

**NORTH DAKOTA MILL  
GAIN SHARING PROGRAM  
Fiscal 2007-2008**

- Eligibility – all full-time employees on June 30, 2008 that worked a minimum of 1,000 hours during the program year are eligible.
- No pay out of any bonuses if profit before gain sharing expense accrual does not exceed 1.0 million dollars.
- No payout on the profit part of the plan if profit before gain sharing expense accrual does not exceed 2.0 million dollars.
- Pay out will be calculated as a percent of earnings from July 1, 2007 to June 30, 2008.
- Goal numbers were set to reflect current realities for the new plan year.
- Goal numbers were set by the General Manager and the Union Negotiating Committee and are attainable with effort.

The plan consists of two independent parts. 4% potential payout is from exceeding gain sharing goals and an uncapped potential payout is from profits.

For the year ending June 30, 2008 the goals are as follows:

**Gain Sharing 1<sup>st</sup> Part - 4% Bonus Potential\***

**Goals**

Cwt./man-hour	(includes all hours)	██████████
Cost per cwt. (before gain sharing exp.)		██████████
Yield		██████████
Safety Record		██████████ Points

\*4% bonus potential if all numbers are met or exceeded. Each goal is worth 1% of the 4%.

**Gain Sharing 2<sup>nd</sup> Part - Uncapped Bonus Potential**

**Profits** (before gain sharing expense accrual):

2.0 million = 2.0% bonus pay out

4.5 million = 4.5% bonus pay out

Each additional 1.0 million in profits = 1.0% additional bonus payout.

NOTE: The 1<sup>st</sup> Part of the gain sharing goals begin to payout at a profit (before gain sharing expense accrual) level greater than \$1.0 million. The 2<sup>nd</sup> Part of the Gain sharing Goals begin to payout at a profit (before gain sharing expense accrual) level greater than \$2.0 million.

**EXAMPLE #1:**

The mill makes \$1.5 million profit (before gain sharing expense accrual) and we exceed the goal for cwt./man-hour and cost/cwt. but not the safety record or yield. The total bonus received would be 2% for goals + 0% for profit = 2.0%.

**EXAMPLE #2:**

The mill makes \$2.5 million profit (before gain sharing expense accrual) and we exceed the goal for cwt./man-hour, cost/cwt., and the safety record but not the yield. The total bonus received would be 3% for goals + 2.5% for profit = 5.5%.