

LETTER OF UNDERSTANDING

BETWEEN

CANADIAN FOREST PRODUCTS LTD
VAVENBY DIVISION (the "Company")

AND

UNITED STEELWORKERS, LOCAL 1-417 (the "Union")

APPLICATION OF SENIORITY

PREAMBLE

FOR THE PURPOSE OF clarifying the application of seniority in the filling of positions throughout the Vavenby Division, the parties hereby agree to the following provisions:

1. Permanent Regular Job

- a. Employees can acquire their permanent regular job as a result of a job posting, a bump or being grandfathered in.
- b. Employees can only hold rights to one permanent job at a time.
- c. When an employee is bumped out of their permanent job for less than one year, a future permanent vacancy in that job will be filled by the bumped employee, the job will not be posted.
- d. Employees cannot bump into permanent vacancies (these vacancies must be posted immediately in accordance with the Job Posting Procedure).

2. Employees in Motion

- a. An employee is in motion when they lose their rights to their permanent regular job.
- b. An employee must declare their one and only bump within five (5) days of the curtailment. If the employee is on authorized leave at the time of the curtailment, they must declare their bump within three (3) working days of their return.
- c. The junior operator is bumped. Seniority decides shift preference.
- d. To bump up in pay rate, the employee must be capable of doing the job.



3. Competency List

The Company will maintain a list of all jobs and those employees qualified to do each job.

4. Overtime

- a. Eligibility for production overtime is as follows:
 1. First- Regular job incumbent(s), even if the employee is filling a vacancy.
 2. Second- Competent employees.
- b. Overtime will be offered on the job that initiates the need for overtime.
- c. In the case of an overtime shift, it will be offered as a whole shift, not split up, unless no employee can be found who wishes to work the entire shift,. In that case, the shift can be divided between employees. No employee will work more than sixteen (16) hours per day unless in exceptional circumstances and with the prior approval of the Manager.
- d. Overtime will be hours paid for hours worked.
- e. Tradesmen and Maintenance employees are not eligible to work production overtime unless all other employees have declined to work the overtime.

5. Seniority List

Employees who have the same day for seniority purposes will be listed alphabetically on the seniority list and will be entitled for work in the order listed on the seniority list.

6. Amendment or Cancellation

This agreement shall form part of the collective agreement between the parties and may be re-opened for amendments or termination by either party upon thirty (30) days written notice to the other.

