

McKENZIE FOREST PRODUCTS INC.

(Sawmill)

(hereinafter referred to as the “Company”)

and

UNITED STEELWORKERS, LOCAL 1-2693

(hereinafter referred to as the “Union”)

September 1, 2006 to November 30, 2011

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ARTICLE I - PURPOSE

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

The use of masculine gender in this Agreement shall be considered also to include the feminine.

ARTICLE II - PERIOD

2.01 The Company and the Union agree one with the other that they will abide by the Articles of this Agreement from September 1, 2006 to November 30, 2011, inclusive, and from year to year thereafter unless either party desires to change or terminate the Agreement, in which case the party desiring the change or termination shall notify the other party, in writing, at least ninety (90) days prior to December 1st, of the particular year that such is its desire. Either party opening the Agreement in the manner provided above shall notify the other party in writing, as to the changes desired.

ARTICLE III - RECOGNITION - JURISDICTION

3.01 (a) The Company recognizes the Union as the sole collective bargaining agent for all of the employees who are engaged at the sawmill, planing mill, dry kiln, yards and/or worksites of the Company, and any additional plants or mills that may be established in conjunction with the present mills and yard operations located at or near Hudson. For the purpose of this article, employees shall be all those employed on the job classifications set out in the Wage Schedule attached to and forming a part of the Agreement, including those who are employed on job classifications which may be established and become part of the wage schedule during the term of the Agreement.

3.01 (b) The employees of contractors engaged by the Company in the sawmill, planing mill, dry kiln, yards and/or worksites of the Company, and any additional plants or mills that may be established in conjunction with the present mills and yard operations, located at or near Hudson shall be considered employees within the terms of this Agreement, save and except the employees of contractors and/or the contractors who are engaged to perform occasional special services not commonly performed by employees covered by the terms of this Agreement, employees of contractors where such contractors are engaged for the purpose of erecting structures and where such a contractor is bound by

an agreement with a Union or Unions affiliated with a central body covering such work.

3.02 Supervisory personnel, which includes contractors, whose employees are considered to be employees under this Agreement, shall not perform work which would normally be a function of an employee in the job classifications covered by this Agreement, except when instructing employees and in cases of emergency which involve physical danger to employees or danger to property.

3.03 It is agreed that Company operations shall not be interrupted as a result of any jurisdictional dispute that may arise between the Union and any other Union. Questions of jurisdiction shall conform to the regulations covering such matters in accordance with the provisions of the Labour Relations Act of Ontario.

ARTICLE IV - RATES AND CLASSIFICATIONS

4.01 The wage schedule is attached hereto, and forms a part of this Agreement.

4.02 It is agreed that adjustments to individual job classifications in the wage schedule shall be limited to instances of gross inequality as between job classifications or significant changes in job content. All requests for adjustments in individual job classifications shall be presented locally. Upon failure to reach agreement, the matter may be referred to Stage III of the Grievance Procedure.

4.03 For job classifications not listed in the attached wage schedule the Company shall set estimated or temporary rates of which the Union will be notified in writing at least (30) days in advance. At the request of the Union, the Company agrees to discuss the rates and conditions during the 30 day interim period prior to commencement of operation. Any such rates will be based on comparison with the prevailing rates for similar and/or related occupations in the attached Wage Schedule. After thirty (30) day trial period any such rate or rates shall be negotiated with the Local Union and after agreement is reached, shall become a part of the Wage Schedule, and attached hereto. Upon failure to reach agreement on the rate or rates, the matter may be referred to Stage III of the Grievance Procedure.

Rates, when established, shall be retroactive to the date of establishment of the new job classification. The thirty (30) day period can be extended by mutual consent of the parties.

ARTICLE V - UNION MEMBERSHIP

- 5.01 The Company agrees that it is in favour of its employees covered by this Agreement becoming members of the Union and will facilitate Union membership solicitation as hereinafter provided.
- 5.02 (a) Any employee who is now a member in good standing or who becomes or is reinstated as a member of the Union shall, as a condition of continued employment, maintain such membership in good standing throughout the term of this Agreement. In the event of the Union intending to suspend a member, the Company shall be notified by the Union in writing at least seven (7) days before such suspension.
- (b) The Company shall, after complying with Article XII - Seniority, advise the Union from time to time of the Company's labour requirements. When hiring additional employees, the Company will give preference to Union members who apply and who are capable of doing the work required of them.
- (c) New employees shall make application to join the Union when first approached to do so by a duly authorized Union Steward, Official or Representative. The Company shall, upon hiring, advise all new employees by letter, with a copy to the Union Steward, to report to the Steward within ten (10) days of commencing work. Failure of the employee to comply with the conditions herein, shall be cause for immediate termination of employment. During 30-day probationary period, the Company may terminate an employee without Union representation.
- (d) The Company shall put employees on check-off at the time of hire or return to work and deduct the Union's monthly membership dues from monies due him.
- (e) Each new employee shall be allowed one-half (1/2) hour on Company time to meet with the Union steward within the first week of completion of the probationary period.
- 5.03 If an individual employee, who is a member of the Union or wishes to become a member, so desires, the Company agrees that it will on his behalf, and upon written request, pay the regular union initiation fees and regular monthly membership dues from monies due him.
- 5.04 Remittance of all deductions shall be sent to the Local Union, said remittance to be accompanied by itemized lists, in duplicate, of names and amounts. The Company will deliver these lists not later than the 15th day of the following month. A copy of the list will be given to the Union Steward.

- 5.05 Representatives carrying proper credentials shall have the right to visit all operations in connection with Union business as it pertains to this Agreement. Credentials carried by the Union Representatives shall consist of a Certificate of Authority signed by the President and Secretary of the Local Union. Such Representatives to present credentials to a Company official each time the operations are visited.
- 5.06 The Local Union shall furnish the Company with a list of Local Officers and Representatives and shall amend these lists as changes occur.
- 5.07 The Company will furnish a list of supervisory personnel to the Union Office at the start of the contract year and amend it, if required, at the end of each month. The amended list will show the effective date of the changes. Failure to advise the Union of such changes will not in any way affect the authority of the Company supervisors.

ARTICLE VI - VACATION WITH PAY

- 6.01 (a) Vacation pay shall be paid to each employee by cheque, to be issued at the time of termination of employment, or at the employee's option, at the time of lay-off or when vacation is taken.
- (b) An employee who has been continuously employed for one (1) year shall take vacation time off at a time which is satisfactory to the employee and his supervisor. Each 2% increment of vacation pay shall entitle an employee to one week of time off.
- 6.02 Vacation with pay credits shall be paid on the following basis:
- (a) 4% of gross earnings for employees who have worked less than 800 days for the Company.
 - (b) 6% of gross earnings for employees who have worked 800 days or more but less than 2,000 days for the Company.
 - (c) 8% of gross earnings for employees who have worked 2,000 days or more but less than 4,000 days for the Company.
 - (d) 10% of gross earnings for employees who have worked 4,000 days or more but less than 5,400 days for the Company.
 - (e) 12% of gross earnings for employees who have worked 5,400 days or more for the Company.

(f) Supplementary Vacation with Pay.

Employees who have worked 5,000 days or more for the Company shall receive the following additional vacation with pay in the calendar year in which they attain:

| | |
|------------------|-------------------------|
| Age 60 - 1 week | (2% of gross earnings) |
| Age 61 - 2 weeks | (4% of gross earnings) |
| Age 62 - 3 weeks | (6% of gross earnings) |
| Age 63 - 4 weeks | (8% of gross earnings) |
| Age 64 - 5 weeks | (10% of gross earnings) |

6.03 Days worked for purposes of this Article, shall mean all days worked, plus working days which normally would have been worked, but were lost as a result of sickness or injury certified by a licensed physician, dentist, or chiropractor, and all total days on Union business, off-the-job training, vacation, holidays with pay, jury duty or subpoenaed by the Crown and bereavement leave in any calendar year. An employee who has established seniority in accordance with Section 12.02 of Article XII, shall retain his accumulation of service for his rate of vacation pay for as long as he retains his seniority rights with the Company.

6.04 Employees will receive an additional \$80.00 per week for each week of vacation taken, excluding supplemental vacation.

6.05 Employees on the Regular Employee Call List will receive vacation pay in accordance with Article 6.02 (a) – (e) of the Agreement. Call List Employees will be dealt with in accordance with the Employment Standards Act.

ARTICLE VII - HOLIDAYS WITH PAY

7.01 Employees shall be paid without the performance of work for the following holidays:

| | |
|----------------|------------------|
| New Year's Day | Labour Day |
| Good Friday | Thanksgiving Day |
| Victoria Day | Remembrance Day |
| Dominion Day | Christmas Day |
| Civic Holiday | Boxing Day |

When any of the above Holidays falls on Saturday, it shall be observed on the preceding Friday, and if the Holiday falls on Sunday, it will be observed on the following Monday.

- 7.02 (a) An employee who has established seniority in accordance with Article XII, and who works any of the available work days within the thirty (30) day period prior to the Holiday, and who works his last scheduled shift prior to the Holiday and his first scheduled shift following the Holiday, unless due to circumstances beyond his control he is prevented from working the shifts, shall receive pay for the Holiday.
- (b) If an employee, who has established seniority in accordance with Article XII, and who worked any of the available work days within the thirty (30) days immediately prior to the Holiday, is on authorized leave of absence when the Holiday occurs, he shall receive Holiday pay for the first Holiday that occurs during this absence, provided he returns to work on time, unless his return to work on time is prevented by circumstances beyond his control.
- (c) An employee, who has established seniority in accordance with Article XII, who is obliged to cease work due to a lay-off during the thirty (30) day period immediately prior to the Holiday, shall receive Holiday pay for the Holiday(s) within such 30 day period.
- (d) An employee, who has established seniority in accordance with Article XII, who is obliged to cease work due to sickness or accident certified by a licensed practitioner during the twenty-one (21) day period immediately prior to the Holiday, shall receive Holiday pay for the Holiday(s) within such 21 day period.
- (e) If an employee who has established seniority in accordance with Article XII, is recalled and works any time during the 14 calendar day period immediately following the Holiday, he shall receive Holiday pay for the preceding Holiday.
- (f) An employee who qualifies under Section 12.02 and is on vacation, shall be entitled to holiday pay and additional time off for any Holidays occurring within such vacation period.
- 7.03 An employee required to work on a Holiday listed in Section 7.01 shall be paid for all time worked at one and one-half times his regular rate, and if qualified, in addition, shall receive Holiday pay for the Holiday. Double time will be paid after eight (8) hours of work on a Holiday.
- 7.04 A special leave of absence shall be granted to a qualified employee who must travel a long distance to be home for Christmas, in which event such employee will receive pay for the Holidays provided he returns on time. Any request for such leave of absence must be made to the Foreman in writing, no later than December 1st. Where an employee is prevented by circumstances beyond his control, from returning to work on time, he shall be paid for the Holidays.

- 7.05 An employee who has accumulated 120 days seniority will be granted three floating holidays per year to be taken at a time satisfactory to the employee and his supervisor.
- 7.06 Employees on the Regular Employee Call List will receive full statutory holiday pay for the statutory holidays that occur in any calendar month in which they work a minimum of eighty (80) hours. This pay will be based on eight (8) hours at the highest regular hourly rate worked in the month. Call List Employees will be dealt with in accordance with the Employment Standards Act.

