. Effective Date of Coverage

An eligible employee is entitled to benefits provided he is actively at work on the first day the Long Term Disability Benefit Plan becomes effective. The Plan becomes effective on May 16, 1981.

An eligible employee absent from work due to sickness or accident at the effective day of the Plan, shall only be eligible for Long Term Disability Plan benefits upon the return to continuous active full-time employment for a period of more than four (4) consecutive weeks.

3. Qualifying Period

An insured employee shall be eligible to receive an amount of Long Term Disability Benefit after fifty-two (52) weeks of benefit entitlement for the same disability under the Weekly Indemnity Plan. Benefit payment shall not commence during a strike until a termination of the strike.

60.

4. **Definition of Disability**

“Disability” shall mean an insured employee who has received fifty-two (52) weeks of benefits for the same disability under the Weekly Indemnity Plan and is thereafter unable because of disease or injury to work at any occupation in the Company for which he is reasonably fitted by education, training or experience.

5. **Amount of Benefit**

- (a) The disability benefit shall be **fifty (50%)** percent (effective one (1) month after ratification, the disability benefit shall be increased to fifty-five (55%) percent) of the employee’s regular straight-time hourly rate, multiplied by two thousand and eighty (2080) and divided by twelve (12), up to a maximum monthly payment as per Section 22.

The regular straight time hourly rate shall be the rate of the employee effective immediately prior to the date on which the disability occurred.

- (b) The amount of disability benefit under this plan will be reduced by the amount for which the employee is eligible and receives under the disability benefit provision of the Canada or Quebec Pension Plans, or similar provisions in any other Government Plans for disability for which the employee is receiving an amount of disability benefit under this Plan, except for war disability pensions **and** Workers’ Compensation disability pensions.
- (c) While receiving benefits under this Plan, Pension Plan members will continue to accrue pension benefits at no cost to them. The pension accrued will be **four (4%)** percent of benefits paid under

the Plan. Death benefits will not accrue during this period, except with respect to interest on the employee's contributions made prior to commencement of Long Term Disability Benefits.

6. **Duration of Benefits**

- (a) Benefits will be paid for one (1) month, for each completed month ~~of~~ service prior to commencement of the Long Term Disability Benefits, while the employee is disabled.
- (b) Disability benefits will be paid one (1) month in arrears.

7. **Termination of Benefits**

Benefits shall cease upon the occurrence of any one of the following:

- (a) ~~On~~ the date the employee ceases to be disabled. (If there is a recurrence of the same disability within six (6) months of return to work, a new qualifying period will not be required, and the disabled employee will be eligible for any balance of Long Term Disability Benefit payments. This provision shall take precedence over any recurrent disability provision under ~~the~~ Weekly Indemnity Plan), or
- (b) On exhaustion of the benefit period, or
- (c) On retirement or attainment of age sixty-five (65), or
- (d) On death.

62.

8. **Continuation of Group Life insurance During Disability**

An insured employee receiving Long Term Disability ~~Plan~~ Benefits, who was a participant in the Company Group Life Insurance Plan at the commencement of his disability, will continue to enjoy the Group Life Insurance coverage in effect on the date of his disability at no premium cost to him subject to the Termination of Benefits (Paragraph 7).

9. **Exclusions**

- (a) An employee receiving Long Term Disability Benefits will not be eligible for vacation or statutory holiday pay.
- (b) Benefits under the Long Term Disability Plan will not be payable for claims resulting from:
- (i) An injury arising out of or sustained while doing any act or thing pertaining to any occupation or employment for remuneration or profit, or
 - (ii) Any injury or illness entitling the employee to compensation under any Workers' Compensation or similar legislation, or
 - (iii) Self-destruction or any self-inflicted injury, while sane or insane
 - (iv) Disability for which the employee is not under the treatment of a physician, or
 - (v) Alcoholism or drug addiction, unless the employee is undergoing a recognized course of treatment by a specialist in the care and treatment of alcoholism and drug addiction or the employee is undergoing regular rehabilitation treatment approved by the Insurer and a licensed physician.

- (vi) Disability or loss (1) while the employee is on or could be placed on Pregnancy/Maternity Leave or, (2) if an employee fails to qualify for Pregnancy/Maternity Leave, because of failure to meet the length of service requirements, during the period of Pregnancy/Maternity Leave that the employee could be on if she qualified for such leave, in accordance with the Employment Standards Act R.S.O. 1990, Ontario or any other relevant provincial statutes.

