

COLLECTIVE AGREEMENT

BETWEEN

MIDWAY LUMBER MILLS LTD.

(hereinafter referred to as "the Company")

- and -

THE UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE  
WORKERS INTERNATIONAL UNION (UNITED STEELWORKERS) ON  
BEHALF OF ITSELF AND ITS LOCAL 9260

(hereinafter referred to as "the Union")

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**ARTICLE 1 - PURPOSE OF AGREEMENT**

- 1.01 The general purpose of this agreement is to maintain harmonious relations among the Company, its employees, and the Union, and to set forth formally the rates of pay, hours of work and other working conditions covered by this Agreement, along with procedures for dealing with grievances and complaints so as to promote orderly and peaceful relations between the Company and its employees.
- 1.02 Wherever the MALE GENDER is used throughout the Articles within this Agreement, it is agreed that the FEMININE GENDER is an acceptable substitute whenever and wherever the plural gender is applicable.

**ARTICLE 2 - RECOGNITION**

- 2.01 The Company recognizes the Union as the sole and exclusive bargaining agent of all employees of MIDWAY LUMBER MILLS LIMITED in the Township of Thessalon, save and except forepersons, persons above the rank of foreperson, kiln operator, lumber inspectors, office clerical and sales staff, and students employed during the school vacation period.
- 2.02 (a) It is understood and agreed that all persons excluded from the bargaining unit shall not perform work normally performed by employees within the bargaining unit except in cases of emergency and training. Emergency shall be defined to include flood, fire, mechanical and electrical breakdowns, act of God, and any disruption of production caused by factors beyond the control of the Company.
- (b) Students employed during the summer vacation period may do bargaining unit work as long as no employee, who is capable of performing the available work is displaced or on recall.

**ARTICLE 3 - RELATIONSHIP**

- 3.01 The Company and the Union agree they shall not interfere with, restrain, coerce or discriminate against employees in their lawful right to become or not become and remain or not to remain members of the Union and to participate in its activities.

- 3.02 The Union agrees that, except as provided for in this Agreement, there will be no union activity on the premises of the Company during the employees working hours except by agreement with the Company.
- 3.03 The Company and the Union agree to observe the provisions of the Ontario Human Rights Code.
- 3.04 The Company and the Union agree to a joint Employee Assistance Program (E.A.P.)

#### **ARTICLE 4 - MANAGEMENT RIGHTS**

- 4.01 The Union recognizes that the Company has the exclusive right to manage and operate its plant and equipment and to carry on its business as it sees fit, subject only to the restrictions imposed by this agreement, the employer retaining all rights and privileges not specifically relinquished or modified, and without restricting the generality of the foregoing, the right to maintain order, discipline and efficiency, to decide the number and the location of departments and plants, products to be manufactured, methods and schedules of production, and means and processes of manufacturing.
- 4.02 The Union recognizes that the Company has the exclusive right to hire, promote, transfer, demote, and to suspend, discharge or otherwise discipline employees for just cause, except as otherwise specifically provided for in this agreement and subject to the rights of the employee concerned to present a grievance in the manner and to the extent herein provided. Only those employees who have completed their probationary period may file a grievance against suspension, discharge, or other disciplinary measures.
- 4.03 The Union further acknowledges that the Company has the right to make and alter, from time to time, reasonable rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with the provisions of this agreement. The Company shall discuss with the Union any new or changed rule prior to its implementation.

**ARTICLE 5 - STRIKES OR LOCKOUTS**

5.01 All strikes and lockouts are prohibited under any circumstances during the term of this collective agreement. The Union agrees not to condone, order or encourage a slackening and/or stoppage of work designed to limit production. If any such action takes place, the Union agrees to instruct the employees to carry out the provisions of this agreement and to return to work and perform their regular duties.

**ARTICLE 6 - UNION SECURITY**

6.01 The Company shall deduct, as a condition of employment, from the wages of each employee in the bargaining unit, union dues including, where applicable, initiation fees and assessments, on a monthly basis, from the wages of each employee covered by this agreement. The amount of dues shall be calculated in accordance with the Unions Constitution.

.02 All dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event no later than fifteen days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the International Steelworkers, **AFL-CIO-CLC, P.O. Box 9083, Commerce Court Postal Station, Toronto Ontario M5L 1K1**, in such form as shall be directed by the Union to the Company along with a completed Dues Remittance Form R-115 will also be sent to the Union office at 68 Dennis Street, Sault St. Marie, Ontario, P6A 2W9.

.03 The remittance and the R-115 form shall be accompanied by a statement containing the following information:

- a. A list of names of all employees from whom dues were deducted and the amount of dues deducted;
- b. A list of all bargaining unit employees from whom no deductions have been made and reasons;
- c. This information shall be sent to both Union addresses identified in article .02 in such form as shall be directed by the Union to the Company.

.04 The Union shall indemnify and save the Company

harmless against all claims or other forms of liability that may arise out of any actions taken by the Company in compliance with this article.

- .05           The Company, when preparing T-4 slips for the employees, will enter the amount of union dues paid by the employee during the previous year.
- .06           Employee list of names, addresses and telephone numbers will be done during employee orientation and Company to make forms available for current employees to fill out.

#### **ARTICLE 7 - UNION REPRESENTATION**

- 7.01           The Company acknowledges the right of the Union to appoint or otherwise elect Shop Stewards from, amongst those employees who have completed their probationary period, for the purpose of representing employees in the processing of grievances according to the procedure established in this agreement.
- 7.02           The Company agrees to recognize four (4) Shop Stewards to represent the following departments:  
           a)     Saw Mill  
           b)     Planing Mill  
           c)     Shipping/Yard/Maintenance
- No more than two (2) stewards may be appointed from any one department.
- 7.03           The Company shall be notified in writing by the Union of the names of the Shop Stewards and any changes thereto.
- 7.04           The Company agrees to recognize and deal with a Union Grievance Committee of not more than two (2) of the above-named Stewards plus the President.
- 7.5            It is agreed that the stewards shall continue to perform their regular work in order to maintain efficiency of operations; however, in accordance with this understanding, should they desire to assist an employee in investigating and/or presenting grievances during working hours, they will not leave their work without first obtaining the permission of their immediate supervisor, and such permission shall not be unreasonably withheld. It is also understood that a steward shall not enter another department without first obtaining the permission of the supervisor of

such department and notifying him as to the nature of the grievance and the personnel involved. It is agreed that stewards will not absent themselves from work unnecessarily during working hours for the purpose of servicing grievances hereunder. In return for this undertaking, the Company will compensate such stewards at their regular hourly rate for time spent during their regular working hours for such purposes, provided the procedure under Section 7.05 is followed.