ARTICLE VIII - ADJUSTMENT OF GRIEVANCES

- 8.01 It is the mutual desire of the parties hereto that complaints of employees be adjusted as quickly as possible and it is generally understood that an employee has no grievance until he has given to his Foreman an opportunity to adjust his complaint.
- 8.02 The Union shall arrange for the election from its working membership at the Mills and Yard by the members therein, of a Union Grievance Committee of four (4) headed by a Union Steward who shall act as spokesman for the Committee. Immediately after an election, the Union Grievance Committee at the Mill and Yard will notify the Foreman in writing, as to the names of the Union Steward and the members of the Union Grievance Committee elected, and the Foreman will acknowledge in writing the receipt of such notice. The Mill Foreman shall not be required to recognize either the Union Steward or the Union Grievance Committee until such time as this procedure is carried out. The Union will confirm in writing within a reasonable period, the election of the Steward.
- 8.03 A grievance under the provisions of this Agreement is defined to be any differences 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.
- 8.04 Grievances as defined above, between employees and the Company shall be taken by the employee himself, or together with the Union Steward and/or Union representative having jurisdiction, directly to the employee's immediate supervisor for adjustment. No grievance shall be recognized unless the employee concerned follows this procedure. Any grievance submitted to the Foreman, in accordance with this procedure, in writing, will be disposed of by the Foreman in writing. Where a grievance has been submitted in writing it will be dealt with in writing at all stages thereafter. Failing a satisfactory adjustment within twenty-four (24) hours, then,

Stage 2 - The matter shall be taken up by the Union Grievance Committee and/or Union representative with the Mill Superintendent within forty-eight (48) hours in writing, on forms to be supplied by the Union. The Company shall make a reply in writing, within a further forty-eight (48) hours. Failing a satisfactory adjustment, then,

Stage 3 - The matter shall be referred to the Manager of the Company or his representative and a Union Committee accompanied by the Union's President or his representative. Failing a settlement within seven (7) days, then,

Stage 4 - Either party may, within the following fifteen (15) days, refer the matter to arbitration.

An employee's disciplinary record shall be cleared for disciplinary purposes after a period of eighteen (18) months.

8.05 In arbitration, the Company and the Union shall each select one (1) man; these two shall select a third party who shall act as Chairman. Either party shall appoint its nominee not later than five (5) days after receipt of written notice of the other party's nomination. This Arbitration Board shall convene and render a decision within fifteen (15) days. Such decision shall be final and binding on both parties to this Agreement. In the event of failure of the two (2) men selected by the respective parties to select a third party as provided above, they shall ask the Provincial Minister of Labour to appoint a third party.

Nothing herein shall prevent the parties from mutually agreeing to a sole arbitrator to arbitrate grievances arising out of discipline or discharge.

8.06 It is understood that the function of the Arbitration Board shall be to interpret this Agreement and that it shall deal only with the specific questions 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 under Section 4.02 and rates for job classifications under Section 4.03 and to revise the rates therefore. The Arbitration Board shall have no power to decide questions involving general wage adjustments.

8.07 Sundays and Holidays shall not be included in any time limits in this Article of the Agreement.

8.08 A grievance arising from a claim by an employee that his discharge or suspension by the Company was unjust or contrary to the terms of this Agreement, must be dealt with in writing, by both parties and must be presented to the Company not later than ten (10) days after the discharge or suspension becomes effective. Where such an employee's grievance is not processed from the first stage before he leaves the Mill or Yard, it must

be processed starting at the third stage of the grievance procedure. In case of discharge or suspension by the Company, the Company will notify the employee in writing, of the reason for such discharge or suspension. In the event that an employee is found by an Arbitration Board to have been unfairly discharged or suspended by the Company, the Company agrees that the employee will be reinstated on his job under terms and conditions decided by the Arbitration Board.

- 8.09 Each party to this Agreement shall pay all expenses of the member of the Arbitration Board selected by it, or by the Minister of Labour, and shall share equally in the fees and expenses of the third member of the Board.
- 8.10 Grievances which involve Company policy in respect to interpretation, application, administration, or alleged violation of the Agreement may be processed commencing at Stage 3 of this Grievance Procedure.
- 8.11 If the Company has a grievance as defined in Section 8.03, it shall commence at Stage 3 of this grievance procedure by the Mill Superintendent or his representative presenting the matter in writing, to the Officers of the Union. Failing satisfactory settlement within seven (7) days, then the matter shall be referred to the President of the Union or his representative by the General Manager of the Company or his representative. Failing a settlement within fifteen (15) days, then either may within the following fifteen (15) days, refer the matter to arbitration.

ARTICLE IX - NO STRIKE - NO LOCKOUT

- 9.01 It is agreed that all disputes shall be settled in accordance with the procedure set forth in Article VIII of this Agreement and that there shall be no strikes caused, called or supported by the Union or its members, nor lockouts by the Company, during the life of this Agreement.

ARTICLE X - WORKING AND LIVING CONDITIONS

- 10.01 It is agreed that the Company and the Union shall co-operate collectively in improving safety and first-aid practices. The Company and the Union agree to set up and maintain a joint Safety Committee to promote safe working conditions and practices. There shall be at least one (1) meeting of the safety committee every month. The position of the Chairman shall alternate between a Company Co-Chairman and a Union Co-Chairman. The Chairman of each meeting shall make a report in triplicate -- copies going to the Company Office, the Union Office, and the Bulletin Boards.

A Member of the Committee is entitled to such time from his work as is necessary to attend meetings of the Committee, and the time so spent shall be deemed to be work time, for which he shall be paid by the Company at his regular or premium rate as may

be proper.

Two members of the Joint Health & Safety Committee elected by the Union will be trained as certified members. They will serve in these functions for a period of two (2) years.

The Company agrees that there shall be a qualified First Aid Man, such First Aid man to have proper visible identification.

- 10.02 It is agreed that there shall be emergency first aid kits at or near work sites.
- 10.03 There shall be a coffee break on Company time at approximately mid point of each half shift.
- 10.04 If reasonably possible, employees shall be paid every second Thursday and this payment will include all payroll credits up to and including the Wednesday of the preceding week. Should a paid Holiday occur on Thursday payday or Friday, payment will be made on Wednesday of that week.

Payroll cheque stubs and/or payroll should be provided to all employees showing the rates of pay, days worked, bi-weekly earnings and deductions. Explanation of payroll codes shall be posted in each department. The Company shall include on each employee's Income Tax (T4) slip the amount of Union dues deducted in the calendar year.

Interim advances will be made only in instances of evident emergency.

Where twenty-four (24) hours notice of termination of employment by the Company of the employee is rendered, the Company agrees that every reasonable effort will be made to make a full settlement within twenty-four (24) hours after such termination. Sundays and legal Holidays excepted.

- 10.05 All hand tools, rain coats, oilers, aprons, and equipment required on the job will be made available to employees. All hand tools and such equipment will be charged to the employee's account at the time of issue. When an operator of equipment is required by the Company to do a mechanical repair job, he will be furnished such tools as are required. Full credit will be given for all tools returned. All tools not returned will be charged for in full. Worn out or broken tools (with no warranty) will be replaced with tools of the same brand or better value, free of charge, provided that the worn out or broken tools are returned and provided such tools are listed on an Employee's tool inventory. No person shall be required to own or rent any tools or equipment as a condition of employment, unless otherwise specified in this Agreement.

It is agreed, however, that employees as provided for in Section 10.05 shall supply hand tools normally required by their trade.

The Company will supply tools up to a value of three hundred and seventy-five (\$375.00) dollars per year for new tools normally required by the tradesperson. The tool allowance is only available when an Employee is presently in a trades classification. The tool allowance is only to be used for the purchase of tools related to the Employee's trade.

10.06 The Company agrees to discuss with the Union in each particular operation, ways and means of improving conditions for all employees covered by this Agreement, and also the interpretation of this Agreement.

10.07 The Company agrees that it will provide free insurance coverage against loss by fire of the personal belongings for employees while on authorized Company property, to a maximum amount of two hundred dollars (\$200.00) per employee.

The Company further agrees that it will provide tradesmen (Machinists, Millwrights, Mechanics, Electricians, Carpenters, Welders, Filers, and Setters) free insurance coverage against loss by fire, theft, or damage of the tools normally required by such tradesmen, to the full value of such tools.

Coverage for such losses will only apply if and to the extent that the employee has provided the Company with a tool inventory list describing in detail the tools on the Company property or work sites. Employees may update such list at any time before a claim is made.

10.08 Lunch rooms and toilet facilities with hot and cold running water comprised of urinals, toilets, sink and drinking fountains, shall be provided at appropriate locations and maintained in a clean and disinfected condition at all times.

10.09 A parking lot or lots, to accommodate the parking of the employees' cars while on shift, with sufficient car plug-ins and electricity during cold weather, shall be provided and maintained at the mill site by the Company.

10.10 The Company agrees that it will furnish on loan, all safety equipment and personal safety apparel save and except safety boots. The Company further agrees to reimburse Employees sixty-five dollars (\$65.00) towards the cost of safety boots upon presentation of a receipt to the Company. The Company also agrees to supply, free of charge, two pairs of gloves and/or mitts per month to boardway men, on the replacement basis.

The wearing of safety equipment and apparel will not become a condition of

employment unless it has been agreed to by the Company and the Union or is mandatory under Government legislation.

The Company will supply mechanics, welders, machinists, millwrights, electricians and other employees who perform maintenance or dirty work, suitable coveralls.

The Company will supply gloves at no charge to employees who are required to handle materials, products or tools. Employees are required to return damaged or worn out gloves for replacement.

The Company will supply insulated coveralls to electricians, filers, millwrights, oilers and welders who are required to work outside during the winter months.

The Company agrees to replace free of charge pitted prescription safety glasses for millwrights, welders and filers limited to one (1) pair per employee per year.

Going forward, all new equipment purchased will have air conditioning and the Company will maintain all units.

ARTICLE XI - HOURS OF WORK

11.01 The regular workweek shall consist of forty (40) hours, unless otherwise specified herein.

It is agreed that daywork or shiftwork employees may be requested to work in excess of their regular work day or shift or work week, and will be paid in accordance with Section 11.07 (b) for such time worked.

11.02 (a) Hours of operation will be determined by the Company and may be changed from time to time to meet business needs and operational requirements.

(b) Scheduling (within the hours of operation) will be developed with input from and consultation with the Union and affected Employees. No schedule can be implemented unless it has been agreed to by the Working Relations Committee. The employees involved will have the option as to which schedule will be implemented. In the event of an impasse, the Company will have the right to put in place a schedule that meets its hours of operation.

(c) In order to meet the operational requirements of the Company, various departments and/or parts thereof may work on different hours of operation as set by the Company, except that it is agreed that manufacturing operations will not be set by the Company on a 24 hour per day and 7 day per week (24/7) basis.