10. Rehabilitation

An employee receiving an amount of Long Term Disability Benefit may be asked to undergo reasonable rehabilitation measures which have been the subject of prior consultation with the employee's doctor, at no cost to the employee. If such employee refuses to undertake such rehabilitation, he may be declared not eligible for an amount of disability benefits.

11. Physical Examinations

The Company and/or insurer reserves the right to require periodic physical examinations throughout the duration of the employee's absence due to disability. Such examinations shall be conducted by a physician or physicians designated by the Company and/or Insurer.

Cost of physical examination, transportation and reasonable out-of-pocket expenses related thereto will be paid by the insurer.

All costs of medical reports or doctor certificates requested by the Company or the Insurance Carrier will be fully paid by the Company.

APPENDIX "C,"**DENTAL CARE PLAN****1. Plan Effective Date**

The Dental Care Plan described below became effective on May 16, 1979.

2. Eligibility

Participation in this plan is limited to active regular full time employees who have completed their probationary period.

Family member is defined as 'spouse' and unmarried dependant children under the age of twenty-one (21) or under the age of twenty-three (23) if a full time student at an accredited school, college or university.

3. Effective Date of Benefits

Employee:

Your benefits are effective on the day following accumulation of six (6) months of seniority, provided you are not absent from work due to disability, leave of absence or lay-off. If you are away from work because of disability, leave of absence or layoff on the date that coverage would otherwise become effective, benefits will not start until you return to work.

Dependent:

Benefits for your dependents are effective on the same date as your own. If you are single and later acquire a dependent, please notify your Employer immediately, in order that your coverage may be changed.

If you already have dependent coverage under the Plan, any additional dependents will be automatically covered from birth.

4. **The Plan**

The Plan provides you and your eligible dependents with reimbursement of:

- (a) one hundred (100%) percent of the cost of Class I covered expenses,
- (b) **fifty** (50%) percent of the cost of Class II covered expenses. Effective one (1) month after date of ratification, increase to sixty (60%) percent

based on a one (1) year lag of Ontario Dental Association Schedule of **Fees for Dental Services**. The maximum benefit per calendar year is **\$1,500** per insured family member.

- (c) fifty (50%) percent of the cost of orthodontic coverage with a one thousand (\$1,000) dollar lifetime maximum per family member. Effective September 1, 2005 increase maximum to one thousand **two** hundred and fifty (**\$1,250**) dollars. Effective September 1, **2006** increase maximum **to** one thousand five hundred (**\$1,500**) dollars.

5. **covered Expenses**

Class 1 Procedures:

- Oral examination, including scaling and cleaning of teeth.
- Topical application of sodium or stannous fluoride.
- Oral hygiene instruction.

66.

- Dental x-rays.
- Extractions.
- **Oral** surgery, including excision of impacted teeth.
- Amalgam, silicate and plastic composite fillings.
- Anesthetics administered in connection with oral surgery or other covered dental services.
- Injections of antibiotic drugs by the attending dentist.
- Treatment of periodontal and other diseases of the **gums** and **tissues** of the mouth.
- Endodontic treatment, including root canal therapy.
- Fissure seal treatment.

Class II Procedures

- Initial installation (including adjustments after three (3) months following original insertion) of partial or full removable dentures to replace one or more natural teeth.
- Replacement of an existing partial or full removable denture or the addition of teeth to an existing partial or full removable denture to replace extracted natural teeth, but only if evidence satisfactory to the Insurance Company is presented that the

existing denture cannot be made serviceable.

- Repair or relining of dentures.

6. Pre-Determination of Benefits

Usually, before starting extensivedental work, your dentist will tell you what he intends to do and the charge. If the cost of a course of treatment planned by the dentist for a covered family member is expected to exceed two hundred (\$200) dollars, the proposed course of treatment must be filed with, and approved by, the Insurance Company prior to the commencement of treatment. The necessary forms are available from your Employer. After reviewing the proposed course of treatment, the Insurance Company will notify both you and your dentist of the estimated payment under the Plan.

Because of the difficulty of determining the necessity for the types of services involved after treatment has been received, failure to file and obtain approval may result in benefits of a lesser amount than would otherwise have been payable.

Occasionally a patient may select a more expensive procedure rather than a suitable alternate procedure. In such cases, reimbursement will be based on the least expensive procedure which, as determined by the Insurance Company, will produce a professionally adequate result.