- 7.6 If an unauthorized representative who is not employed by the Company, wants to speak to local union representatives about a grievance or other official business, he shall request the Company President, or his designated representative, to call the local union representative to an appropriate place where they may confer privately. Such request will not be unreasonably refused. These talks will be so arranged so that they will not needlessly interfere with production.
- 7.07 Union supplied locked cabinets to go in lunch room and office space available down stairs in foreman's building when needed, with permission.

#### **ARTICLE 8 - NEGOTIATING COMMITTEE**

- 8.01 The Company agrees to recognize and deal with a Negotiating Committee of not more than two (2) employees who have completed their probationary period plus the President along with up to two (2) representatives of the International Union.
- 8.02 The Negotiating Committee is a separate entity from other committees and will deal only with such matters as are properly the subject matter of negotiations, including proposals for the renewal or modification of this agreement.

#### **ARTICLE 9 - GRIEVANCE PROCEDURE**

- 9.01 A grievance is defined and limited to a complaint or dispute concerning the interpretation, application, administration or alleged violation of this agreement.
- 9.02 Should any grievance arise between the parties an earnest effort shall be made to settle such grievance

without undue delay in the manner hereinafter provided.

- 9.03 Non-discharge and non-suspension grievances shall be processed as follows: It is generally understood that an employee has no complaint or grievance until he/she, either directly or through the Union, has first given his/her immediate supervisor an opportunity to adjust the complaint. Such grievance must be submitted to the supervisor within five (5) working days after the incident giving rise to the grievance became known or should have become known to the employee. The supervisor must give his verbal reply within two working days of receipt of the grievance.

9.04 Step One

If the employee is unsatisfied with the verbal reply of the supervisor, a written statement of the grievance, signed by the employee, setting forth the nature of the grievance, the section or sections of the collective agreement alleged to have been violated and the redress sought, shall be presented to the plant supervisor within two (2) working days of the verbal reply given above.

The plant supervisor will meet with the employee concerned and the steward involved in an attempt to resolve the grievance within three (3) working days of the receipt of the grievance. The plant supervisor will give his written reply within two (2) working days of the meeting.

9.05 Step Two

- (i) If the response given in step one is unacceptable the written grievance will be presented by the Union President or his designated representative to the General Manager and Operations Manager within three (3) working days of the response given in step one.
- (ii) Within five (5) working days after receipt of the written grievance by the President, he, or his designated representative, will hold a meeting with the Union grievance committee for the purpose of resolving the grievance. A regional representative of the Union and the grievor may be present at this meeting should either party so request.
- (iii) Within five (5) working days after this meeting, the General Manager and Operations Manager, shall notify the Union in writing of his decision.

- 9.06 A policy grievance by either the Company or the Union shall be originated and processed in accordance with the provisions of Step No. 2 and following of the grievance and arbitration procedures. It is expressly understood that the provisions of this paragraph may not be used by the Union to institute a complaint or grievance directly affecting an employee which such employee could himself institute and the regular grievance procedure shall not be thereby by-passed. Any grievance by the Company or the Union as provided in this paragraph shall be submitted in writing within five (5) working days after the incident giving rise to the grievance became known or should have become known to the grieving party, and shall be in the form prescribed in Step No. 2 of the grievance procedure.
- 9.07 (a) Any grievance which is not commenced within the time specified in this agreement or which is not processed through to the next step of the grievance procedure or submitted to arbitration within the time specified in this agreement shall be deemed to have been withdrawn or settled by the last disposition made by the Company, as the case may be, and shall not be eligible for further appeal. However, time limits specified in the grievance or arbitration procedures may be extended by mutual agreement in writing between the Company and the Union.
- (b) The settlement of a grievance in any of the steps of the grievance procedure shall prevent the grievance from being processed further.
- (c) No grievance against the discipline or discharge of a probationary employee may be submitted by such employee or by the Union on behalf of such employee.
- (d) No monetary adjustment effected under the grievance or arbitration procedures shall be made retroactive more than fifteen (15) days prior to the date the incident giving rise to the grievance became known or should have become known as defined in 9:03.
- (e) At any stage of the grievance procedure, the conferring parties may have the assistance of the employee or employees concerned.
- (f) All agreements reached under the grievance procedure between representatives of the Company and the representatives of the Union will be final and binding upon the Company, and the Union, and the employees.

**ARTICLE 10 - ARBITRATION**

- 10.01 (a) Failing settlement of any grievance between the parties after exhaustion of the foregoing procedure, such grievance may be submitted to arbitration as hereinafter set forth.
- (b) When either party submits a grievance to arbitration, the submission shall be in writing, indicating the name and address of its nominee to the arbitration board, and shall be served upon the other party within thirty (30) working days from the date of receipt of the reply in the second step of the grievance procedure. Within ten (10) working days following receipt of such submission, the other party shall notify in writing the party making the submission of the name and address of its nominee to the arbitration board. The two nominees shall, within ten (10) working days of the appointment of the second of them, appoint a third person who shall act as chairman of the arbitration board. If the two nominees fail to agree upon a chairman within the aforementioned time limit, the party making the submission shall, within five (5) working days thereafter, request the Minister of Labour for the Province of Ontario to appoint an impartial chairman.
- (c) No person may be appointed to an arbitration board who has been involved in an attempt to negotiate or settle the grievance.
- (d) The board of arbitration shall hear and determine the grievance and shall issue a decision which shall be final and binding upon the parties hereto and upon any employee concerned in or affected by it. The decision of a majority shall be the decision of the board of arbitration, but if there is no majority, the decision of the chairman shall govern.
- (e) The board of arbitration shall not have power to alter, modify, or amend any part of this agreement or to make any decision inconsistent therewith.
- (f) Each of the parties hereto will bear the expenses of the nominee appointed by it to the arbitration board and one-half ( $\frac{1}{2}$ ) of the expenses of the chairman.
- (g) In the event that arbitration proceedings are invoked, the matter before the board shall be the written grievance identified in Article 9.05 Step No. 1 of the grievance procedure.