11.03 Breaks during shifts are set out below:

| <u>DAILY SHIFT LENGTH</u> | <u>MEAL BREAK</u> | <u>COFFEE BREAK</u> |
|-----------------------------|-------------------|-----------------------|
| 8 hour (1 or 2 shifts/day) | 20 minutes unpaid | 2 - 15 minutes (paid) |
| 8 hour (3 shifts/day) | 20 minutes paid | 2 - 15 minutes (paid) |
| 10 hour (1 or 2 shifts/day) | 20 minutes unpaid | 2 - 15 minutes (paid) |
| 12 hour (1 shift/day) | 20 minutes unpaid | 2 - 20 minutes (paid) |
| 12 hour (2 shifts/day) | 20 minutes paid | 2 - 20 minutes (paid) |

11.04 If the regular hours of operation are changed the Company will, make such changes at the end of a week and will, if possible, arrange such changes to coincide with the end of a pay period and/or with advance notice to employees of two (2) weeks (layoff caused changes excepted).

11.05 The hours of work for all employees shall be scheduled and posted at 12 noon on Friday of the previous week. The starting and stopping times shall remain constant and fixed during the weekly period, subject to the following:

An employee's scheduled shift may be changed at the Company's request, provided he is paid one and one-half times his regular rate for the first shift worked after the change. When the employee reverts to his original shift, he shall be paid at his regular straight time rate, provided that there is a break of at least eight (8) hours between the shifts worked.

11.06 Shift Differential – 8 Hour Shifts

| | |
|-----------|---------------------|
| 1st Shift | - Nil |
| 2nd Shift | - 58 cents per hour |
| 3rd Shift | - 60 cents per hour |

Shift Differential – 10 & 12 Hour Shifts

| | |
|-----------|---------------------|
| 1st Shift | - Nil |
| 2nd Shift | - 75 cents per hour |

11.07 (a) Overtime work required will be distributed on as equal a basis as possible among the employees who normally perform the work in the classifications requiring the overtime.

(b) Overtime will be paid at one and one-half (1 1/2) times the Employee's regular hourly rate for:

- (i) All hours actually worked in excess of an Employees total weekly scheduled hours, and
 - (ii) Where the schedule is based on working an average number of hours more than forty (40) per week, all hours actually worked as part of the schedule which exceed the average of forty (40) hours per week calculated at the end of the scheduling cycle.
- (c) Overtime premiums shall not be paid more than once for any hour worked, and there shall be no pyramiding of overtime with any other premiums or benefits.
 - (d) For the purpose of calculating overtime entitlement, regularly scheduled hours missed due to vacation, statutory holidays, floating holidays, union business, bereavement leave, jury duty, authorized training and accepted Short Term Disability claims will be considered as worked.
- 11.08 (a) A day or shift worker who is unable to work his scheduled day or shift for reasons beyond his control, shall be paid for the full day or shift.

To qualify for the above, the employee must stay on the job until told by the Foreman that he may leave and must accept other than his normal work if it is offered.

- (b) If, during his scheduled work week, a day or shift worker reports for work at his scheduled starting time and is unable to commence work for reasons beyond his control, and if no reasonable effort has been made to notify him not to report, he shall be given an opportunity to do other work for four (4) hours or more and the employee will be expected to do such work. However, if no such work is supplied, he shall receive four (4) hours' pay provided he remains available for the four (4) hour period if so requested by the Company.

Notification procedures shall be established locally.

- (c) If an employee is available for posted overtime work at the regular starting time and is unable to commence work for reasons beyond his control, he shall receive four (4) hours pay at the applicable rate, provided he remains available for the four hour period if so requested by the Company.
- (d) When an employee is called out for overtime work, after completing his shift or when called out on his day off, he shall be guaranteed four (4) hours' pay at the applicable rate if he works less than four (4) hours, and eight (8) hours at the applicable rate if he is unable to work the full eight (8) hours. If requested, the employee must remain available for the four (4) or eight (8) hour period.

ARTICLE XII - SENIORITY

- 12.01 (a) The Company recognizes the principle of seniority. Seniority will govern subject to reasonable consideration of skill, efficiency and ability, in promotion, transfers, lay-offs and recalls after lay-offs.
- (b) An employee who is on authorized leave of absence on Union business shall accrue seniority while on leave of absence.

An employee who has accrued seniority and is then employed by the Union, shall retain such accrued seniority for a period not exceeding twenty-four (24) months.

- 12.02 Employment of any new employee shall be considered as probationary until he has worked three hundred and sixty (360) regular hours within an eight (8) month period. Seniority of new employees shall be established at the end of this period and shall be effective from the date of employment.

A probationary employee will have no seniority rights during his probationary period and the dismissal, termination, or lay-off of a probationary employee is within the sole discretion of the Company and therefore shall not be the subject matter of a grievance and shall not constitute a grievance under the provisions of the Collective Agreement. The Company's discretion will be exercised in a fair manner.

- 12.03 (a) In transfers from one job classification to another, senior employees shall receive first consideration. In such cases, an employee shall receive the rate for the job to which he is transferred. In case of a temporary change to a lower job classification, the employee shall retain the rate of his previous job classification.

- 12.03(b) Changes in Position

The following procedure will apply when a regular full time permanent vacancy arises or a new permanent position is created.

- (i) the vacancy will be posted for seven (7) calendar days on the bulletin board stating the normal job requirements.
- (ii) regular full time employees interested in filling the position can apply for the vacancy during the posting period. Only those employees applying in writing during the seven (7) calendar day period will be considered.
- (iii) All jobs will be filled from among the qualified applicants on the basis of Section 12.01 of this Agreement.

(iv) Employees accepting the posted jobs shall be allowed forty (40) hours in which to qualify (or a further time as may be mutually agreed). Failure of an employee to qualify shall entitle him to return to his former job without loss of seniority or benefits as will others who were transferred or promoted by the reason of the employee's successful application.

(v) The Company shall post notices showing the names of the successful applicants for all posted vacancies and newly created jobs.

12.03(c) Temporary Vacancies

(1) (i) Temporary vacancies will be filled first from within the shift in the department. 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. The vacancies then left may be filled at the Company's discretion. In the event a temporary vacancy is anticipated to extend beyond three (3) months, an employee from within the department may be used to fill the vacancy on the shift. In the event the temporary vacancy is anticipated to extend beyond six (6) months, an employee in another department may be used to fill the vacancy on the shift. Temporary vacancies shall not exceed beyond 12 months.

(ii) For the purposes of this article the "departments" shall be:

- (a) sawmill 1
- (b) sawmill 2
- (c) planer
- (d) log handling
- (e) lumber handling (including chip bucket)

(iii) Temporary vacancies in the log handling and lumber handling departments and areas of operation will be dealt as follows:

- (a) one individual from each shift from the sawmill will be identified after considering seniority as the person who will, if necessary, provide relief first in the event of a temporary vacancy in the log handling department during his regular shift.
- (b) one individual from each shift from the planer will be identified after considering seniority as the person who will, if necessary, provide relief first in the event of a temporary vacancy in the lumber handling department during his regular shift.

- (c) individuals identified under paragraph (i) and (ii) will not maintain their designation if they leave or change their shift.
- (2) The employee who had occupied the job, upon his return to work after an absence of one (1) year or less shall once again occupy the job that he had filled prior to vacating, provided however, that the job is still in effect and is not filled by a senior employee who for reasons of notice of lay-off from his former job has exercised his seniority on this particular job. When an employee's absence exceeds one (1) year the position shall be posted as permanent and if the employee should return to work he shall be entitled to exercise his seniority.

12.04 In cases of lay-off due to a shortage of work, notice of layoff, in writing, will be provided at least seven (7) calendar days in advance. This will not apply to employees on the call list. The date of notice shall be one of these days providing the notice is posted prior to noon of that day. The layoff date may be extended by up to a maximum of one (1) week without further notice. The Union Grievance Committee will receive a list of the men affected, prior to the intended lay-off. In cases of promotions, demotions, lay-offs or discharges, the Union Grievance Committee shall be notified in advance.

12.05 When the date of recall is known at the time of lay-off, employees leaving the operation will be informed of such date. In the event that the date of recall is not known, notice in writing will be sent to an employee at his given address, unless he has been otherwise contacted, at least fourteen (14) days before he is required to report for work. Employees will be required to acknowledge receipt of such notice and report for work on the date specified, unless other arrangements have been made in writing.

Recall Rights

- (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. This does not take away an employees right to recall.

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

12.06 The Company agrees to submit to the Union Office by April 30th of each year, an alphabetical list, in duplicate, of employees covered by this Agreement, showing their hiring date following their last break in seniority, and Company seniority as specified in Section 12.02 as at March 31st of the same year. The list will show in addition, each employee's occupation and address.

12.07 A list shall be prepared for the operation and its contents shall be available to all employees showing their seniority standing. The list shall be brought up to date at the end of each month and posted in the lunchroom.

12.08 An employee's seniority shall be broken, his employment terminated and his name will be removed from the seniority list if he:

1. Quits voluntarily.
2. Is discharged and not reinstated.
3. Fails to report to work following recall, as provided in Section 12.05 of this Article.
4. Fails to return from a leave of absence on the date specified, unless his return to work is prevented by circumstances beyond his control.
5. Retires.
6. Is laid off for twenty-four (24) months or more except for employees with ten (10) or more years of continuous service who will retain recall rights for vacancies for a period of thirty-six (36) months following the date of layoff.

12.09 Any employee promoted or transferred to a position with the Company outside the bargaining unit shall continue to accrue seniority for a period not exceeding thirty (30) days in any calendar year and will retain the total accrued seniority for a period not exceeding eleven (11) months from the date of promotion or transfer and shall have the right to exercise his seniority in accordance with all the provisions of this Article upon proof of Union membership in good standing. Supervisory personnel who are generally

employed on seasonal operations and who have not acquired seniority in accordance with this Article, may be placed on jobs listed in the bargaining unit, during the off season, provided that this does not interfere with the application of seniority of any employee. Such personnel shall apply for Union membership prior to being placed on the job and maintain their Union membership in good standing.

12.10 When jobs are discontinued due to the introduction of new methods and equipment or due to curtailment of operations, affected employees shall be offered alternate employment on remaining jobs, in accordance with Article XII, to meet the Company's labour requirement and if such employees require training to perform the alternate employment effectively, they shall be trained by the Company. (See Letter of Understanding).

12.11 An employee with 3 or more years of continuous service for whom no job is available can, upon termination, elect to receive a severance allowance of one week's pay for each year of employment during his last period of continuous service (up to the date of termination) computed on the basis of 40 straight time hours at the employee's regular rate.

The maximum severance allowance payable being 30 weeks.

It is understood that an employee who chooses to receive his severance allowance will be terminated from his employment waiving his recall rights pursuant to this Agreement.

This severance allowance includes, and is not in addition to, payments which are or may be required by legislation.

ARTICLE XIII - BULLETIN BOARDS

13.01 The Union shall have the right to post notices dealing with Union affairs upon the bulletin boards of the Company, such notices to have approval of the Foreman before such posting.