7. Exclusions

The Plan does not cover:

- Dental services not listed under "Covered Expenses".
- Services not performed by a licensed dentist.

68.

- Any eligible expenses for which coverage is provided or available (or would be if the Plan ~~was~~ not in effect) under any insurance or other contract, Plan or law.
- Treatments received before the effective date of your benefits, or which commenced after lay-off or termination of employment.
- Dental services performed primarily for cosmetic purposes.
- Travel expenses to and from the place of treatment.
- Treatment brought about by conditions arising from war, not or insurrection, or while serving in the armed forces of any country.

8. Termination of Benefits

In the event of termination of employment for any reason, benefits will cease on the date of termination of employment.

Workers' Compensation:

Disabled employees on Workers' Compensation will be eligible for benefits for up to twelve **(12)** months after date of disability.

Illness:

Disabled employees on authorized leave due to illness will be eligible for benefits for up to twelve **(12)** months after the date of disability.

Leave of Absence:

Employees on authorized Leave of Absence will be eligible for benefits for one (1) month.

Employees may continue their coverage after one (1) month by paying the monthly premium.

Lay-off:

Benefits will cease upon lay-off. In the event that an employee has a course of treatment approved by the insurance Company prior to the lay-off, that course of treatment will be covered under the plan.

9. How to Claim

After you or one of your dependents have made an appointment with the dentist, obtain a claim form from your Employer. The completed claim form should be returned to your Employer, **as soon as possible**, for submission to the Insurance Company for processing.

In the event that the dentist demands payment from the claimant upon completion of treatment, it will be the claimant's responsibility to pay the dentist and then claim reimbursement from the Insurance Company. It will be necessary for the claimant **to** secure a completed claim **form** from the dentist.

APPENDIX "D"**SUPPLEMENTAL HEALTH CARE PLAN**

The following are allowable benefits under the Supplemental Health Care Plan referred to in Section 17, which are provided for through Manulife Financial.

1. Hospital

Should you incur hospital expenses for room and board and **other** necessary services and supplies above those paid by your provincial government hospital plan, your health insurance plan will pay the reasonable and customary charges incurred, provided the confinement is medically necessary and is not for chronic or custodial care.

- For regular hospital room and board, the insurance Company pays up to the usual daily charge of the hospital concerned for semi-private care.
- If you or one of your dependents are confined in a convalescent hospital, the insurance Company will pay up to the usual daily charge of the hospital concerned for semi-private convalescent care, provided the confinement
 - (1) is recommended by your physician, and
 - (2) follows a three (3) day confinement in a hospital as a registered bed-patient and is for the same condition.
- Hospital charges shall not include any in-patient admission charge, hospital users fee or out-patient visit charge established by your home province.

- Hospital confinement for pregnancy is covered and benefits for such confinement are the same as they would be for any other disability.

Out-of-Province Expenses

If an expense would have been covered if incurred inside the person's province of residence, such expenses will also be covered if incurred outside the province of residence but only:

- (1) for an emergency or unexpected sudden illness if the insured person is temporarily out-of-province for business, vacation or furthering education.
- (2) if the required treatment is not readily available in the province of residence and the person is forced to seek such treatment elsewhere.

If the treatment is readily available elsewhere in Canada, but you seek treatment outside Canada, benefits for hospital confinement outside of Canada will be limited to a maximum of seventy-five (\$75) dollars per day and all other benefits will be limited to the reasonable and customary charges of the nearest Canadian medical centre equipped to provide the necessary treatment. It is suggested you submit a Treatment Plan; in this way you will know the amount of your coverage before you incur the expense.

Continuation of Hospital Benefits

If you are totally disabled when your Hospital Insurance terminates, and you have expenses for that illness which would have been paid had your coverage continued, your benefit payments will continue until the earlier of the following:

12.

- the date your disability ceases,
- the date which is ninety (90) days after the date of the group policy terminates.

2. **Prescription Drug Insurance**

Should you incur medically necessary prescription drug expenses while insured, the plan will pay the reasonable and customary charges for such expenses which are not covered under your Provincial Medicare Plan.