- (h) Notwithstanding anything contained in this article, the parties may, by mutual agreement in writing, appoint a person to hear and determine a grievance as a sole arbitrator. Any sole arbitrator so appointed shall be otherwise subject to the terms and provisions of this article.

#### **ARTICLE 11 - DISCIPLINE**

11.01 Discharge and suspension grievances shall be processed as follows:

- (a) A claim by an employee who has completed his probationary period that he has been unjustly suspended or discharged shall be treated as a grievance if a written statement of such claim, signed by the employee, is served on the President, or his designated representative within five (5) working days after the suspension or discharge, is affected. Such grievance shall be processed in accordance with Step No. 2 and following of the grievance and arbitration procedures.
- (b) When a grievance, which is filed under this article, is not settled and duly comes before an arbitrator or arbitration board, he or it may:
- (i) confirm the Company's action;
  - (ii) reinstate the employee with compensation for regular time lost (less any income the employee has received from any other source pending the disposition of the case, not including refundable U.I.C. benefits which the Company will pay directly to U.I.C.); or
  - (iii) dispose of the grievance in any other manner which may be just and equitable.

11.02 When an employee is dismissed while at work, he shall upon request, have the right to interview his steward for a reasonable time in a place designated by the Company before leaving its premises, unless, in the Company's opinion, the exercise of such right would unduly interfere with the safe or efficient operation of the plant.

11.03 When a member of the bargaining unit is issued a written disciplinary warning a copy of the written warning will be given to the local union president or his representative.

- 11.04 Copies of written disciplinary warnings will be removed from the employees file after 12 months.

**ARTICLE 12 - SENIORITY**

- 12.01 An employee will be considered probationary for his first 396 hours worked and will have no seniority rights during that period, and if he is suspended or discharged at any time during such probationary period such discharge or suspension shall not be subject to the grievance or arbitration procedure. Upon satisfactory completion of the probationary period, within twelve (12) consecutive months, an employee shall acquire seniority as provided herein.

In cases where the Company, at the end of the probationary period, is in doubt as to the suitability of the employee for full time employment, the probationary period may be extended by an additional ten (10) working days by mutual agreement of the Company and the Union.

- 12.02 (a) Lay-offs which are expected to exceed three (3) working days shall be based upon the following factors:

skill and present ability to perform the available work;

It is understood that where the factors are approximately equal, seniority will govern.

- (b) Employees shall be recalled from lay-off in order of seniority provided the employee so recalled has the present ability and qualifications to perform the work;
- (c) Employees called into work through the seniority process that answer the call with less seniority than an employee that the supervisor has tried to contact, will be entitled to the available work up to one (1) week before going back to the seniority list, unless a more senior employee responds to the call within three (3) hours for the next available shift. It is the responsibility of the employee to notify the Company of any address or telephone number changes.

What constitutes a call:

- 1) Message left on an answering machine with time and date call made;
- 2) Message left with individual;
- 3) Supervisor making the call must log the date and time of the call. The individual, if contacted, to be logged in the supervisor's records.

12.03 An employee's seniority and employment shall automatically terminate without further notice when he:

- (a) voluntarily quits;
- (b) is dismissed for just cause and is not reinstated in accordance with the provisions of this agreement;
- (c) does not work for a period up to his seniority level if less than one (1) year and twelve (12) months thereafter;
- (d) overstays an authorized leave of absence and prior to the expiry of such leave fails to obtain an extension thereof or to give a reasonable explanation for such failure;
- (e) accepts employment while on an authorized leave of absence or uses such leave for any other reason than the one for which it was granted;
- (f) if retired;
- (g) is absent from work for three (3) consecutive days or more without advising the Company at the time of such absence of a satisfactory reason therefore;
- (h) is on a lay-off status and fails to return to work or to satisfy the Company that he is unable to return to work because of accident or illness or other sufficient cause within four (4) working days after receipt of notice to return to work.

12.04 The Company shall maintain a seniority list which shall be posted on the plant bulletin board as soon as possible after this agreement comes into force and revised every six months thereafter. This list will be given to the plant chairman and/or appropriate Union representative for perusal to make any necessary changes prior to posting. Should an employee be improperly listed on the seniority list the employee and/or the Union shall notify the Company immediately

of such error and the list shall be properly amended. The Union agrees that the Company shall not be liable for decisions taken as a result of errors in the list as posted, not previously brought to their attention.

- 12.05 Seniority shall mean length of continuous service within the bargaining unit. Employees of the Company hired after December 1, 2004, who have completed their probationary period, for the purposes of job vacancy, transfers, lay off and recall only, seniority shall mean length of service with the bargaining unit from the date of hire.
- 12.06 The Company must give employees notice of recall by telephone or by registered letter or telegram, if not contacted by telephone, sent to an employee's last address on record with the Company. Any notice given by registered letter or telegram shall be deemed to have been received on the fifth working day following the date of sending. It is the responsibility of the employee to keep the Company informed at all times of his current address and telephone number, failing which the Company shall not be responsible for failure of notice to recall to reach such employee.
- 12.07 If an employee who has performed work which is now in the bargaining unit is transferred back to the bargaining unit, he shall retain the seniority rights he has acquired before leaving the bargaining unit or the work which is now in the bargaining unit.