ARTICLE XIV - WEEKLY INDEMNITY

14.01 Weekly Indemnity

The Company will maintain and pay 85% of the premium cost of a Weekly Indemnity Insurance Plan. Employees eligible to participate in the plan will pay 15% of the premium cost of the Weekly Indemnity insurance plan by means of payroll deduction. The Plan will provide seventy percent (70%) of weekly earnings, forty (40) hours times an employee's regular rate up to a maximum of six hundred dollar (\$600.00) weekly, to commence on the first day in case of a non-compensable accident and after three (3)

continuous days from the commencement of a disability due to a sickness and will continue for the period of disability up to a maximum of fifty-two (52) weeks, or on the date when admitted to a hospital within the first three (3) days of illness.

The weekly maximum will not be less than the amount payable for such week under the Employment Insurance Act and its regulations as they might be amended.

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

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

Disputed W.S.I.B. Claim

If an employee covered by the Weekly Indemnity Plan suffers a disability for which payment is in dispute with the W.S.I.B., Weekly Indemnity payment will be made retroactively if requested by the employee and provided he has been off work for at least one (1) month due to the disability without W.S.I.B. having accepted the claim and provided the employee is subject to the rules and regulations covering the Weekly Indemnity Plan. If the W.S.I.B. Claim is subsequently established, the employee will then repay the Weekly Indemnity payment(s) received in the appropriate fund or insurance Company.

If the employee's weekly indemnity benefit claim is delayed by more than one (1) month, the Company will advance the benefit payments to the employee.

14.02

Long Term Disability

The Company will maintain and pay 85% of the monthly premium cost of the Long Term Disability Plan providing for benefits of 55% of monthly earning up to a maximum monthly payment of two thousand dollars (\$2,000.00) based on service and in accord with the plan in effect for Woodlands employees. Employees eligible to participate in the plan will pay 15% of the premium cost of the Long Term Disability Plan by means of payroll deduction.

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

The policy will ensure that employees will receive a life insurance (not including A.D. & D.) premium waiver while on L.T.D. The life insurance coverage will be that in place at the time the premium waiver comes into effect. This coverage will include those on L.T.D. on the date of ratification.

The LTD policy will provide for prescription drug coverage continuation while an Employee is receiving LTD benefits under the policy. The Company will pay 85% of the monthly premium cost and the employees eligible to participate will pay 15% of the premium cost monthly in advance. This extended coverage will include those on LTD on September 1, 2004. Those employees on LTD on April 16, 2008 will have this coverage at no premium cost to the employee.

ARTICLE XV - MEDICAL, SURGICAL, DRUG AND HOSPITAL CARE PLANS

15.01 For each employee who has established seniority in accordance with Article XII, the Company will contribute 85% of the premium cost per month for all eligible employees towards the cost of Blue Cross Drug Plan and the Semi-Private Hospital Care Plan. Employees eligible to participate in the plan will pay 15% of the premium cost of the insurance policy by means of payroll deduction.

| | | | |
|----------------------|--------|---|---------|
| Drug Plan Deductible | Single | - | \$10.00 |
| | Family | - | \$20.00 |

The Company contribution to employees who are off work due to a Workplace Safety and Insurance claim or a Short Term Disability claim will be continued for a period of up to twelve (12) months provided such employees contribute their share of the premium cost monthly in advance. The Company shall notify employees in writing as to the amount and dates the payments are to be made.

The Company will provide for chiropractor coverage payable at eighty percent (80%) of the fee charged to an annual maximum of Four Hundred and Fifty dollars (\$450.00) per family.

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

ARTICLE XVI - GROUP LIFE INSURANCE

16.01 The Company will provide \$80,000.00 Life Insurance and \$80,000.00 A.D. & D. Insurance for each employee who has established seniority while actively employed. Premiums for the life insurance policy will be shared on the following basis: the Company shall pay 85% and eligible employees will pay 15% of the premium cost of the insurance policy by means of payroll deduction.

ARTICLE XVII - BEREAVEMENT PAY

17.01 When death occurs to an employee's spouse, children, father, mother, brother or sister,

the employee will be granted leave to attend the funeral and shall be paid for eight (8) hours at his regular straight time rate for time lost up to a maximum of five (5) days. The day of the funeral must be one of the five (5) days.

When death occurs to an employee's mother-in-law, father-in-law, grandparents, step relatives, brother-in-law, sister-in-law, son-in-law, daughter-in-law and grandchild, the employee will be granted leave to attend the funeral and shall be paid for eight (8) hours at his regular straight time rate for time lost up to a maximum of three (3) days. The day of the funeral must be one of the three (3) days.

The intent of this clause is to allow the employee to attend the funeral without loss of earnings. Pay will be granted for the employees' scheduled work days lost during this period.

Any claims for bereavement pay must be submitted by the employee to the Company in writing, along with proof of bereavement in the employee's immediate family.

It is understood that for the purpose of this Article, step-relatives will be considered the same as blood relatives.

ARTICLE XVIII - JURY DUTY ALLOWANCE

18.01 In the case of an employee who is called for jury service, or subpoenaed as a witness for the Crown, the Company shall pay for each day of such service, an allowance equal to the difference between eight (8) hours of pay, based on his regular straight time hourly rate and the payment he received for jury service. The employee will present proof of service and or pay received therefore, when making his claim for such allowance.

ARTICLE XIX - DENTAL CARE PLAN

19.01 The Company will provide a Dental Care Plan with participation compulsory for all employees, on the following basis:

- (a) - services and benefits as in Blue Cross No. 7, basic plan and Rider #1
- services and benefits as in Blue Cross Rider #2 - 60%
Maximum \$1,500 per year per person.

Effective September 1, 2002 - 2001 ODA rates (one year lag to continue thereafter).

- (b) services and benefits as in Blue Cross Rider #3, orthodontic 50% with maximum of \$1,250 lifetime.

The Company shall pay 85% of the dental plan and eligible employees will pay 15% of the premium cost of the dental plan by means of payroll deduction.

ARTICLE XX - VISION CARE PLAN

20.01 The Company will pay 85% of the premium cost of a vision care plan which will reimburse expenses incurred by an employee who has established seniority or his covered dependants when prescribed by a physician or optometrist as follows: frames, lenses and the fitting of prescription glasses including contact lenses up to a total payment of two hundred dollars (\$200.00) per family member in any twenty four (24) month period. The employee will pay 15% of the premium cost of the vision care plan by means of payroll deduction.

ARTICLE XXI - PENSION PLAN

21.01 The Company agrees to provide a Pension Plan to be effective September 1st, 1988.

The Pension Plan will be in the form of three (3) equal units per month of defined contribution to be deposited with a Trustee to the credit of individual pension account under the Plan. The Company will be responsible for and pay the cost of administering the Plan.

The Company shall contribute eighty dollars (\$80.00) to each member's account each month, or within thirty (30) days after the end of each month in which a member who has not attained age 65 is entitled to receive pay for time worked or is on

- (a) Weekly Indemnity.
- (b) The first twelve (12) months of benefits under the Workplace Safety and Insurance Act, 1997.
- (c) Vacation, or
- (d) Jury Duty, bereavement leave, maternity leave, apprenticeship leave or other leave authorized by the Company.

For an employee who is eligible, the Company shall contribute an additional ninety-five dollars (\$95.00) to a member's account each month or within thirty (30) days after the end of each month, in which the member contributes the sum of ninety-five dollars (\$95.00) to the member's account in accordance with the Pension Plan for employees. Employees will join this Plan after attaining twelve (12) months of continuous service. The members contribution will be mandatory.

Upon early retirement and up to age 65, employees shall receive the benefits of the Drug Plan and Life Insurance if the employee agrees to pay the annual premium payable in one lump sum at the beginning of each year.

Early Retiring Allowance

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 then 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> |
|--------------------------|------------------|
| 60 | \$15,000 |
| 61 | \$12,000 |
| 62 | \$9,000 |
| 63 | \$6,000 |
| 64 | \$3,000 |

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

The Early Retiring Allowance will be transferred to the recipients RRSP.

ARTICLE XXII - EDUCATION FUND

22.01 The Company will pay five cents (5¢) per regular hour worked to the Union's education fund.

ARTICLE XXIII - EMPLOYEES ON THE CALL LIST

23.01 Regular Employee Call List

In the event of a layoff of regular full time employees, the following will apply:

- (a) Call List Employees will not be used until attempts are made to use the affected full time employees who would like to be on the "Regular Employee Call List".
- (b) At the time of layoff, affected regular full time employees will indicate their desire to be placed on the Regular Employee Call List. This notice will govern during the layoff.
- (c) In accordance with operational requirements, employees from those identified in paragraph (b) will be placed on the Regular Employee Call List in accordance with seniority subject to reasonable consideration of skill, efficiency and ability.

- (d) Those laid off employees on the Regular Employee Call List will indicate their availability on a monthly basis and will be called in order of seniority, subject to reasonable consideration of skill, efficiency and ability. Employees can modify their decision to be on or off the list providing they give at least two (2) weeks notice.
- (e) Laid off Employees on the Regular Employee Call List will not be scheduled for more than 40 hours per week and will not work double shifts. Overtime at the rate of time and one half (1 ½) will be paid after 40 hours worked in a week. All non-overtime hours will be paid at the regular hourly rate for the classification applying to the work performed.
- (f) Placement on the Regular Employee Call List will not affect the recall rights of any laid off employees. The length of time an employee is eligible to maintain their recall rights under Article 12.08 (6) will be extended by one day for each day worked on the call list after the start date of the layoff period (the date of layoff). If an employee works on the call list for more than 1040 hours in a calendar year, his recall rights will be extended by one year effective the next January 1.
- (g) The layoff and recall notice provisions of the collective agreement will not apply to laid off employees on the Regular Employee Call List.
- (h) Laid off regular full time employees on the Regular Employee Call List will be eligible for the benefits of articles 15, 16, 19, 20 and 21 in the calendar month following a calendar month in which they work 80 regular hours.
- (i) The union will be provided with the names of employees working on the Regular Employee Call List as well as information concerning the working of the call list upon request.

23.02

Call List Employees

The following will apply for all Call List Employees:

- (a) The Company will supply the Union with a list of employees who are being employed on the call list. (Call List Employees)
- (b) Call List Employees should, if used as a replacement, start in a labour position if the same is available. Call List Employees will indicate their availability on a monthly basis for work and may be called as required.
- (c) Call List Employees will be subject to a Call List Probationary Period of 400 regular hours in a six (6) month period following which they will have Call List Seniority. If the employee does not complete his Call List Probationary Period in six (6) months he will be terminated or will commence a new Call List Probationary Period and his record of

service will be adjusted accordingly. The six (6) month period and record of service may be extended and adjusted by mutual agreement. The Company shall give the Union a list of employees once they have completed their probation period.

A Call List Employee who has completed his Call List Probationary Period will not be required to serve a new probationary period when hired as a regular full time employee, but their date of hire for regular full time seniority will be the date of hire as a full time employee. Call List Seniority will be based on service (regular hours worked) and will only be used to give the senior Call List Employee preference when a regular full time vacancy arises.

- (d) Call List Employees will have no seniority rights and will not be entitled to benefits.
- (e) Call List Employees will pay regular monthly Union dues but no initiation fees.
- (f) Call List Employees will not be scheduled for more than 40 regular hours per week and will not work double shifts.
- (g) The layoff and recall notice provisions of the collective agreement will not apply to Call List Employees.
- (h) Call List Employees will be paid \$17.50 per hour for the term of this agreement for all work except that trades work shall be paid at the regular rate for the classification worked. Overtime at the rate of time and one half (1 ½) will be paid after 40 hours worked in a week.
- (i) If regular full time employees are laid off and wish to work on a call in basis, they will be given preference over Call List Employees for available work. The rules governing the call list of such laid off employees are set out in Article 23.01.

