

MEMORANDUM OF AGREEMENT

BETWEEN

Parallel Wood Products Ltd.

And

USW Local 1-425

It is agreed that acceptance of the terms of this Memorandum of Agreement will be recommended by both parties to their respective principals for final settlement of the November 1, 2009 to October 31, 2013 Collective Agreement.

Subject to the foregoing, the Parties hereby agree:

Company Committee Initials



Union Committee Initials B.D.

1. Duration of Agreement: November 1, 2009 to October 31, 2013.

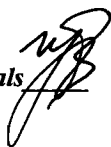
2. Article V, Wages:

- Effective May 1, 2011, the wages of all hourly paid employees will be increased by one and one half percent (1.5%)
- Effective November 1, 2011, the wages of all hourly paid employees will be increased by one and one half percent (1.5%).
- Effective November 1, 2012, the wages of all hourly paid employees will be increased by one percent (1%).

The particulars will be inserted under Article V, Section 1, Wage Schedule, as follows:

Classification	Description	@ Ratification	May 1, 2011 (Plus 1.5%)	Nov. 1, 2011 (Plus 1.5%)	Nov. 1, 2012 (Plus 1%)
Category I	Probationary employees and casual labourers	\$13.55	\$13.75	\$13.96	\$14.10
Category II	Rip Saw Operator, Raw Material Sorter Clean up	\$15.55	\$15.78	\$16.02	\$16.18
Category III	Alignment Operator Finish Sorter Finger Joint Operator Stacker Operator	\$16.30	\$16.54	\$16.79	\$16.96
Category IV	Inside/outside forklift Scan Operator	\$18.55	\$18.83	\$19.11	\$19.30
Category V	Grader	\$19.55	\$19.84	\$20.14	\$20.34
Category VI	Truck Driver/Loader Operator	\$22.00	\$22.33	\$22.66	\$22.89
Category VII Trades	1 st year apprentice	\$22.55	\$22.89	\$23.23	\$23.46
	2 nd year apprentice	\$23.55	\$23.90	\$24.26	\$24.50
	3 rd year apprentice	\$24.55	\$24.92	\$25.29	\$25.54
	4 th year apprentice & Uncertified Trades Rate	\$25.55	\$25.93	\$26.32	\$26.58
	Certified Trades Rate	\$26.55	\$26.95	\$27.35	\$27.62

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- The parties agree to amend Article V, Section 3(a), Grading Tickets as follows:

Grading Tickets:

In-house Grading Ticket - \$0.15 per hour.

COFI Grading Ticket - \$0.25 per hour.

It is understood that there will no pyramiding of these grading ticket premiums.

- Employees on the seniority list as of the date of this Memorandum will be entitled to continue to receive \$0.25 per hour for the In-house grading ticket credential.
- Any employees hired after the date of this Memorandum will be entitled the \$0.15 per hour premium for the In-house grading ticket credential.

3. Article VI, Paydays: Direct Deposit:

The parties agree to amend Article VI by adding item (c), as follows:

- c) All employees are required to participate in the automatic direct deposit payroll system. At the point of being hired, employees are required to provide the necessary banking information to the Company to enable direct deposit.

4. Article VII, Hours of Work and Overtime:

The parties agree to revise Article VII, Hours of Work and Overtime, as per the attached Appendix #1.

The parties agree to meet by the end of January each year to reach consensus on the observance of statutory holidays for the upcoming calendar year. The parties acknowledge in accordance with Article XI, Section 1, that when the stat holiday falls in concert with employee's shift schedule they shall be paid for the holiday at their regular job rate for their regular work schedule.

5. Article VIII, Seniority:

The parties agree to amend section 1(a) and (b) as follows:

Section 1:

a) Notwithstanding anything to the contrary contained in this Agreement, it shall be mutually agreed that all Employees are hired on probation; the probationary period to continue for ninety (90) working days during which time they are to be considered temporary workers only and during this same period no seniority rights shall be recognized.

b) Upon completion of probation they shall be regarded as regular Employees, and shall then be entitled to seniority dating from the day on which they entered the Company's employ, provided however that the probationary period shall only be cumulative within the six (6) calendar months following the date of entering employment.

6. Article IX, Leave of Absence:

The parties agree to amend Article IX, Section 2 to provide for the requirement that employees utilize their available vacation entitlement in concert with leave under this section.

Item h) will be added as follows:

h) Employees granted leave under this section are required to utilize their available vacation entitlement as part of such leave.

7. Article X, Vacations with Pay:

The parties agree to amend Article X, Section 1, to correct the typographical error contained in the 2004 to 2009 Collective Agreement. The corrected section is as follows:

Service	Vacation Entitlement	Percentage of Gross Wages
1 to 3 years	2 Weeks	5%
3 to 7 years	3 Weeks	7%
7 to 15 years	4 Weeks	9%
15 to 23 years	5 Weeks	11%
24 years and beyond	6 Weeks	13%

8. Article XVIII, Health & Welfare:

The parties agree to amend Article XVIII, Section 1 i) by adding the following:

The obligation of the employer to enroll and cover an employee for MSP of British Columbia is triggered only when the employee is not already covered by MSP by some other means.