### **ARTICLE 13 - JOB POSTINGS**

- 13.01 Whenever job vacancies of a permanent nature occur in the bargaining unit, and the Company desires to fill such vacancies, the Company shall post notice thereof for a period of three (3) consecutive working days on the plant bulletin board. Employees shall make written application for transfer into such vacancies by signing the job notice within the aforementioned posting period. The Union will be given a copy of the job posting and the names of the successful applicants.
- 13.02 The Company will determine the successful applicant for a job posting by considering the requirements and efficiency of operation, the skill and present ability of the individual to perform the required work, and where these factors are approximately equal, the

employee with the greatest seniority will be placed on the job.

- 13.03 Where no employee meets the qualifying factors under this article, the Company shall be free to fill the job vacancy at its discretion.
- 13.04 (a) Should the successful applicant for the vacancy be unsatisfactory after a period not to exceed thirty (30) days worked, he shall be returned to his former position and the vacancy may be filled without further posting;
- (b) Should the successful applicant for the vacancy decide within ten (10) days for jobs from Group 1 and 2 or decides within fifteen (15) days for jobs in Group 2A and up that he wishes to return to his former position he may do so, and the vacancy may be filled from the original applicants without further posting.
- 13.05 It is understood that the provisions of this article shall only apply to the original and one other vacancy resulting from that posting.
- 13.06 When an employee is promoted to a higher rated classification, he shall receive the rate for the new classification from the first day of transfer.
- 13.07 (a) The Company agrees to make its best efforts to notify employees off sick or on lay-off (not exceeding thirty (30) calendar days) or vacations of any job postings that occur. Said notification to be by telephone at last known telephone number;
- (b) Employees who are not at work due to the circumstances outlined in 13.07(a), may sign a proxy form authorizing a fellow employee to sign for a job posting on their behalf.

#### **ARTICLE 14 - TEMPORARY TRANSFERS**

- 14.01 For the purpose of this article, temporary transfer means a transfer that is not expected to exceed thirty (30) calendar days, unless otherwise agreed to between the Company and the Union. The posting will occur after the thirty (30) calendar days have expired. Should the temporary transfer(s) exceed five (5) working days, the Union will be given the names and jobs of the employees affected.

- 14.02 Any employee who, for the convenience of the Company, is temporarily transferred to another job, shall be paid as follows:
- (a) If the rate of pay for the job to which the employee is temporarily transferred is less than the employee's regular rate of pay of the job from which the employee has been transferred, the employee shall receive his regular rate of pay during such temporary transfer;
  - (b) If the rate of pay for the job to which he is transferred is higher than the employee's rate of pay for the job from which he has been transferred, he shall continue to receive his regular rate of pay unless such temporary transfer continues for at least two (2) hours, in which event the change in wage rates shall apply for each full hour worked in the higher-paying job classification.
- 14.03 In case of a reduction in the work force resulting in permanent transfer of employees for a period exceeding five (5) working days the employees so transferred will be paid the rate for the job to which they are transferred.

#### **ARTICLE 15 - LEAVE OF ABSENCE**

- 15.01 a) The Company may grant leave of absence, without pay, for reasonable periods if an employee requests same in writing and if the leave is for legitimate personal reasons and does not interfere with the efficient operation of the plant. Leaves of absence will be granted or denied fairly;
- b) Employees granted a leave of absence for educational purposes will be for up to a period of one year only. Educational leaves will be granted one time only. The Company may increase the leave in special circumstances.
- 15.02 Leave of absence without pay shall be granted to employees elected or appointed by the Union to attend Union Conventions or conferences, provided that:
- (a) the total of such time granted to all employees does not exceed fifteen (15) working days in any calendar year; and

- (b) not more than two (2) employees are involved in each request; and
- (c) such leave does not interfere with the efficient operation of the Company; and
- (d) written request for such leave is made to the Company as soon as is reasonably practicable prior thereto, and the Company agrees to respond to the request within three (3) days.

15.03 Legitimate Union business of two (2) shifts or less may be considered a valid reason for leave of absence without pay provided that sufficient advance notice is provided so as to not unreasonably interrupt production. This leave will be limited to a maximum of two (2) employees at one time and no more than two (2) per department.

#### JURY AND WITNESS DUTY

15.04 An employee who has attained seniority shall be granted leave of absence with pay at his/her regular hourly rate for the normally scheduled number of hours the employee would have otherwise worked for the purpose of serving jury duty, or as a material witness subpoenaed to an appearance in which the employee shall reimburse the Company to the full amount of jury pay or witness fees received by him/her. For purposes of this clause all employees shall be considered as being on day shift. Time spent on jury or witness duty while on vacation may be added to the vacation time of the employee.

#### BEREAVEMENT PAY

15.05 The Company agrees to pay up to three (3) days bereavement pay to employees who have attained seniority and suffer loss of a member of their immediate family. It is understood that the purpose of this consideration is to reduce loss of regular earnings due to required absence from work. The immediate family is understood to mean spouse, children, father, mother, brother, sister, mother-in-law, father-in-law, grandchildren, or grandparents of the employee.

- 16.01 The Company will provide bulletin boards in mutually satisfactory locations in the plant which may be used by the Union for posting notices of Union activity. Such notices shall be initialled by a Union officer and approved by the Company President or his representative prior to being posted.

**ARTICLE 17 - SAFETY AND HEALTH**

- 17.01 The Company will make any reasonable provisions for the safety and health of its employees during the hours of their employment.
- 17.02 The Company, the Union, and employees will comply with the Occupational Health and Safety Act Ontario of Ontario, January 2002.
- 17.03 The Union will assist the Company in carrying out any reasonable health and accident prevention program.
- 17.04 An employee who is injured at work and, as a consequence, is unable to continue working, shall be paid for the balance of his shift at his regular straight-time hourly rate and bonus, provided that he does not receive compensation for such time from any other source.

