

**LETTER OF UNDERSTANDING XX**

**SUBJECT: INCENTIVE PLAN**

During the 2008 negotiations, the Company and the Union expressed their mutual interest in establishing an Incentive Plan. The Incentive Plan will provide a means by which bargaining unit employees may be financially rewarded if improvements are made in productivity, based on established targets and utilizing performance measurements such as improvements in quality, safety, and/or economic profit. The performance measurements will be developed following consultation with the Union.

The Incentive Plan will commence on January 1, 2010, with the first performance period beginning on that date. When identified and measurable targets are achieved, the Incentive Plan will generate a bonus for eligible bargaining unit employees based on the specified performance measurements.

The Incentive Plan will be subject to all necessary approvals and will be administered in accordance with a separate Incentive Plan document.

Dated: September 4, 2008