PRINTING OF COLLECTIVE AGREEMENT

The Company agrees to pay full cost and have books printed within three (3) months of ratification.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

WAGE SCHEDULE

| <u>Rates and Classifications</u> | Sept 1, 2005 | Start Date | Dec. 1, 2010 | June 1, 2011 |
|-----------------------------------|--------------|------------|--------------|--------------|
| Carpenter | 24.50 | 22.50 | 23.50 | 24.50 |
| Chip Car Helper | 21.86 | 19.86 | 20.86 | 21.86 |
| Chip Car Loader | 21.86 | 19.86 | 20.86 | 21.86 |
| Clean-Up Man | 21.83 | 19.83 | 20.83 | 21.83 |
| Dry Kiln Helper | 22.16 | 20.16 | 21.16 | 22.16 |
| Electrician Lead | 25.84 | 23.84 | 24.84 | 25.84 |
| Electrician "A" | 25.45 | 23.45 | 24.45 | 25.45 |
| Electrician I | 24.79 | 22.79 | 23.79 | 24.79 |
| Electrician II | 23.59 | 23.59 | 24.59 | 23.59 |
| Electrician III | 23.26 | 21.26 | 22.26 | 23.26 |
| Electrician IV | 23.00 | 21.00 | 22.00 | 23.00 |
| Electrician Helper | 22.79 | 20.79 | 21.79 | 22.79 |
| Feeder Planer | 22.13 | 20.13 | 21.13 | 22.13 |
| Filer Lead | 25.79 | 23.79 | 24.79 | 25.79 |
| Filer | 25.15 | 23.15 | 24.15 | 25.15 |
| Filer "B" | 23.76 | 21.76 | 22.76 | 23.76 |
| Filer "C" | 23.36 | 21.36 | 22.36 | 23.36 |
| Filer Trainee | 22.79 | 20.79 | 21.79 | 22.79 |
| Grader, Trimmerman (not licensed) | 22.19 | 20.19 | 21.19 | 22.19 |
| Green Chain Man | 21.83 | 19.83 | 20.83 | 21.83 |
| Hot Pond Riser | 21.94 | 19.94 | 20.94 | 21.94 |
| Jackladder Feeder | 21.83 | 19.83 | 20.83 | 21.83 |
| Labourer, General | 21.83 | 19.83 | 20.83 | 21.83 |
| Lumber Grader (Licensed) | 23.57 | 21.57 | 22.57 | 23.57 |
| Lumber Grader (Not Licensed) | 22.69 | 20.69 | 21.69 | 22.69 |
| Machinist, Certificate | 24.75 | 22.75 | 23.75 | 24.75 |
| Machinist | 24.50 | 22.50 | 23.50 | 24.50 |
| Mechanic, Lead | 25.41 | 23.41 | 24.41 | 25.41 |
| Mechanic "A-1" | 25.34 | 23.34 | 24.34 | 25.34 |
| Mechanic "A" | 25.15 | 23.15 | 24.15 | 25.15 |
| Mechanic I | 24.50 | 22.50 | 23.50 | 24.50 |
| Mechanic II | 23.21 | 21.21 | 22.21 | 23.21 |
| Mechanic Helper "A" | 22.67 | 20.67 | 21.67 | 22.67 |
| Mechanic Helper | 22.30 | 20.30 | 21.30 | 22.30 |
| Millwright Lead | 25.41 | 23.41 | 24.41 | 25.41 |
| Millwright "A" | 25.15 | 23.15 | 24.15 | 25.15 |
| Millwright I | 24.50 | 22.50 | 23.50 | 24.50 |
| Millwright II | 22.93 | 20.93 | 21.93 | 22.93 |

| | | | | |
|--|-------|-------|-------|-------|
| Millwright III | 22.67 | 20.67 | 21.67 | 22.67 |
| Millwright IV | 22.45 | 20.45 | 21.45 | 22.45 |
| Millwright Helper | 22.30 | 20.30 | 21.30 | 22.30 |
| Oiler | 22.67 | 20.67 | 21.67 | 22.67 |
| Operator, Debarker | 22.40 | 20.40 | 21.40 | 22.40 |
| Operator, Bulldozer | 22.54 | 20.54 | 21.54 | 22.54 |
| Operator, Carrylift | 22.61 | 20.61 | 21.61 | 22.61 |
| Operator, Chip'n'Saw Mark II | 23.57 | 21.57 | 22.57 | 23.57 |
| Operator, Chip'n'Saw Mark III | 23.31 | 21.31 | 22.31 | 23.31 |
| Operator, Chip'n'Saw, V Head | 23.07 | 21.07 | 22.07 | 23.07 |
| Operator, Case Uniloader | 22.20 | 20.20 | 21.20 | 22.20 |
| Operator, Chipper | 22.16 | 20.16 | 21.16 | 22.16 |
| Operator, Hi-Ho | 22.61 | 20.61 | 21.61 | 22.61 |
| Operator, Sorter | 22.83 | 20.83 | 21.83 | 22.83 |
| Operator, 930 | 22.61 | 20.61 | 21.61 | 22.61 |
| Operator, 944 | 22.61 | 20.61 | 21.61 | 22.61 |
| Operator, 950 | 22.61 | 20.61 | 21.61 | 22.61 |
| Operator, 966 | 22.61 | 20.61 | 21.61 | 22.61 |
| Operator, Planer Lead (Lic. Grader & Set Up) | 23.57 | 21.57 | 22.57 | 23.57 |
| Operator, Planer Lead (set-up) | 24.56 | 22.56 | 23.56 | 24.56 |
| Operator, Reman | 22.79 | 20.79 | 21.79 | 22.79 |
| Operator, Tow Motor Fork Lift | 22.61 | 20.61 | 21.61 | 22.61 |
| Operator, Slasher | 22.61 | 20.61 | 21.61 | 22.61 |
| Operator, Stacker Green Chain | 22.20 | 20.20 | 21.20 | 22.20 |
| Operator, Stacker Planer | 22.20 | 20.20 | 21.20 | 22.20 |
| Operator, Work Boat | 22.20 | 20.20 | 21.20 | 22.20 |
| Planer, operator & Maintainer | 23.65 | 21.65 | 22.65 | 23.65 |
| Sawmill Sorting Station | 22.83 | 20.83 | 21.83 | 22.83 |
| Tail Bulldozer | 21.92 | 19.92 | 20.92 | 21.92 |
| Tailer - New Mill | 22.02 | 20.02 | 21.02 | 22.02 |
| Watchman, Clean-up Man | 21.83 | 19.83 | 20.83 | 21.83 |
| Welder, Lead | 25.41 | 23.41 | 24.41 | 25.41 |
| Welder "A" | 25.15 | 23.15 | 24.15 | 25.15 |
| Welder I | 24.50 | 22.50 | 22.50 | 24.50 |
| Welder II | 23.21 | 21.21 | 22.21 | 23.21 |
| Welder Helper "A" | 22.66 | 20.66 | 21.66 | 22.66 |
| Welder Helper | 22.30 | 20.30 | 22.31 | 22.30 |

NOTE: Start Date: The first Sunday following a total of 1050 hours (2 shifts at 525 hours each) of sawmill production calculated commencing March 1, 2008.

LETTER OF UNDERSTANDING

B E T W E E N:

McKENZIE FOREST PRODUCTS INC.
(SAWMILL)

- and -

UNITED STEELWORKERS, LOCAL 1-2693

REFERENCE TO ARTICLE XII - 12.10

It is understood that Article 12.10 does not apply to normal fluctuations in production levels.

The Company will review abnormal situations with the Union concerning the action to be taken.

Signed this 10th day of July, 1999.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

T. O'DONOVAN
W. GERICKE
R. YORK
Y. FRICOT

W. McINTYRE
L. SZKALEY
K. PAQUETTE
S. KIEPEK
ROBERT ELLIOTT
RAY ELLIOTT
M. BENNETT
R. JACOBSON

Updated: April 16, 2008

LETTER OF UNDERSTANDING

B E T W E E N:

McKENZIE FOREST PRODUCTS INC.

- and -

UNITED STEELWORKERS, LOCAL 1-2693

RE: WEEKEND MAINTENANCE SCHEDULE FOR CLASSIFICATIONS IN
MAINTENANCE GROUP & WEEKEND CLEAN UP CREW
& FORKLIFT OPERATORS

Principles

1. Jobs Posted - Vacancies shall be posted as they occur and jobs shall be filled on the basis of Article 12 - Seniority.

| | | |
|-------------------|---------------|-------------|
| 2. Work Schedule: | <u>Worked</u> | <u>Paid</u> |
| Friday or Monday | 10 | 10 |
| Saturday | 10 | 10 |
| Sunday | <u>12</u> | <u>20</u> |
| | 32 | 40 |

It is understood that the hours of work shall be as follows:

- (a) Friday (10 hours)
7 a.m. to 5:30 p.m. meal time excepted

Saturday (10 hours)
7 a.m. to 5:30 p.m. meal time excepted

Sunday (12 hours)
7 a.m. to 7:30 p.m. meal time excepted
(first ten (10) hours)

OR

Saturday (10 hours)

7 a.m. to 5:30 p.m. meal time excepted

Sunday (12 hours)

7 a.m. to 7:30 p.m. meal time excepted

Monday (10 hours)

7 a.m. to 5:30 p.m. meal time excepted (first ten (10) hours)

3. VACATION - For vacation time-off entitlement, one week will be Friday, Saturday, Sunday or Saturday, Sunday, Monday.
4. Statutory or floating holiday pay shall be calculated at ten (10) hours at the employee's regular hourly rate.
5. The three days worked on weekend will equal five days seniority.
6. Should a person be off on a Sunday due to sickness he will be allowed to work two eight (8) hour shifts through the week to make up the twenty hours missed for Sunday.
7. Scheduling to remain constant and static except when Christmas Day or Boxing Day falls on a Sunday. Weekend shift employees will go back to a 5 day week schedule during that week.
8. The Company and the Union accept the concept of the Weekend Maintenance Schedule to increase equipment availability and to ensure the safe and productive operations of the sawmill through effective maintenance of sawmill equipment and to alleviate the burden of excessive overtime demands on individuals in the maintenance group.

The Company and the Union agree to a three-month trial of the Weekend Maintenance Schedule to evaluate its effectiveness and to address any problems or concerns that may arise.

In the event that the required number of volunteers is not met through posting, the Company and the Union agree to meet to discuss alternatives.

9. The Company has at this time no plans to increase the Weekend Clean Up and Forklift Operator Employee numbers. If it does so, it will meet with the Union to discuss such changes before they are made.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-and-

UNITED STEELWORKERS, LOCAL 1-2693

RE: STUDENTS

The following sets out the terms and conditions regarding the employment of students at McKenzie Forest Products Inc.