**ARTICLE 18 - WAGES**

- 18.01 The Company agrees to pay and the Union agrees to accept for the term of this agreement no less than the wages as set out in the Wage Schedule "A" attached hereto and forming part of this agreement.
- 18.02 The Company agrees that all employees shall be paid bi-weekly by bank transfer prior to 11:00 a.m. on Friday, unless due to circumstances beyond the control of the Company.
- 18.03 In the event a new job classification is established by the Company, the Company will estimate the hourly wage rate for such new classification and shall advise the Union. The parties will meet and discuss the hourly wage rate for such new classification. If the hourly wage rate is unsatisfactory to the Union, a grievance may be lodged with the Company under the Collective Agreement within a period of seven (7)

working days from the date the hourly wage rate for the new job classification is established by the Company. The hourly wage rate for the new job classification shall remain in effect unless changed by mutual agreement of the parties or by the decision of a Board of Arbitration.

It is agreed the powers of the Arbitration Board should be limited to determining whether or not such hourly wage rate has been improperly classified or grouped and does not bear proper relationship to the undisputed classifications or groupings under the Collective Agreement.

18.04 At the discretion of the Company, employees shall be allowed to continue the present practice of spelling each other off at no additional cost to the Company.

BONUS PLAN

18.05 The existing incentive bonus plans will remain in effect for the life of this collective agreement.

The following changes to the plan will take effect:

- (a) A joint bonus committee will be formed, composed of three employee representatives and three company representatives. This committee will meet to prepare a complaint form which will be used by any employee, or group of employees, or the company who have a complaint concerning the administration of the bonus plan, which has not been resolved by the Mill Superintendent. Such a complaint will be reviewed by the bonus committee. Employee representatives will be compensated for lost time to attend committee meetings;
- (b) The following rate changes will take effect:

A & B SHIFT

<u>PIECES I.D.</u>	<u>DESCRIPTION</u>	<u>STD.PCS./HR.</u>	<u>RATE/PC</u>
01	W.Pine	442	\$0.215
02	R.Pine & Spruce	485	\$0.215
03	N.Pine	525	\$0.215
04	Hemlock	355	\$0.215
05	N.Pine&R.Pine(10'-12')	500	\$0.175
06	8/4 Birch	216	\$0.215
07	Maple	345	\$0.215
08	Other Hardwood	382	\$0.215

(Birch, Oak, Ash, etc.)

**C SHIFT**

09	W.Pine	391	\$0.215
10	R.Pine&Spruce	395	\$0.215
11	N.Pine	428	\$0.215
12	Maple	333	\$0.215
13	Other Hardwood	367	\$0.215
14	8/4 Birch	184	\$0.215
16	N.Pine&R.Pine(10'-12')	407	\$0.175

**NO BULLEDDGER**

15	N.Pine	355	\$0.215
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**SHIPPING**

		<b><u>FBM/HR.</u></b>	<b><u>RATE/1000</u></b>
Softwood	1x3 - 5 (mixed Specie)	2600	\$0.0066
	1x6-12	3333	\$0.0066 (4 men)
	1x6-12	2778	\$0.0066 (3 men)
Hardwood		1800	\$0.0088 (4 men)
		1667	\$0.0088 (3 men)

Shipping - Support - premium 15% - Pilers - 85%

**PLANER**

5/4x6 5/4x4 (decking)	3125	\$0.0055
1x3 - 5 (patte stock)	2000	\$0.0055
1x6 - 12	2500	\$0.0055
Tolko	1500	\$0.0055

Planer - NEOS rate 1500 FBM per hour; Stamping 1x3 up to 1x5 - 1750 FMB per hour; Stamping 1x6 to 1x12 - 2250 FBM per hour.

The Company agrees to consider the lower rates on a case by case basis with the Bonus Committee.

Boiler Room - Premium \$300 with no 10% reduction for staff. \$450.00 maximum for months of November, December, January, February and March. Steam penalty reduction is six dollars (\$6.00) per hour when steam pressure goes below ten (10) pounds for an hour.

These new rates will be in effect for one (1) year. At the end of one year the bonus committee will meet

to review the results and make adjustments where necessary.

If the bonus committee cannot agree on the adjustments to be made these rates will remain in effect for the duration of this agreement or until such time as the bonus committee does agree to adjustments;

- (c) Should any mechanical breakdown result in a shutdown of four (4) hours or more, for bonus calculations 1/2 of the downtime will be absorbed by the company and 1/2 by the employees;
- (d) When the saw mill is operating two shifts the two filers will get the equivalent bonus to the sum of the earnings for the two shifts. When only one shift is operating the filer will receive twice the earnings of the one shift;
- (e) Should capital expenditures or technological change or other factors significantly affect the base rate requirement, the company will meet with the bonus committee and explain the reasons for the change. For the term of this agreement, this clause will be activated only in the case of the addition of a small log line;
- (f) The Company will post the bonus calculation in each department at the end of each pay period;
- (g) Employees on light duty will receive up to six (6) weeks of Bonus Plan payments which will be paid out of General Revenue.

#### SHIFT PREMIUM

18.06 A shift premium of fifteen cents (\$0.15) per hour will be paid for the second shift, third shift, twelve hour night shift, and including watchmen. Effective December 1, 1994, this premium will be increased to twenty cents (\$0.20) per hour.

#### REPORT ALLOWANCE

18.07 In the event that an employee reports for work on his/her regular shift, without having been previously notified not to report, he/she will be given at least four (4) hours work at his/her regular rate of pay or if no work is available, his/her regular rate of pay in lieu of work. This provision shall not apply when there is a lack of work due to a situation beyond the control of the Company.

#### CALL IN PAY

- 18.08 Any employee who has completed his/her shift and has left the Company's premises and is then recalled to work extra time shall be paid at time and one-half, and will not receive less than the equivalent of four (4) hours pay at the employee's regular rate of pay for such additional work.
- 18.09 An employee called out shall be entitled, if he so desires, to an eight (8) hour rest period from the time he leaves the property after completing the call-out work. He will have the right to return to work to complete his regular shift.