The parties agree to amend Article XVIII, Section 1, item ii, effective January 1, 2010, as follows:

- ii) Extended Health Care Plan - \$75 deductible
 - 80% Co-insurance

The parties agree to amend Article XVIII, Section 2: Eligibility, as follows:

Eligibility shall be the first day of the second (2nd) month following the date of the completion of the employee's probationary period.

9. Article XIX, Working Foremen:

The parties agree to amend the first sentence of this Article to read as follows:

- The Company and the Union recognize that non-bargaining unit personnel will be allowed to perform bargaining unit work.

Company Committee Initials

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Signed this 7 day of January, 2010.

For :

Parallel Wood Products Ltd.:

Michael B
N. Lesand
Brad Evans
DP

USW, Local 1-425:

William D. Dubyke
Robert Macnain
[Signature]
Anna Lee

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Appendix #1

Article VII – Hours of Work and Overtime

It is understood that the parties recognize the need to be responsive to changes in business circumstances, raw material supply fluctuations, market demand changes, and other challenges. Therefore, the parties recognize the need for flexible shift schedules to maximize the utilization of manpower and equipment.

The term “work day” means the period of time starting when an Employee is scheduled to commence work and terminates twenty four (24) hours thereafter.

The regular hours of work configurations will consist of:

- Five (5) consecutive eight (8) hours shifts, the details laid out in Section 1.
- Four (4) consecutive ten (10) hour shifts, the details laid out in Section 2.
- Three (3) consecutive twelve (12) hour shifts – the details laid out in Section 3.

The Company will meet with the Local Union and Plant Committee to discuss any planned variation to existing shift schedules. The Company will provide an explanation of the need for the planned variation to existing hours of work arrangements. Efforts will be made to resolve any concerns raised by the crew with respect to the planned variation.

The Company and the Union agree that business circumstances may arise which warrant scheduling employees under schedules other than those listed above and employees may be required to work alternative shifts accordingly. The Company will meet with the Union to discuss the details of required alternative schedules. It is understood that such alternative schedules will adhere to the principle of a forty (40) hour work week over a reasonable averaging period. Overtime will be paid for hours worked beyond forty (40) hours worked per week over the averaging period.

Section 1: Eight (8) hour Shift Schedule:

The regular hours of work for employees under this shift schedule shall be eight (8) hours per day for five consecutive days and forty (40) hours per week. The Company has the right to schedule a three shift operation as (3) – 7.5 hour shifts. Employees will be paid for hours worked.

Rest Breaks:

Employees will be provided two (2) ten-minute breaks, one (1) within each half of a shift, at a time designated by the Company, which shall not be later than one (1) hour before the end of each half shift. There will also be a one half hour unpaid meal break.

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Overtime:

Rate and one-half will be paid for all hours worked in excess of eight (8) in a day and beyond 40 hours worked in a week.

Double time rate will be paid for all hours worked in excess of eleven (11) in a day. The definition of a week for the purpose of computing overtime is Monday through Sunday. For the purposes of this provision a Statutory Holiday shall be considered as a shift worked.

Vacation: For vacation scheduling purposes a week of vacation will be considered as 5x8 hour shifts.

Section 2: Ten (10) hour Shift Schedule

The regular hours of work for employees under this shift schedule shall be ten (10) hours per day and forty hours per week. The schedule will provide for three consecutive days off.

Rest Breaks:

Employees will be provided two (2) ten-minute breaks, one (1) within each half of a shift, at a time designated by the Company, which shall not be later than one (1) hour before the end of each half shift. There will also be a one half hour unpaid meal break.

Overtime:

Rate and one-half will be paid for all hours worked in excess of ten (10) in a day and beyond 40 hours worked in a week.

Double time rate will be paid for all hours worked in excess of twelve (12) in a day. The definition of a week for the purpose of computing overtime is Monday through Sunday.

For the purposes of this provision a Statutory Holiday shall be considered as a shift worked.

Vacation: For vacation scheduling purposes a week of vacation will be considered as 4x10 hour shifts.

Section 3: Twelve (12) Hour Shift Schedule

The regular hours of work for employees under this shift schedule shall be twelve (12) hours per day and thirty six hours per week. The completion of this schedule will result in forty (40) hours pay.

Rest Breaks:

Employees will be provided two (2) fifteen minute breaks, one (1) within each half of a shift, at a time designated by the Company, which shall not be later than one (1) hour before the end of each half shift. There will also be a one half hour unpaid meal break. On a continuous twelve hour shift schedule, the meal break will be paid.

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Overtime:

Rate and one half will be paid for all hours worked beyond forty hours worked per week. Double time rate will be paid for all hours worked in excess of twelve (12) hours in a day.

The definition of a week for the purpose of computing overtime is Monday through Sunday.

For the purposes of this provision a Statutory Holiday shall be considered as a shift worked.

Vacation: For vacation scheduling purposes a week of vacation will be considered as 3x12 hour shifts.

Section 4:

Any Employee called for work and finding no work available due to reasons beyond his/her control shall be entitled to two (2) hours pay at the usual rate. This shall apply unless the Company gives notice canceling the said call. Such notice shall be considered to be given by an announcement over Radio Station CFFM, "The Rush" prior to the commencement of the shift.

Section 5:

- a) The term "Casual Employees" applies to employees who may be utilized for cleanup or overflow work. Casual Employees will be paid at the rate of Category I.
- b) Regular laid-off Employees shall not be classified as casual Employees and shall have preference for available work over the said casual Employees, competency considered.

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