1. The Company will supply the Union with a list of students who are being employed in the plant.
2. As far as possible, working time to be equally distributed among the students. A refusal to work counts as a day worked.
3. From May 1st to mid-September, students to work on a regular basis. Students hired for summer employment on a regular basis will be terminated on or before mid-September.
4. From mid-September to April 30th to work only as replacements or for mill and yard clean up.
5. When used as a replacement, they should start in the labour area if position available as long as signing list procedure is used first.
6. A student should have preference to a full-time position when an opening occurs provided he/she has completed Grade 12 and is 18 years of age. Students will be required to apply for such a position and meet all normal hiring criteria.
7. Students will have no seniority rights and will not be entitled to benefits.
8. Students will pay regular monthly union dues but no initiation fees.

9. Students will be paid \$17.50 per hour (for the term of the agreement) for all regular hours worked.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-and-

UNITED STEELWORKERS, LOCAL 1-2693

RE: RECOGNITION FOR INJURED WORKERS

- 1 The Labour Management Committee will agree on an appropriate method of recognizing injured workers on April 28th (i.e. - banner / sign, etc.).

Signed this 10th day of July, 1999.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

T. O'DONOVAN

W. McINTYRE

W. GERICKE

L. SZKALEY

R. YORK

K. PAQUETTE

Y. FRICOT

S. KIEPEK

ROBERT ELLIOTT

RAY ELLIOTT

M. BENNETT

R. JACOBSON

Updated: April 16, 2008

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-and-

UNITED STEELWORKERS, LOCAL 1-2693

RE: STEADY DAY JOBS

Steady Day Jobs will be posted when vacancies arise.

Signed this 10th day of July, 1999.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

T. O'DONOVAN

W. GERICKE

R. YORK

Y. FRICOT

W. McINTYRE

L. SZKALEY

K. PAQUETTE

S. KIEPEK

ROBERT ELLIOTT

RAY ELLIOTT

M. BENNETT

R. JACOBSON

Updated: April 16, 2008

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-and-

UNITED STEELWORKERS, LOCAL 1-2693

RE: SCHEDULING OF STATUTORY HOLIDAYS

1. The parties will meet prior to November 30 of each year to identify the 24 hour period to be taken as each Statutory holiday in the next calendar year. Failing agreement, the Statutory holiday will be taken on the day of the holiday.

Ratified this 4th day of October, 2002.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

DANIS LEROUX
BARBARA BEST
YVES FRICOT
RUSS YORK
WOLF GERICKE
TIM O'DONOVAN

JOE HANLON
ROBERT ELLIOTT
KENNETH PAQUETTE
SYLWESTER KIEPEK
DOROTHY BRODERICK
MATT BENNETT
AL DERUSHA

Updated: April 16, 2008

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-and-

UNITED STEELWORKERS, LOCAL 1-2693

RE: 6 DAYS/WEEK - 10 HOUR SHIFTS

Applies to the sawmill, planer and garage as well as mobile equipment-log, mobile equipment-lumber and other associated operations.

1. The work week schedule will average forty (40) hours per week based on 4 days per week at ten (10) hours per day.

2. Vacations

For the purpose of vacation pay credits an employee shall receive 1.25 days for each full or part day worked.

One (1) week vacation entitlement will be equivalent to four days of work. The parties recognize that depending on the shift schedule selected, holidays may be taken in groups of less than 4 working days as long as these are grouped in consecutive work days (including a single day with a stat or floater) on the schedule.

3. Statutory Holidays with Pay

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.

Individuals not scheduled to work on the Statutory holiday will receive their next scheduled work day off as the Statutory holiday.

Any hours worked in excess of ten hours on a statutory holiday shall be paid at double time.

4. Schedules
The employees involved will vote on one of the three attached schedules that they wish to work. After one (1) year, employees may suggest and try other schedules with the agreement of the parties. The parties agree that any schedule that is in process will run for a minimum 6 months.

5. Reporting and call in pay - 4 hours in article 11 shall be considered 5 hours.

6. Bereavement Pay
For employees on modified shift scheduling, this clause 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, children, father, mother, brother and sister, nor exceed twenty-four (24) hours pay in the case of death of other specified family members.

7. Jury Duty/Subpoenaed Witness Allowance
Employees will be paid the difference between payment received for such duties 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.

8. Weekly Indemnity
For employees on modified shift scheduling, this clause will be administered on the basis of payment for each regular shift missed equals ten (10) hours.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Example 1:

| | | SUN | MON | TUES | WED | THURS | FRI | SAT |
|--------|---|-----|-----|------|-----|-------|-----|-----|
| Week 1 | | | | | | | | |
| Shift | A | N | N | N | off | off | D | D |
| | B | off | off | off | N | N | N | off |
| | C | off | D | D | D | D | off | off |
| Week 2 | | | | | | | | |
| Shift | A | off | off | off | N | N | N | off |
| | B | off | D | D | D | D | off | off |
| | C | N | N | N | off | off | D | D |
| Week 3 | | | | | | | | |
| Shift | A | off | D | D | D | D | off | off |
| | B | N | N | N | off | off | D | D |
| | C | off | off | off | N | N | N | off |

Example 2:

| | | SUN | MON | TUES | WED | THURS | FRI | SAT |
|--------|---|-----|-----|------|-----|-------|-----|-----|
| Week 1 | | | | | | | | |
| Shift | A | N | N | N | off | off | D | D |
| | B | off | D | D | D | D | off | off |
| | C | off | off | off | N | N | N | off |
| Week 2 | | | | | | | | |
| Shift | A | off | D | D | D | D | off | off |
| | B | off | off | off | N | N | N | off |
| | C | N | N | N | off | off | D | D |
| Week 3 | | | | | | | | |
| Shift | A | off | off | off | N | N | N | off |
| | B | N | N | N | off | off | D | D |
| | C | off | D | D | D | D | off | off |

Example 3:

| | | SUN | MON | TUES | WED | THURS | FRI | SAT |
|--------|---|-----|-----|------|-----|-------|-----|-----|
| Week 1 | | | | | | | | |
| Shift | A | off | off | off | D | D | D | D |
| | B | N | N | N | N | off | off | off |
| | C | off | D | D | off | N | N | off |
| Week 2 | | | | | | | | |
| Shift | A | off | D | D | off | N | N | off |
| | B | off | off | off | D | D | D | D |
| | C | N | N | N | N | off | off | off |
| Week 3 | | | | | | | | |
| Shift | A | N | N | N | N | off | off | off |

| | | | | | | | |
|---|-----|-----|-----|-----|---|---|-----|
| B | off | D | D | off | N | N | off |
| C | off | off | off | D | D | D | D |

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS, INC.

-and-

UNITED STEELWORKERS, LOCAL 1-2693

RE: WEEKEND MAINTENANCE SCHEDULE FOR CLASSIFICATIONS IN
MAINTENANCE GROUP

Principles:

1. Jobs Posted - Vacancies shall be posted as they occur and jobs shall be filled on the basis of Article 12 - Seniority.

2. Work Schedule

| | | <u>Worked</u> | <u>Paid</u> |
|--------------------|----------|---------------|-------------|
| <u>Day Shift</u> | Saturday | 12 | 12 |
| | Sunday | 12 | 18 |
| <u>Night Shift</u> | Friday | 12 | 20 |
| | Saturday | 12 | 20 |
| | Sunday | <u>10</u> | <u>10</u> |
| | | 58 Hrs | 80 Hrs |

Employees will work shifts, rotating between days and nights.

It is understood that the hours of work shall be as follows:

Day Shift Saturday (12 Hours)
Saturday 7 am to Saturday 7 pm, meal time included
Sunday (12 Hours)
Sunday 7 am to Sunday 7 pm, meal time included

Night Shift Friday (12 Hours)
Friday 7 pm to Saturday 7 am, meal time included
Saturday (12 Hours)
Saturday 7 pm to Sunday 7 am, meal time included

Sunday (10 Hours)

Sunday 7 pm to Monday 5:30 a.m., meal time excepted

The starting times for these shifts may be amended by mutual agreement of the parties.

3. Vacation

For vacation time off entitlement, one week will be a weekend day shift schedule or a weekend night shift schedule. Vacation credits will be prorated to take into account the shift schedule.

4. Floating holiday pay shall be calculated at (10) hours at the employee's regular hourly rate.

5. Statutory Holidays

These paragraphs apply to all Maintenance Employees, including those on the Monday to Friday schedule.

If the Employee works the Weekend Schedule and if the Statutory holiday is taken on a day the Employee is not scheduled to work he will receive ten (10) hours pay at the Employees regular hourly rate.

If the Employee is on the Monday to Friday schedule and if the Statutory holiday is taken on a day the Employee is not scheduled to work he will receive eight (8) hours pay at the Employees regular hourly rate.

If the Statutory holiday is taken on a day the Employee is scheduled to work, the employee will be paid for the hours he would have worked at the employees regular hourly rate. If the Employee is on the Weekend Schedule, the Employee will be allowed to work one shift through the week to make up the difference between this pay and their normal hours paid.

6. Should a person be off on a Sunday or Saturday night due to sickness he will be allowed to work two eight (8) hour shifts through the week to make up the hours missed for Sunday or Saturday night.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-AND-

UNITED STEELWORKERS, LOCAL 1-2693

RE: WORKING RELATIONS COMMITTEE

The Parties recognize that implementing and overseeing the operation of the Collective Agreement cooperatively is necessary to ensure that the intention of the Parties is achieved and that the short and long-term success of McKenzie Forest Products is assured. Improving the Employee - Company - Union working relationship and the efficiency of the operation will require monitoring.

In an effort to assure success and ensure that the intent of recent negotiations is maintained, the Parties agree to the following:

1. A joint Working Relations Committee will be formed consisting of Union Representatives Joe Hanlon (or his designate) Robert Elliott, Sylwester Kiepek, Matt Bennett and the Union steward and Company representatives Wolf Gericke (or his designate), Danis Leroux (or his designate), Don Fenelon, Joe Armstrong, Sarah Morin.
2. The Committee will meet monthly (or more often as needed) and meetings will be prescheduled. An agenda will be prepared one week before the meeting of the Committee and the Company and Union presidents will alternate as co-chairs of the Committee.
3. The Committee will operate on the basis of consensus when dealing with issues. The Committee will, at its first meeting, develop a process on how decisions of the Committee will be recorded and implemented.
4. The Committee will have the authority to seek assistance from both internal and outside sources.

5. The Committee will, at its first meeting (within one month of ratification), make arrangements for appropriate training. The training will take place no later than two months following the first meeting of the Committee. The Grievance Committee will participate in the training.

This letter will become effective the date of ratification.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-AND-

UNITED STEELWORKERS, LOCAL 1-2693

RE: FLOATING HOLIDAYS AND VACATION BONUS

1. 6.04 - Vacation Bonus

For each employee, the vacation bonus will be eliminated from the "Start Date" to December 31st 2010. January 1st, 2011 the vacation bonus shall be reinstated.

2. 7.05 - Floating Holidays

For each employee, one (1) floating holiday will be eliminated from January 1, 2009 to December 31, 2010. January 1st, 2011 the floating holiday shall be reinstated.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-AND-

UNITED STEELWORKERS, LOCAL 1-2693

RE: APPRECIATION BONUS

1. An Appreciation Bonus of one thousand dollars (\$1,000.00), payable on the last day of the Agreement will be paid to employees who are:
 - (a) on the seniority list on date of ratification and,
 - (b) who are working on the last day of the Collective Agreement (if laid off on that date, the employees' amount to be prorated by the hours worked in the last year of the collective agreement).