- You pay the first five (**\$5**) dollars (the "deductible") of covered expenses. The insurance Company pays the rest.
- The deductible is paid only once in any one calendar year for any one person.
- In any event, not more than two (2) times the deductible would be paid in deductible amounts by any one family in any one (1) calendar year.
- The plan will cover drugs and medicines prescribed by a doctor and dispensed by a licensed pharmacist including:
 - oral contraceptives
 - injectable drugs when administered by a physician for which **no** non-injectable alternative is available excluding the cost of administration.
 - insulin and insulin syringe

Drug Expenses Do Not Include

vitamins, food and food products including diet and infant food, contraceptive devices.

experimental medicines or medicines not considered to be therapeutically useful by the Canadian Medical Association or by the medical association of your province of residence.

any single purchase of **drugs** or medicines which would not be used within a ninety (90) day period.

any drug or item which does not have a drug identification number **as required by** Section 005 of Division 1 of the Food and **Drug** Act, Canada

drugs that are registered under Division 10 of the Food and Drugs Act, Canada

delivery and transportation charges

supplies which are required for recreation or sports but which are not medically necessary for regular activities.

Out-Of-Province Expenses

Prescription **drug** expenses incurred outside the person's province of residence are covered only:

- (1) for an emergency or unexpected sudden illness if the insured person is temporarily out-of-province for business, vacation or furthering education,
- (2) if they **are** required in connection with required medical treatment which is not readily available in the province of residence and the person is forced to seek such treatment elsewhere.

74.

If the medical treatment is readily available elsewhere in Canada, but you seek treatment outside Canada, benefits will be limited to the reasonable and customary charges of the nearest Canadian medical centre equipped to provide the necessary treatment.

3. Chiropractor Coverage

The Company will provide for chiropractic coverage payable at eighty (80%) percent of the fee charged to an annual maximum of four hundred (**\$400**) dollars per family. Effective the first of the month following the date of ratification increase annual maximum to four hundred and fifty (**\$450**) dollars. Effective September 1, 2006 increase the annual maximum to five hundred (**\$500**) dollars.

Ratified at Thunder Bay, Ontario, this 31st day of October, 2004.

For the Company

John Twigg

"Russ York"

"Wolf Gericke"

"Y. Friest"

"Danis Leroux"

"Doris Sandmoen"

For the Union

"Marvin Pupeza"

"Bruce Jaremey"

' e Gray'

"Brian Killer"

Rory Bellin"

"Wayne Maunu"

LETTER OF UNDERSTANDING

BETWEEN

NORTHERN SAWMILLS INC.

and

COMMUNICATION, ENERGY AND PAPERWORKERS
UNION LOCAL 38X**RE: FORKLIFT OPERATOR CLASSIFICATION**

This will confirm the Company commitment for forklift operator classifications in Lumber Sawmill, Lumber Centre (Planer, Dry Kiln) A.B.I. Mill, and Shipping, that forklift operator will be posted for these areas as vacancies occur.

The areas to be identified are: **Lumber** Sawmill (forklift operator/strapper, forklift), Lumber Centre [forklift feed, forklift tailing (planer), forklift - dry kiln, forklift - shipping, forklift helper, - planer mills, forklift helper - dry kilns] and Shipping.

Ratified at Thunder Bay, Ontario, this 31st day of October, 2004.

For the Company**For the Union**"John Twigg""Marvin Papeza""Russ York""Bruce Jaremev""Wolf Gericke""Mike Gray""Yves Ericot""Brian Killer""Danis Leroux""Rory Bellin""Doris Sandmoen""Wayne Maumu"

LETTER OF UNDERSTANDING

BETWEEN

NORTHERN SAWMILLS INC.

and

COMMUNICATION, ENERGY AND PAPERWORKERS
UNION LOCAL 38X**RE: OVERTIME**

Non-production overtime of **less** than one shift will be offered to the most senior employee on the shift that is qualified. If production of less than one shift is run on overtime, the person performing the job will be offered such overtime.

An overtime distribution list will be posted by lunch Thursday, and all disputes **regarding** overtime distribution will be brought forward **to** the Supervisor before **the** end of Thursday's shift. Failure to bring overtime disputes forward by the end of an employee's Thursday shift will forfeit this right **to** a grievance.

Ratified at Thunder Bay, Ontario, this 31st day of October, 2004.

For the Company"John Twigg""Russ York""Wolf Gericke""Yves Fricot""Danis Leroux""Doris Sandmoen"**For the Union**"Marvin Papeza""Bruce Jaremev""Mike Gray""Brian Killer""Rory Bellin""Wayne Maumu"

LETTER OF UNDERSTANDING

BETWEEN

NORTHERN SAWMILLS INC.

and

COMMUNICATION, ENERGY AND PAPERWORKERS
UNION LOCAL 38X**RE: TEMPORARY VACANCIES**

In the event operations are recommenced in the treating plant or ABI mill, the Union and the Company will discuss the manner in which temporary vacancies will be addressed.