#### **ARTICLE 19 - OVERTIME**

- 19.01 Overtime will be voluntary unless there are insufficient employees willing to work the necessary overtime in which case the employees with the least seniority, in the same department, in the same job classification, normally performing the work to be done will be obligated to work. Whenever possible employees will be notified of overtime twenty-four (24) hours in advance.
- 19.02 (a) Overtime shall be as equitably distributed as is practical among employees in the same department, in the same job classification, on the same shift, normally performing the work to be done. Overtime offered and refused shall be considered overtime worked for the purpose of determining an equitable distribution of overtime.
- (b) An employee shall not be entitled to an overtime premium more than once with respect to hours worked and there shall be no pyramiding or duplication of overtime.
- (c) The Company agrees to keep adequate records of all overtime worked and/or refused. Such records will be made available for verification to an officer of the local union on request.
- 19.03 Overtime premium at one and one-half times the regular rate will be paid for all hours worked in excess of forty-four (44) hours per week and for all hours worked on Saturdays, Sundays, and statutory holidays. For the purposes of calculating overtime premium, the hours for statutory holidays, authorized vacation time or legitimate union business will be included in the eighty-eight (88) hours for the pay period.

**ARTICLE 20 - HOURS OF WORK**

- 20.01 The normal work week will constitute forty-four (44) hours made up of four (4) days of nine (9) hours Monday to Thursday and eight (8) hours on Friday. The Company agrees that work schedules will be posted no later than 3:00 p.m. on Thursday of the preceding week and the normal production hours will be:
- 7:00 a.m. to 4:30 p.m. and 7:00 a.m. to 3:30 p.m.  
Friday's  
½ hour lunch break at 12:00 p.m.
- 4:30 p.m. to 2:00 a.m. and 4:30 p.m. to 1:00 a.m.  
Thursday night  
½ hour lunch break at 9:00 p.m.
- Lunch times may be changed by one half hour in either direction at the discretion of the Supervisor. Maintenance and service personnel may be scheduled different lunch breaks and hours of work other than those above. For clarity service, personnel includes Filer and Planner Set-up man.
- Employees calling in to report that they will not be present for their scheduled shift must call in a minimum of one (1) hour prior to day shift and four (4) hours prior to night shift. Call in number is (705) 842-3246 extension 234 or 235.
- 20.02 When the third shift is operating employees will be assigned to this shift on a voluntary basis unless there are insufficient qualified employees willing to do so, in which case the employees with the least seniority in the department capable of performing the work will be assigned.
- 20.03 Employees working in the boiler room will work on a continuous schedule covering seven (7) days per week. They will work twelve (12) hour shifts on a schedule averaging forty-three (43) hours per week. Saturday and Sunday overtime premiums will not apply to these employees, however they shall be paid time and one-half for work performed on their regular scheduled day off, unless this work is by arrangement between the employee and the supervisor.

**ARTICLE 21 - PLANT HOLIDAYS**

21.01 The Company will observe the following plant holidays:

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

21.02 Eligible employees shall receive their regular rate of pay for the number of hours they would normally have worked on the holiday.

21.03 To be eligible for holiday pay an employee must have completed their probationary period and work on his/her last scheduled working day immediately preceding the plant holiday and his/her first scheduled work day immediately following the holiday, unless the employee was off work because of sickness, or accident, authorized leave of absence or on lay-off, provided the employee worked within five (5) days of the Holiday.

21.04 When any of the holidays are observed during an employee's scheduled vacation period he/she shall receive holiday pay if he/she is eligible for such payment and shall be granted an additional day off, without pay.

**ARTICLE 22 - VACATION WITH PAY**

22.01 (a) An employee who has less than one (1) year of service as of June 30<sup>th</sup> of the vacation year shall be entitled to one (1) week's vacation with pay. Vacation pay shall be four percent (4%) of the employee's gross earnings for the year ended June 30<sup>th</sup>;

(b) An employee who has one (1) year of service shall be entitled to two (2) weeks of vacation with pay effective the pay period following the anniversary date of the employee. When a Plant holiday(s) fall within an employee's vacation period, the Plant holiday(s) will be considered as a vacation day(s) for the purpose of accessing vacation pay only;

(c) An employee who has five (5) years of service shall be entitled to three (3) weeks of vacation with pay effective the pay period following the anniversary date of the employee;

- (d) An employee who has completed thirteen (13) years of service, shall be entitled to four (4) weeks of vacation with pay effective the pay period following the anniversary date of the employee;
- (e) An employee who has completed eighteen (18) years of service, shall be entitled to five (5) weeks of vacation with pay effective the pay period following the anniversary date of the employee;
- (f) The current vacation year shall be the period from June 30th of the calendar year to June 30th of the next calendar year;
- (g) Vacation pay for each week of vacation entitlement shall be two (2%) percent of gross earnings;
- (h) Vacation shall not accumulate but must be taken within the current vacation year;
- (i) "Gross Earnings" shall mean total taxable earnings for the fifty-two (52) week period from July 1st to June 30<sup>th</sup>;
- (l) Employees will be eligible to receive their vacation pay at the time they take their vacation provided that
  - (a) the vacation is prescheduled;
  - (b) the vacation period will be for a minimum of five (5) working days and will extend from Monday to Friday;
  - (c) the Company agrees to put a committee of three (3) Management representatives and three (3) Union representatives to establish a system for vacation pay to be paid in one (1) week increments when vacation is taken.
- (j) All vacation pay not distributed as per 22.01 (1) will be paid by separate cheque, the second Friday in July. Employees may access their vacation pay allotment between the first and second pay in January. The allotment must be requested by December 15 of the previous year.

Prime time holidays must be booked six (6) months in advance based on seniority. Prime time holidays being: Christmas (week before and after), March break, and July 1<sup>st</sup> to August 31<sup>st</sup>.