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-AND-

UNITED STEELWORKERS, LOCAL 1-2693

1. It is agreed that the Company will commence operations prior to June 15, 2008.
2. These operations will be on a 2-shift basis in the sawmill and planer and the Company agrees that each shift will, once commenced, work for a minimum of 525 hours.
3. The Company's commitment to operations as described in paragraph 2 is conditional upon:
 - (a) ratification of the new collective agreement on or before April 16, 2008.
 - (b) changes to severance pay agreement:

The parties agree to extend the operation of the agreement dated February 20, 2008 (which deals with severance and termination pay obligations) to June 1, 2009.

References to October 15, 2008 (paragraph 6, 10 and 11) shall be amended to read June 1, 2009.

In Paragraph 7, the words "will be paid in full on a payment date that will be 9 months after the date on which the employee's periods of layoff total 35 weeks in a 52 week period" shall be replaced with "will be paid in full on June 2, 2009".

The Agreement dated February 20, 2008 shall terminate effective midnight on June 2, 2009.

The intent of the above changes is to end this Agreement on June 2, 2009 and to make it clear that employees who have elected to receive severance pay will receive it on June 2, 2009.

4. The changes to the collective agreement in this memorandum of agreement dealing with wages and benefits do not take effect until the first Sunday following the completion of the sawmill and planer working two shifts for a total of 525 hours each.

5. For a period of two (2) weeks following the commencement of operations, the local union members of the working relations committee will work to assist in effecting a smooth transition to the operating practices of this agreement. The two (2) weeks may be extended if needed.
6. The parties agree that should problems with the implementation of this memorandum of agreement exist and cannot be resolved by the working relations committee within the first 6 months of operation, either party may request an agreed upon arbitrator. The arbitrator shall work as a mediator to ensure the intent of the agreement is fulfilled, however; the agreed upon arbitrator will have jurisdiction to deal with issues that arise from the memorandum.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-AND-

UNITED STEELWORKERS, LOCAL 1-2693

RE: BENEFITS AFTER AGE 65

Eligibility for benefits of articles 14, 15, 16, 19, and 20 for employees will not extend beyond age 65.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-AND-

UNITED STEELWORKERS, LOCAL 1-2693

RE: ARTICLE 12.08 #6 – RECALL RIGHTS

Employees on the seniority list on the date of ratification will have recall rights until November 30, 2011.
An agreed upon list of such employees will be prepared.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

LETTER OF UNDERSTANDING

BETWEEN:

McKENZIE FOREST PRODUCTS INC.

-AND-

UNITED STEELWORKERS, LOCAL 1-2693

RE: ACCRUED VACATION PAY

Employees who are off work due to a Workplace Safety and Insurance claim or a Short Term Disability claim will, for a period of up to twelve (12) months following the date of the injury or illness, be permitted to allocate their accrued vacation pay to benefits for which they may be eligible and required to contribute a portion of the premium cost. The same will apply for an employees contribution to his pension plan during the same period. A procedure to deal with this will be developed by the Company.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

JOB DESCRIPTION FOR TRADES AND HELPERS

MECHANICS

Helper

Required to work as an assistant to other mechanics as assigned. Shall be upgraded prior to or at the end of a one year period to Helper Class "A". A helper will commence to accumulate common mechanical tools.

In the event that he fails to display the necessary aptitude for further training, he may at any time during this period be placed in other suitable employment.

Helper Class "A"

He shall, under the direction of mechanics of a higher classification, work on all types of equipment used in the production of lumber, shall be capable of performing the following jobs independently: tire repair, wash jobs, greasing and oiling service.

A Helper entering the trade at this level will commence to accumulate common mechanical tools.

He shall be upgraded prior to or at the end of a one year period to Mechanic II.

In the event that he fails to display the necessary aptitude for further training, he may at any time during this period be placed in other suitable employment.

Mechanic II

He shall be capable, under direction, of performing all jobs assigned to him in an efficient manner on gasoline and/or diesel powered equipment generally used in the production of lumber. It is expected that eligible personnel shall put forth every effort to obtain a Provincial Trade Certificate.

Mechanic I

He shall be capable, without direction, of performing all jobs assigned him in an efficient manner on gasoline and/or diesel powered equipment generally used in the production of lumber.

He shall be required to direct assistants working under him and must assume full responsibility for all work performed by himself or his assistants.

Where a present mechanic or a person subsequently hired has no certificate but has had special training and/or is assigned on only one type of equipment, he will automatically be rated as a Mechanic I.

Mechanic Class “A”

He shall be capable, without direction, of performing all jobs assigned to him in an efficient manner on gasoline and/or diesel powered equipment generally used in production of lumber.

He will be required to direct assistants working under him and must assume full responsibility for all work performed by himself or his assistants.

He must be in possession of a Provincial Trade Certificate recommended by the Ministry of Labour of Ontario.

Mechanics presently employed in this classification will not be required to have a Certificate.

Mechanic Class “A-1”

In addition to fulfilling all of the qualifications of a Mechanic Class “A” and being in possession of a Provincial Trade Certificate, he shall have had advanced theoretical and practical training in equipment sub-systems or be in possession of both a motor vehicle mechanic certificate and a heavy duty equipment mechanic certificate recognized by the Ministry of Labour of Ontario.

Mechanic Lead

A Mechanic Lead is appointed as the need arises, must possess the qualifications set out under Mechanic Class “A”, and, in addition, shall be capable of leading other mechanics.

MILLWRIGHTS

Millwright Helper

Works as a trades helper, will be assigned to and take necessary direction from a Millwright III, II, I or “A”.

A helper must be capable of performing, independently, wash jobs, greasing and oiling, and must be in the process of accumulating a basic tool kit required for the work he is asked to perform.

In the event that he fails to display the necessary aptitude for further training, he may at any time during this period be placed in other suitable employment.

Millwright IV

Shall be qualified to assist and work under the direction and instructions of Millwright III, II, I, or “A”. He will work alone at times, performing assignments in keeping with his training.

During the course of his year, trainee must become proficient in good millwrighting practices in the areas of fitting, aligning, lubricating and the operation of all shop tools and machines. In addition to the foregoing, he will be exposed to and begin the process of learning techniques required in trouble shooting key production machinery, pipefitting, basic welding and machining, but will not be expected to display a high degree of proficiency in these areas at this point.

Millwright III

Must be capable of performing the tasks of fitting, aligning, lubricating and able to operate all shop tools and machines.

Must, under direction, become proficient in basic welding and pipefitting as well as dismantling and reassembly of plant equipment.

Under direction, will continue to develop skills in trouble shooting all plant equipment and improve his skills at machining parts and be exposed to basic principles by hydraulics and pneumatics.

He may work alone frequently, but occasionally will require direction and instructions from Millwright II, I or “A”.

Millwright II

Must be capable, without direction, of fitting, aligning and lubricating and taking apart and reassembling plant equipment. In addition, is expected to be able to weld, operate shop tools and do pipefitting as required.

Must, under direction, become proficient at effective methods of trouble shooting and repairing hydraulic, pneumatic and mechanical faults in plant machinery.

Millwright I

Must be capable, without direction, of performing all practices under Millwright II, III, and IV. Must, under direction, become proficient at reading and understanding blueprints, all phases of installing new equipment, laying out hydraulic and mechanical drives, and meet speed and power requirements correctly.

Millwright “A”

Must be capable, without direction, of performing all practices under Millwright I, II, III and IV. Must take full responsibility for work done by himself or his assistant.

Must be in possession of a Millwright Certificate or a Machinist Certificate or Welder H.P. Certificate. It is understood that the Welder H.P. Certificate will be accompanied by a millwright or industrial maintenance technician diploma.

Millwrights presently employed in this classification will not be required to have a Certificate.

Millwright Lead

A Millwright Lead is appointed as the need arises, must possess the qualifications set out under Millwright “A” and in addition, shall be capable of leading other Millwrights.

Millwrights presently employed in this category are not required to have a trade certificate.

WELDERS

Helper

Required to work as an assistant to welders as assigned. He shall be upgraded prior to or at the end of a one year period to Helper Class “A”. In the event that he fails to display the necessary aptitude for further training, he may at any time during this period be placed in other suitable employment.

Helper Class “A”

He shall be capable, under direction, of performing the following:

1. Oxyacetylene and electrical welding in flat positions with opportunity of working in other positions.
2. Cutting, soldering and brazing.

He shall be upgraded prior to or at the end of a one year period to Welder II. In the event that he fails to display the necessary aptitude for further training, he may at any time during this period be placed in other suitable employment.

Welder II

He shall be capable under direction of performing all jobs assigned to him in an efficient manner in both oxyacetylene and electrical welding in any position. He shall also have an understanding of types of flames, oxidizing and carbonizing.

Welder I

Shall be capable, without direction, of performing all jobs assigned to him in an efficient manner in both oxyacetylene and electrical welding in any position.

He shall be capable of performing both types of welding in all positions with all metals used in the production of lumber.

He must assume responsibility for all work performed by himself or his assistants.

Welder Class "A"

He shall be capable, without direction, of performing all jobs assigned to him in an efficient manner in both oxyacetylene and electrical welding in any position. He shall have an understanding of types of flames, oxidizing and carbonizing.

He shall be proficient in both types of welding in all positions with all metals used in the production of lumber.

He must be able to fabricate from a blueprint.

He must assume responsibility for all work performed by himself or his assistants.

He must be in possession of the necessary Trade Certificate.

Welders presently employed in this classification will not be required to have a Trade Certificate.

Welder Lead

A Welder Lead is appointed as the need arises, must possess the qualifications set out under Welder Class "A" and in addition shall be capable of leading other welders.

ELECTRICIANS

Helper

Required to enter into and continue in an apprenticeship program leading to the certified trade of maintenance electrician.

Will obtain practical experience at the plant level by working as an assistant to the electrician as assigned.

Shall, under the direction and supervision of the Electrician and Supervisors, perform work common to the electrical trade on all types of machines and equipment and in the production of lumber.

In the event that he fails to display the necessary aptitude for further training, he may at any time during this period be placed in other suitable employment.

Electrician IV

Will be enrolled in and have successfully passed exams following his first year of apprenticeship in the electrical trade.

Shall, under direction from the Electrician or Supervisor, obtain practical experience at the plant level allied to the second year theory taught at the Provincial school and will be expected to perform work common to the Electrical Trade on all types of machines and equipment used in the production of lumber.

Electrician III

Must have successfully completed the second year of apprenticeship in the Electrical Trade.

Under the direction of an Electrician "A", must be proficient in the installation and maintenance of all electrical equipment in the plant.

Will gain practical experience allied to the third year theory taught in the Provincial School.

Electrician II

Must have successfully completed the third year of apprenticeship in the Electrical Trades.

Will continue to gain practical experience allied to subject material taught in the fourth year of apprenticeship and be responsible for all work performed by himself up to his present level of training.

Electrician I

Will have successfully completed the full course for the trade of Maintenance Electrician and received a certificate of apprenticeship.