Ratified at Thunder Bay, Ontario, this 31st day of October, 2004.

For the Company

"John Twigg""Russ York""Wolf Gericke""Yves Fricot""Danis Leroux""Doris Sandmoen"

For the Union

"Marvin Papeza""Bruce Jaremey""Mike Gray""Brian Killer""Rory Bellin""Wayne Maun"

LETTER OF UNDERSTANDING

BETWEEN

NORTHERN SAWMILLS INC

and

COMMUNICATION, ENERGY AND
PAPERWORKERS UNION LOCAL 38X**PE: 10 HOUR SHIFT OPERATIONS**

1. The work week schedule will average forty (40) hours per week based on employees being scheduled to work 4 days per week at ten (10) hours per day.
2. Schedule - The work schedule is attached hereto.
3. Vacation - One (1) week of vacation will equal 4 - 10 hour shift days of work taken in a continuous 4 day block.
4. Statutory Holidays with Pay and Floaters
3 - 10 hour floaters
Statutory or floating holiday pay shall be calculated at ten (10) hours at the employee's regular hourly rate of pay.
Individuals on the schedule who do not work on a statutory holiday will be paid ten (10) hours holiday pay providing they otherwise qualify under the Collective Agreement. Individuals who do work on the statutory holiday will be paid time and one-half (1 ½) for all hours worked and in addition will receive ten (10) hours pay for the statutory holiday.
Any hours worked in excess of ten hours on a statutory holiday shall be paid at double time.

5. Hours of Work

The regular **work** day shall **be** 10 hours (excluding lunch) for which straight time shall apply.

7:00 a.m. - 5:30 p.m. Days

7:00 p.m. - 5:30 a.m. Nights

Lunch - ½ hour (unpaid)

Coffee - 2 x 15 minute breaks (paid)

6. Overtime

Overtime at the rate of time and one half (1 ½) will be paid for all hours **worked** outside the regularly scheduled shift hours (including meals and coffee) on any day except on Sunday where double time will be paid for all hours **worked** beyond **10**.

7. Shift Differential Day Shift - 0

Night **Shift** - 58 cents

Effective 1 month after date of ~~ratification~~ - **58 cents to 60 cents.**

Effective April 1, 2006 change 60 cents to **75 cents.**

8. Bereavement

For employees on modified shift scheduling, this article will be administered on the basis of payment for each regular shift missed (10 hours), but in no event shall the total paid exceed forty (**40**) hours pay in the case of death of the employee's spouse and children nor exceed twenty-four (24) **hours** pay in the case of death of the employee's step children, parents, legal guardian, brother and sister nor exceed sixteen (**16**) hours pay in the case of the death of the employee's mother-in-law, father-in-law, sister-in-law, brother-in-law, grandmother, grandfather, grandchildren, step parents, son-in-law and daughter-in-law.

9. Jury Service

Employees will **be** paid the difference between payment received for such duties (jury duty,

80.

reporting for Jury Roll Call or subpoenaed witness) and their regular pay they would have received for each scheduled shift lost of ten (10) hours. If possible employees will attend at work when not required at **Court**.

10. Reporting and call in pay - 4 hours in article 9.07 (I) shall be considered 5 hours.

11. Where 10 hour shift operations are conducted they will be according to the following schedules:

(a) ~~On~~ 3 shift operations

SHIFT	MON	TUES	WED	THURS	FRI	SAT	SUN
A	D	D	D	D			
B		N	N	N	N		
C	N				D	D	N

Notes: 1. Shift **A** and **B** will rotate days and nights.
2. Shift **C** will be as scheduled above on a permanent basis.
3. These shifts will be administered as if there **was** no distinction between them. Postings, layoffs, recalls and other movement of employees will be to the job classification involved. When operating on 3 shifts, employees within a classification will be allowed to post for vacancies within their classification. Vacancies will be awarded in accordance with article **5.03**.

(b) On one and two shift operations the schedule will be set following consultations with the Union and having regard to the efficiencies of operation. The schedules will be based on four **(4)** 10 hour shifts between Monday and Friday.

