

LETTER OF UNDERSTANDING
NORTHERN RETENTION PREMIUM

This will confirm our understanding of the above subject as agreed during negotiations between the Union and the Company as follows:

All regular employees, regularly employed and who permanently reside north of the 53rd parallel shall be entitled to receive an annual Northern Retention premium of 5% of regular wages (excluding overtime and differentials, etc.), subject to the following terms and conditions:

An employee must complete twelve (12) consecutive months of employment north of the 53rd parallel to be entitled to the premium. Upon completion of each twelve (12) month period, the employee shall be paid the Northern Retention premium. The twelve (12) month period shall run from October 20th of the previous year to October 20th of the following year.

Employees hired into the North shall be eligible to receive a prorated premium for time worked between October 20th of the previous year to October 20th of the following year.

Where an employee is temporarily assigned by the Company to work south of the 53rd parallel, the Northern Retention premium shall continue as if said employee did not leave the north.

It is understood by the parties that the Northern Retention Premium shall take the form of a lump sum payment, not to be folded into the regular base rate of pay and shall not be considered pensionable earnings.

This Letter of Understanding shall terminate upon the expiry of the Collective Agreement on February 19, 2019.