Electrician “A”

Shall be in possession of a Provincial Journeyman Trade Certificate and must be proficient in the installation and maintenance of all electrical equipment in the plant and assume responsibility for all work done by himself and his assistants.

Electrician Lead

An Electrician Lead is appointed as the need arises, must possess the qualifications set out under Electrician “A” and in addition, shall be capable of leading other Electricians.

TRADES APPRENTICE PROGRAM

1. Apprenticeship openings will be filled in accordance with the provisions of Section 12.01 (job postings). Employees must meet the educational level specified by the *Apprenticeship Act* and applicants may be required to successfully complete aptitude tests. The Company and the Trades Committee will meet to review the implementation of any proposed changes to the selection process.
2. There will be a probationary period of up to twenty (20) working days prior to entering into an apprenticeship agreement during which time the employee may return or failing to display the necessary mechanical aptitude, be returned to his former department without loss of Seniority.
3. Any Helper who fails his first year exams shall be required to be re-examined within 12 months but not earlier than 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. The above will not apply to persons currently employed in any of the categories of Trades in the event that they shall become indentured in the future or are currently indentured. The same will apply to anyone failing their second year exams.
4. Once an employee enters an apprenticeship contract, it is expected he will continue to fulfil the obligations of the contract, including necessary training periods in a vocational school.
5. The Company will make up the differences between the Canada Manpower Training Program allowances and the employee's normal earnings based on his regular straight time rate, multiplied by 40 hours per week.

For the purposes of calculation the Canada Manpower at home allowance shall be used.

6. Where a present Millwright or a person subsequently hired and rated as a Millwright III in his general proficiency, but has a recognized certificate of competency as welder, mechanic or pipefitter, he will automatically be rated as a Millwright I.
7. Providing a journeyman has completed the time in the trade necessary to write for a Provincial Trade Certificate, he may write for such Certificate of Qualification and will be classified and paid as an "A" Journeyman from the effective date shown on his Certificate.

Tools

At the end of the first, second, third, and fourth years of the apprenticeship program, the electrician will be required to submit proof that he owns and has in his possession a pre-determined list of tools. Tools may be purchased through the Company at cost.

MAINTENANCE TRADES ANNUAL REVIEW AND TRADESMEN'S TOOLS

Maintenance Trades Annual Review

Annually, in the month of November, an evaluation committee consisting of the Plant Manager or his representative, and the Maintenance Supervisor in the respective Plant, together with a qualified Union Member and a Union Representative, will evaluate the performance and progress of each Helper and Tradesman below the category of "A", with a view to upgrading personnel who qualify.

If upgrading is necessary in the interim, it will be done by the Plant Manager and the Maintenance Supervisor.

Tradesmen's Tools

Tradesman will furnish all hand tools common to the trade. Mechanics will furnish spanners up to 1-1/4" opening, sockets up to and including 1/2" drive and 1-1/4" opening, adjustable wrenches up to 18" in length, hammers, chisels, punches and screw drivers. The Company agrees to replace any personal tools broken in service provided that such broken tools are returned. The Company agrees to provide tools to tradesmen at cost. The Company will provide on loan any special tools, including power driven tools, testing and measuring instruments and gauges, pullers, sockets over 1/2" drive, spanners over 1-1/4" opening.

In the event that the common tools of tradesmen are required to be in metric measurements such tools shall be provided on loan by the Company.

McKENZIE FOREST PRODUCTS INC.
ONTARIO WOODWORKERS DISABILITY BENEFIT PLAN
AS AMENDED FEBRUARY 22ND, 1980

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 any gainful occupation arising from any mental infirmity, bodily disorder, or bodily 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 the jurisdiction of the Labour Agreement by and between McKenzie Forest Products Inc. and United Steelworkers, Local 1-2693;
- (d) “Insurer” means the insurance company or carrier appointed by the Company;
- (e) “Plan” means the Ontario Woodworkers Disability Benefit Plan;
- (f) “Company” means the McKenzie Forest Products Inc.;
- (g) “Weekly Earnings” means, in the case of a day or shift worker, 40 hours X his regular rate;
- (h) “Medical Practitioner” means registered physician or surgeon, registered dentist or registered chiropractor.

2. Participation

- (a) All employees of the Company shall be eligible to participate in the Plan, in accordance with the provisions listed herein.
- (b) Participation in this Plan is limited to employees who have accumulated 45 days of seniority with the Company.

3. Amount of Disability Benefits

The amount of disability benefits shall be seventy (70%) of an employee’s weekly earnings, as defined in Section 1(g) immediately preceding the date of disability, subject to a maximum

weekly disability benefit of six hundred dollars (\$600.00).

The maximum will not be less than the amount payable for such week under the E.I. Act and its regulations as they might be amended.

4. Eligibility for Payment

- (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 52 weeks for any one illness, beginning after 3 continuous days from the commencement of the disability, or on the date when admitted to a hospital within the first three (3) days of illness.
- (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 52 weeks for any one accident, commencing from the date of the accident.
- (iii) Disputed W.S.I.B. Claim
 - (a) If an employee covered by the Weekly Indemnity Plan suffers a disability for which payment is in dispute with the W.S.I.B., Weekly Indemnity payment will be made retroactively if requested by the employee and provided he has been off work for at least (1) month due to the disability without W.S.I.B. having accepted the claim and providing the employee is subject to the rules and regulations covering the Weekly Indemnity Plan. If the W.S.I.B. claim is subsequently established, the employee will then repay the Weekly Indemnity payment(s) received to the appropriate fund or insurance Company. If an employee's weekly indemnity benefit claim is delayed by more than one (1) month, the company will advance the benefit payments to the employee.
 - (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 that 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 calendar days after the date of lay-off and is unable to return to work because of the 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 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 on 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) 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) Disability or loss (1) while the protected person is on or could be on Pregnancy/Maternity Leave, or (2) if a protected person fails to meet the length of service requirements, during the period of Pregnancy/Maternity Leave that the protected person could be on if she qualified for such leave, in accordance with the Employment Standards Act of 1974, Ontario or any other relevant provincial statutes, or
 - (iii) Any injury or illness entitling the employee to compensation under any Workmen's Compensation or similar legislation, or,
 - (iv) Self-destruction or any self-inflicted injury, while sane or insane, or,
 - (v) 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

- (vi) Disability for which the employee is not under the treatment of a medical practitioner, or
 - (vii) For a period of disability in excess of four 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 weeks per insured person per calendar year, or
 - (viii) Alcoholism or Drug Addiction, unless the employee is undergoing a recognized course of treatment by a specialist in care and treatment of alcoholism and/or drug addiction, or unless the employee is undergoing regular rehabilitative treatment approved by the insurer and a physician.
- (h) An amount of disability benefit will not be payable for those days for which the employee receives holiday pay, vacation pay, or more than one-half day's regular pay, from the Company.
 - (i) An amount of disability benefit will not be payable following the normal retirement date of an employee, or 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 the 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 pension plan.

5. Payment of Benefits

- (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 days of disability. In the event that the employee is not certified within the first three days, disability will be considered as starting two complete days prior to the day that the employee is actually certified by a medical practitioner.
- (b) A daily rate of payment for each calendar day of absence that qualifies for payment shall be one-seventh 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 31 days, or up to the date he would have been laid off should lay-off occur during this period.

7. Government Disability Plans

- (a) 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 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 Workplace Safety and Insurance disability pensions.
- (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.

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

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

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 the 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 an employee or the Union have any complaint concerning entitlements to benefits under the Plan, the matter may be taken up as a grievance and processed to arbitration as provided for under Article VIII of the Collective Agreement, commencing at Stage 3. The arbitration board shall have power to adjudicate on the merits of the grievance.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

McKENZIE FOREST PRODUCTS INC.
LONG TERM DISABILITY BENEFIT PLAN FOR EMPLOYEES
SAWMILL OPERATIONS

The Company shall pay the monthly premium cost of the Long Term Disability Benefit Plan as described in 14.02.

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 who have accumulated 45 days seniority with the Company.

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.

An eligible employee absent from work due to sickness or accident at the effective date 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 consecutive weeks.

The Company shall have the right to give medical examinations to employees returning from such lay-off to determine their eligibility under the Plan.

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 the termination of the strike.

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 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 55% of the monthly earnings as defined in 5 (b) up to a maximum monthly payment of \$2,000.00.
- (b) “Monthly Earnings” means, in the case of a day or shift worker, 173 x his regular hourly rate.
- (c) “Hourly Rate” means the regular rate of the employee effective immediately prior to the date on which the disability occurred, excluding overtime or shift bonus.
- (d) 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 provisions 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 Workplace Safety and Insurance disability pensions.

6. Duration of Benefits

- (a) Benefits will be paid for one month, for each completed month of service prior to commencement of the Long Term Disability Benefits, while the employee is disabled.
- (b) 200 Days of accrued seniority will be considered as 12 months of service.
- (c) Disability benefits will be paid one month in arrears.

7. Termination of Benefits

Benefits shall cease upon the occurrence of any 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 provisions under the Weekly Indemnity Plan), or
- (b) On exhaustion of the benefit period, or
- (c) On retirement or attainment of age 65, or
- (d) On death.

8. Continuation of Group Life Insurance During Disability

- (a) 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, 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 (Clause 7).
- (b) An employee who is in receipt of Weekly Indemnity Benefits prior to the effective date of this Plan is eligible for the total and permanent disability cash settlement option of the Group Life Insurance Plan (\$15,000) but is not eligible for the Long Term Disability Plan.

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) 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 Workplace Safety and Insurance Act or similar legislation, or
 - (iii) Self-destruction or any self-inflicted injury, while sane or insane, or
 - (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 rehabilitative 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 1974, 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 rehabilitative 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.

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

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693

DENTAL CARE PLAN

Participation in the Company Dental Plan is compulsory to all employees.

1. Eligibility

An employee will become eligible for this benefit once they have completed the probationary period.

2. Plan Design

- (a) - services and benefits as in Blue Cross No. 7, basic plan and Rider #1
- services and benefits as in Blue Cross Rider #2 - 60%
- Maximum \$1500 per year per person.

Effective September 1, 2002 - 2001 ODA rates (one year lag to continue thereafter).

- (b) services and benefits as in Blue Cross Rider #3, orthodontic 50% with maximum of \$1,250 lifetime.

It is understood and agreed that the Plan will provide for the continuation of coverage for the period an employee is off work due to lay-off or Leave of Absence, but in no case beyond the end of the month following in which such absence commenced.

3. Administration

The Plan will be administered in accordance with an appropriate contract or set of procedures reflecting the plan design outlined in Item 2 above. The decision as to the choice of administrative vehicle from among the service carriers, insurance companies or self administration, will be made by the Company on the basis of appropriate study of these alternatives.

4. Premiums

The premium cost of this Plan shall be paid by the Company as described in 19.01.

5. Integration

The Plan will not provide like benefits where such are currently being provided for by federal or provincial legislation.

If, during the life of this Agreement, federal and/or provincial government shall introduce legislation to provide benefits already covered by this Plan, the Plan shall be amended so as to eliminate said benefits.

Ratified this 16th day of April, 2008.

McKENZIE FOREST PRODUCTS INC.

UNITED STEELWORKERS, LOCAL 1-2693