12. The Company will supply the Union with a list of positions, operations or parts of operations that require or will operate on an eight (8) or ten (10) hour shift schedule. The list will be updated in the event the Company makes additions or deletions thereto.

Ratified at Thunder Bay, Ontario, this 31st day of October, 2004.

For the Company

"John Twigg"

"Russ York"

"Wolf Gericke"

"Yves Fricot"

"Danis Leroux"

"Doris Sandmoen"

For the Union

"Marvin Pupeza"

"Bruce Jaremey"

"Mike Gray"

"Brian Killer"

"Rory Bellin"

"Wayne Mamm"

82.

LETTER OF UNDERSTANDING
BETWEEN
NORTHERN SAWMILLS INC.
and
COMMUNICATION, ENERGY AND
PAPERWORKERS UNION
LOCAL 38X

RE: 7 DAY - 24 HOUR OPERATIONS

- I. The schedule will average 42 hours per week at the completion of a 4 on / 4 off rotation. The work schedule is attached hereto.

2. Vacation
Vacation entitlement will be based on the use of equivalent hours. One (1) week vacation entitlement will be equivalent to forty-eight (48) hours of work. Two (2) week vacation entitlement will be equivalent to ninety-six (96) hours of work. Vacation will be taken in minimum blocks of forty-eight (48) consecutive hours.

3. Statutory Holidays with Pay and Floaters
3 - 12 hour floaters
Statutory or floating holiday pay shall be calculated at twelve (12) hours at the employee's regular hourly rate of pay.
Individuals on the schedule who do not work on a statutory holiday will be paid twelve (12) hours holiday pay providing they otherwise qualify under the Collective Agreement. Individuals who do work on the statutory holiday will be paid time and one-half (1 ½) for all hours worked and in addition will receive twelve (12) hours pay for the **statutory** holiday.
Any hours worked in excess of twelve hours on a statutory holiday shall be paid at double time.

4. Hours of Work

The workday shall be twelve (12) hours for which straight time will apply

7:00 a.m. to 7:00 p.m. Days

7:00 p.m. to 7:00 a.m. Nights

Coffee - 3 x 10 minute breaks (paid)

Lunch - 30 minute (paid)

5. Overtime

Overtime at the rate of time and one half (1 ½) will be paid for all hours worked outside his/her regularly scheduled shift hours (including meals and coffee) on any day, except on Sunday where double time will be paid for all hours worked beyond twelve (12).

6. Shift Differential Day Shift - 0

Night Shift - 58 cents

Effective 1 month after date of ratification - 58 cents to 60 cents.

Effective April 1, 2006 change 60 cents to 75 cents.

7. Bereavement Pay

For employees on modified shift scheduling, this article will be administered on the basis of payment for each regular shift missed (12 hours), but in no event shall the total paid exceed ~~forty~~ (40) hours pay in the case of death of the employee's spouse and children nor exceed twenty-four (24) hours pay in the case of death of the employee's step children, parents, legal guardian, brother and sister nor exceed sixteen (16) hours pay in the case of the death of the employee's mother-in-law, father-in-law, sister-in-law, brother-in-law, grandmother, grandfather, grandchildren, step parents, son-in-law and daughter-in-law.

84.

8. Jury Service

Employees will be paid the difference between payment received for such duties (jury duty, reporting for Jury Roll Call or subpoenaed witness) and their regular pay they would have received for each scheduled shift lost of twelve (12) hours. If possible, employees will attend at work when not required at Court.

9. Reporting and call in pay - 4 hours in article 9.07 (1) shall be considered 6 hours.

10. The Company will supply the Union with a list of positions, operations or parts of operations that require or will operate on an eight (8) or twelve (12) hour shift schedule. The list will be updated in the event the Company makes additions or deletions thereto.

11. (a) Where twelve (12) hour shift operations are conducted with four (4) rotating shifts, employees will be scheduled on a continuous basis in the following manner: 2 day shifts, 2 night shifts, 4 days off.

(b) In all other cases, where employees are scheduled to work twelve (12) hour shifts, the schedules will be set following consultations with the Union and having regard to efficient operations.

Note: Twelve (12) hour shifts will be administered as if there was no distinction between them. Postings, layoffs, recalls and other movement of employees will be to the job classification involved. Employees within a classification will be allowed to post for vacancies within their classification. Vacancies will be awarded in accordance with article 5.03.

Ratified at Thunder Bay, Ontario, this 31st day of October, 2004.

