

## LETTER OF UNDERSTANDING

BETWEEN:

TOLKO INDUSTRIES LTD – Heffley Creek Division.

AND;

UNITED STEELWORKERS OF AMERICA LOCAL 1-417

This Summer Relief Employment Agreement is entered into for the sole purpose of establishing the terms and conditions of summer employment for employees hired for vacation relief and cleanup during the summer months. Summer relief employees must be in an educational program.

The following terms and conditions will govern the hiring of Summer Relief Employees:

1. All provisions of the Southern Interior Master Agreement will apply, save and except for the conditions noted in this Agreement Letter.

(a) Article X Seniority:

Section 2: Job Posting. Summer Relief Employees will not be eligible to bid on permanent job postings.

Section 5: Reduction in Forces. There will be no job retention entitlement for Summer Relief Employees if there is a reduction in forces.

Section 7: Reinstatement. At the completion of each term, Summer Relief employees will be terminated, and there will be no reinstatement entitlement.

Section 10: Retention During Lay-off. There will be no entitlement for retention of seniority during lay-off beyond September 30 of any calendar year.

(b) Article XI Leave of Absence:

Section 3: Union Business. Summer Relief Employees will not be eligible for Union Business Leave of Absence.

Section 6: Bereavement Leave. Summer Relief Employees will not be eligible for paid Bereavement leave. The Company will not unreasonably deny unpaid leave if the employee advances a bona fide reason.

Section 8: Compassionate, Educational Leave. Summer Relief Employees will not be eligible for educational leave. Unpaid compassionate leave will not be unreasonably denied if the employee advances a bona fide reason.

Section 10: Public Office. Summer Relief Employees will not be eligible for Public Office leave.

(c) Article XII Vacations with Pay: vacation pay accrual at 4% with no vacation eligibility

(d) Article XIII Statutory Holidays and Personal Floating Holiday.

Summer Relief Employees are not entitled for payment for Statutory Holidays and Personal Floating Holiday. Hours worked on Statutory Holidays will be paid for under the Alternate Shift Schedule Agreement.

2. Summers Relief Employees will be paid wages as per the Southern Interior Master Agreement in accordance with the job classifications for which they work. Summer Relief Employees are not eligible for ROCE payments.
3. Summer Relief Employees will not be eligible for the Health and Welfare provisions of Article XVIII or Long-Term Disability provisions of Article XIX of the Southern Interior Master Agreement. Alternate coverage for such employees will be restricted to Medical as provided by the Provincial Medical Service Plan. They will subsequently not be covered by the Dental, Weekly Indemnity, Long-Term Disability or Insurance benefits contained in the Collective Agreement.
4. Summer Relief Employees hired for the purpose of providing summer vacation relief or clean-up shall be designated as a Summer Relief Employees, and shall have seniority rights only as he/she related to other Summer Relief Employees.
5. Summer Relief Employees hired under this Agreement will become a member of United Steelworkers of America Local 1-417 upon completion of their probationary period.
6. The "Summer Relief Employment" system will cover the period of April 15<sup>th</sup> to September 30<sup>th</sup>, of any calendar year.
7. Summer Relief Employees will be terminated no later than September 30<sup>th</sup> of each calendar year and all benefits and conditions of employment will expire, including seniority retention rights. After termination of Summer Relief Employment, he/she may apply for a permanent position and will be required to go through the pre-employment screening program for regular employment.
8. Casual Employees who become Summer Relief Employees can return to Casual Employees after September 30<sup>th</sup>, with their original Casual Seniority date.
9. All new hire Summer Relief and Casual Employees will receive a copy of this Agreement, and shall sign the appropriate Letter of Acknowledgement prior to commencement of employment.
10. Either party may cancel this agreement with 30 days written notice except during the period of April 15 to September 30 of any calendar year.

Dated this 14<sup>th</sup> day of March, 2011.

Signed on behalf of  
United Steelworkers of America  
Local 1-417

Steven Sandbeck  
Wayne Suro

Signed on behalf of  
Tolko Industries Ltd.  
Heffley Creek Division

Brenda Roberts  
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