**ARTICLE 23 - WELFARE BENEFITS**

23.01 (a) Effective December 1, 1995, the Company agrees to provide the following welfare benefits to all employees who have completed their probationary period:

Ontario Hospital Insurance Plan

- \* \$25,000 life insurance
- \* \$25,000 accidental death & dismemberment
- \* major medical
- \* vision care \$225.00 in year one (1) - \$225.00 in year two (2) - \$225.00 in year three (3) every 24 months
- \* **basic dental plan based on 2006 ODA rates effective December 1, 2007; update to 2007 ODA rates, effective December 1, 2008; update to 2008 rates, effective December 1, 2009.**
- \* Premium paid 65% by the Company and 35% by the employee for all benefits. Also, for Accident & Sickness for the following month for emergency leave purposed as per the Employment Standards Act;

- (b) The Company will provide a new pair of gloves as required with exchange of old pair up to six (6) pair per year;
- (c) All employees will receive one new hard hat May 1, 2005;  
  
All employees will be provided with safety glasses each year December 1<sup>st</sup> and May 1, 2005;
- (d) All employees will receive a cheque for one hundred dollars (\$100.00) the purchase of safety boots on May 1st of each contract year;
- (e) Employees required to use personal tools will have their worn or broken tools replaced with tools of equal or greater value if such tools are presented for replacement;  
  
The Union will be provided with the Master Plan for all benefit plans upon request;
- (g) One (1) Company and one (1) Union person will be designated to be responsible for relaying information to the employees.

**PENSION**

23.02 The existing contributory pension plan will remain in effect for the duration of this agreement and all employees who have completed one year of service will be eligible to join.

**ARTICLE 24 - LOCAL UNION EDUCATION FUND**

24.01 The Company agrees to pay semi-annually to the local Union one cent (\$0.01) per hour worked for the local's education fund.

**ARTICLE 25 - TRAINING**

25.01 A Joint Training Committee shall be formed, composed of three Union representatives and three Company representatives. This committee shall meet as required to carry out their responsibilities related to the training program. Union representatives will be compensated for lost time to attend committee meetings.

**ARTICLE 26 - MODIFIED WORK PROGRAM**

26.01 The Company and the Union will work together to continue the practice of finding suitable modified work to encourage and assist the early return to gainful employment of any employees suffering occupational injuries or illness.

**ARTICLE 27 - TECHNOLOGICAL CHANGE**

27.01 Technological change means the introduction of new equipment, materials, or processes which results in a significant change to the manner in which the Company carries out its work.

In cases of such Technological Change, the Company will meet with the Union representatives to advise of such change at least forty five (45) days prior to the introduction of such change.

Employees with seniority who are displaced from their regular classification because of such change will be given the opportunity for training on the time and at

the expense of the Company. Their rate will be protected for a period up to twelve (12) months or until they post into another position with equivalent pay.

**ARTICLE 28 - DURATION OF THE AGREEMENT**

28.01 This agreement shall become effective on **December 1, 2007**, and shall be in effect until **November 30, 2010**, and shall continue automatically thereafter for annual periods of one (1) year each, unless either party notifies the other in writing during the period of ninety (90) days prior to the expiration date that it desires to amend the agreement.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_.

FOR THE COMPANY

FOR THE UNION

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**WAGES - SCHEDULE "A"**

	<u>Dec 1/07</u>	<u>Dec 1/08</u>	<u>Dec 1/09</u>
<b>GROUP I</b>	\$15.40	\$15.40	\$15.40
Planer Clean-up			
Planer Labour			

Saw Mill Clean-up Saw Mill Labour Watchman			
<b>GROUP IA</b>	<b>\$15.50</b>	<b>\$15.50</b>	<b>\$15.50</b>
Tail Sawyer Shipping Crew			
<b>GROUP II</b>	<b>\$15.55</b>	<b>\$15.55</b>	<b>\$15.55</b>
Planer Resaw Planer Trimmer Planer Piler Small Cat Operator Tallyman Planer Planer Hoist Operator			
<b>GROUP IIA</b>	<b>\$15.65</b>	<b>\$15.65</b>	<b>\$15.65</b>
Bagger Operator Planer Operator			
<b>GROUP III</b>	<b>\$15.80</b>	<b>\$15.80</b>	<b>\$15.80</b>
Kiln Helper Debarker Filer Helper Bin Sorter Crew Chipper Asst. Log Scaler			
<b>GROUP IV</b>	<b>\$15.90</b>	<b>\$15.90</b>	<b>\$15.90</b>
Boiler Room-in Training Head Trimmer Planer Loader Operator Saw Mill Trimmer Saw Mill Loader Operator Truck Loader Carpenter Serco Operator			
<b>GROUP V</b>	<b>\$16.40</b>	<b>\$16.40</b>	<b>\$16.40</b>
Millwright III Edger Log Scaler Bulldedger Operator			
<b>GROUP VI</b>	<b>\$16.85</b>	<b>\$16.85</b>	<b>\$16.85</b>

Resaw Sawyer Bulledger  
 Millwright II  
 Set-up Planer  
 Millwright/Welder  
 4th Class Boiler Room

<b>GROUP VII</b>	<b>\$16.95</b>	<b>\$16.95</b>	<b>\$16.95</b>
Filer Sawyer Resaw Debarker/Sawyer Sawyer Bulledger			
<b>GROUP VIII</b>	<b>\$17.20</b>	<b>\$17.20</b>	<b>\$17.20</b>
Millwright I			
<b>GROUP VIII(b)</b>	<b>\$17.62</b>	<b>\$17.62</b>	<b>\$17.62</b>
3rd Class Boiler Room			
<b>GROUP IX</b>	<b>\$17.85</b>	<b>\$17.85</b>	<b>\$17.85</b>
Mechanic			
<b>GROUP X</b>	<b>\$19.00</b>	<b>\$19.00</b>	<b>\$19.00</b>
Electrician			

**LETTER OF INTENT**  
TRAINING PROGRAM

The Company and Union agree to work together to devise a training program for Midway Lumber.