For the Company

"John Twigg"

"Russ York"

"Wolf Gericke"

"Yves Fricot"

"Danis Leroux"

"Doris Sandmoen"

For the Union

"Marvin Pupeza"

"Bruce Jaremev"

"Mike Gray"

"Brian Killer"

"Rory Bellin"

"Wayne Maunu"

86.

LETTER OF UNDERSTANDING
BETWEEN
NORTHERN **SAWMILLS INC.**
and
COMMUNICATION, **ENERGY** AND
PAPERWORKERS UNION LOCAL 38X

RE: PENSIONABLE SERVICE

- I. "Pensionable Service" means the period of continuous employment after May 16, 1989 excluding:
- A. Periods of Temporary Suspension of Employment, other than those periods of Temporary Suspension which shall be included in calculating "pensionable service" which are:
- (i) periods during which the employee is not actively at work but during which the employee receives pay directly from the Company.
 - (ii) periods which the employee is entitled to have treated as pensionable service under Legislation (i.e. during the first year following WSIB injury).

For clarity, it is agreed that the following periods do fall within the definition of "pensionable service" set out above:

- (1) periods of active employment, including the balance of the month of layoff if the employee **works** 5 or more days in that month.
- (2) the one year period following the date of WSIB injury or the commencement of WI, even if

87.

not actively at work throughout that period.

- (3) periods of time an employee is on a leave of absence with pay.

For clarity, it is agreed that the following periods do not fall within the definition of “pensionable service” set out above:

- (1) periods of time an employee is on lay ~~off~~
- (2) periods of time an employee is in receipt of LTD benefits.
- (3) periods of time an employee is off work and in receipt of WSIB benefits, other than the one year period following the date of WSIB injury.
- (4) periods of time an employee is on strike or lockout.
- (5) periods of time an employee is on a leave of absence without pay (subject to the employee’s right to pay premiums and purchase pension credits for that period of time).

B. The period prior to becoming a member for full time members who have joined the Plan in accordance with subsection 3.1.

2. The maximum pension benefit which the Plan may allow will be that allowed for registered pensions under the Income Tax Act.
3. Effective the date of ratification, there will not be any retroactive adjustment to pension accruals for all members of the Pension Plan.

88.

Ratified at Thunder Bay, Ontario, this 31st day of October, 2004.

For the Company

John Twig,

"Russ York"

"Wolf Gericke"

"Yves Ericot"

"Danis Leroux"

"Doris Sandmoen"

For the Union

"Marvin Pupeza"

"Bruce Jaremey"

"Mike Gray"

"Brian Killer"

"Rory Bellin"

"Wayne Mann"

LETTER OF UNDERSTANDING
 BETWEEN
 NORTHERN SAWMILLS INC.
 and
 COMMUNICATION, ENERGY AND
 PAPERWORKERS UNION
 LOCAL 38X

RE: RECALL RIGHTS

1. Regular full-time employees as of the date of ratification will have general recall rights until August 31, 2008. An agreed upon list of such employees will be prepared.
2. If such employees have not been recalled to a permanent vacancy before August 31, 2008, their seniority will be lost and their employment terminated at that time.

Ratified at Thunder Bay, Ontario, this 31st day of October, 2004.

For the Company

 "John Twigg"

 "Russ York"

 "Wolf Gericke"

 "Yves Fricot"

 "Danis Leroux"

 "Doris Sandmoen"

For the Union

 "Marvin Papeza"

 "Bruce Jaremev"

 "Mike Gray"

 "Brian Killer"

 "Rory Bellin"

 "Wayne Maumu"

90.

LETTER OF UNDERSTANDING
BETWEEN
NORTHERN SAWMILLS INC.
and
COMMUNICATION, ENERGY AND
PAPERWORKERS UNION
LOCAL 38X

RE: SHIFT SCHEDULE CHANGES

No employee's shift schedule will be changed without a proper explanation from the supervisor to the employee. Changing shift schedules should not be taken lightly and should only be done in circumstances to maintain the efficiency of the operation.

Ratified at Thunder Bay, Ontario, this 31st day of October, 2004.

For the Company

"John Twigg"
"Russ York"
"Wolf Gericke"
"Yves Fricot"
"Danis Leroux"
"Doris Sandmoen"

For the Union

"Marvin Pupeza"
"Bruce Jaremey"
"Mike Gray"
"Brian Killer"
"Rory Bellin"
"Wayne Maumu"

93