The purpose of this training program is to permit the Company to have pre-trained employees capable of filling certain key positions and to allow the senior employee with the ability to be trained to acquire this training.

In principle the training program will function as follows:

- (a) When the Company recognizes the need to train a back-up person for a key position they will post for a trainee for that position.
- (b) Those employees wishing to be trained for the position will complete a job posting application.
- (c) The senior applicant with the ability to be trained for the position will be designated as the trainee for that position.
- (d) Whenever possible, if there is a need for a person in the position the trainee will work in the job and receive training from the supervisor.
- (e) When the job becomes vacant the trainee who has qualified for the job will automatically be assigned to the position without further posting.

This letter outlines only the broad concepts of the training program and the Company and Union representative will work together to define the details including the positions to be included in the program.

This letter of intent does not constitute part of the labour agreement but confirms the desire of the two parties to work diligently together to develop such a program.

FOR THE COMPANY

FOR THE UNION

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**LETTER OF AGREEMENT  
 BETWEEN  
 MIDWAY LUMBER MILLS LIMITED  
 AND  
 U.S.W. LOCAL 9260**

RE: Students Paying Union Dues

Students who work anytime other than summer vacation or weekends shall pay Union dues as per the Collective Agreement.

These students will not attain seniority or become established under Article 12.01 of the Collective Agreement.

FOR THE COMPANY

FOR THE UNION

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**LETTER OF AGREEMENT  
BETWEEN  
MIDWAY LUMBER MILLS LIMITED  
AND  
U.S.W. LOCAL 9260**

When a Management Scaler is put in the log yard to scale, a Unionized employee will be put with him.

FOR THE COMPANY

FOR THE UNION

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**SENIORITY LIST AS OF JANUARY 1, 2008**

<b>EMPLOYEE #</b>	<b>EMPLOYEE NAME</b>	<b>DATE OF HIRE</b>	<b>YEARS</b>	<b>MONTH DAYS</b>	
66	G. Guinton Sr.	02/01/68	39	11	29
81	T. Thomas	03/09/70	37	3	28
92	D. Whitfield	08/02/77	30	10	23
76	D. Senecal	03/01/78	29	11	28
30	J. Goodmurphy	08/02/78	29	10	23
69	P. Rickard	24/04/79	28	8	7
14	H. Brown	23/06/80	27	6	8

24	J. Cowen	25/07/80	27	5	6
58	G. McNeal Jr.	01/12/80	27	0	30
5	G. Badgero	05/05/81	26	7	26
16	R. Bruneau	20/12/82	25	0	11
80	D. M. Tessier	21/03/83	24	9	10
56	P. McLeod	28/03/83	24	9	3
33	J. Grexton	08/06/83	24	6	23
57	T. McLeod	27/08/83	24	4	4
78	N. Singleton	25/09/83	24	3	6
19	G. Clark	14/03/84	23	9	17
47	S. McCaig	12/11/84	23	1	19
13	J. Brick	25/03/85	22	9	6
74	J. Scholar	19/04/85	22	8	12
111	M. Bizier	03/06/85	22	6	28
124	L. Quinton	11/07/85	22	5	20
136	I. MacLean	11/11/85	22	1	20
137	A. Bizier	29/11/85	22	1	2
150	E. Boreland	24/04/86	21	8	7
101	N. Saarela	29/10/86	21	2	2
123	G. Quinton Jr.	08/04/87	20	8	23
206	D. Bookman	16/07/87	20	5	15
213	T. Valiquette	17/08/87	20	4	14
219	R. Chisholm	16/09/87	20	3	15
227	E. Nicholson	05/10/87	20	2	26
230	C. Ervin	07/12/87	20	0	24
216	B. Alberta	27/08/87	19	10	11
	(for Vac. Pay % Rates only)		20	4	4
190	R. Mercer	03/06/88	19	6	28
254	T. Fahrer	15/06/88	19	6	16
258	P. Maitland	29/07/88	19	5	2
278	L. Reid	11/01/89	18	11	20
337	W. Turner	19/08/90	17	4	12
347	N. Marchand	28/09/90	17	1	22
386	M. Seabrook	09/04/91	16	3	27
425	M. Laine	28/09/92	15	3	4
431	S. Seabrook	15/02/93	14	10	12
458	G. Martineau	31/01/94	13	9	6
489	L. Quinton Sr.	31/10/95	12	0	6
488	R. Coventry	22/10/95	12	0	6
484	R. Senecal	16/10/95	11	11	17
493	G. Goodall	01/02/96	11	9	20
504	J. Monette	18/06/96	11	6	17
513	C. Anderson	14/10/96	11	2	21
516	J. Boileau	06/11/96	11	1	26
509	D. Mercer	09/08/96	10	8	26
532	R. McAulay	04/06/97	10	6	29
535	D. Derry	12/06/97	10	6	14
537	O. Larocque	16/06/97	10	5	16
544	J. Valiquette	21/07/97	10	4	9
512	R. Quinton	09/09/96	9	10	14
569	J. Chillman	17/03/98	9	3	16
594	W. Tremelling	30/03/99	8	8	26
578	G. Badgero Jr.	01/20/03	4	11	7
677	D. McCaig	09/16/02	4	11	6
634	L. Zelonko	10/11/00	4	3	25
674	J. Wonch	09/15/02	3	0	26

713	J. Flood	03/21/04	3	4	10
723	G. King	04/04/2005	2	9	0
716	R. Corbiere	10/25/2004	2	8	15
719	B. Seabrook	10/25/2004	2	8	7
725	B. Andersen	06/14/2005	2	6	17
731	P. Pragnell	08/15/2005	2	4	16
760	A. Elson	07/06/2007		5	25
761	B. Robitaille	07/06/2007		5	25
726	D. Corbiere	07/29/2007		5	2
763	J. Vossos	08/07/2007		4	24
765	D. King	08/08/2007		4	23