LETTER OF UNDERSTANDING

BETWEEN: INTERNATIONAL FOREST PRODUCTS LTD.
CASTLEGAR LUMBER DIVISION

AND: UNITED STEELWORKERS - LOCAL 1-405

SUBJECT: MAINTENANCE GRAVE YARD SHIFT SCHEDULE

This letter of understanding will govern the terms and conditions of work for the employees on the Interfor Castlegar Maintenance Graveyard Crew. This agreement is negotiated in accordance with the collective agreement in force between the USW Local 1-405 and International Forest Products – Castlegar Division (2009-2013) Article VII – Hours of Work. This agreement can be amended by mutual agreement between the Company and Union.

The Castlegar Division operations recognize that alternate schedules will be required to maximize opportunities for productivity improvements, operational uptime and maintenance. The Maintenance schedule will complement the sawmill schedule.

1. SHIFT SCHEDULES:

1.1 Grave Yard shift Schedule will be 5 days a week, Seven hours per day starting Sunday night 11:00pm to 6:00am. No overtime will be paid during the shift periods unless work dictates additional hours over and above the regular Grave Yard shift.

2. HOURS OF WORK:

2.1 The hours of work shall be: Sunday through to Friday 11:00pm to 6:00 am 7 hours per shift.

2.2 Employees on the Graveyard Shift Schedule will receive eight (8) hours pay for each seven (7) hour shift. All hourly benefits (LTD, Pension, Education Fund, Safer), under the Collective Agreement will be administered on the basis of hours paid.

2.3 Shift Differential, as per ARTICLE V – WAGES, Section 7: Shift Differential, shall be paid only for those hours worked outside the recognized dayshift for those Employees working the Alternate Schedule in effect for that crew working in that part of the operation. The recognized dayshift scheduled is 6:00 AM to 4:30PM.

3. REST PERIODS and MEAL BREAKS:

3.1 Breaks: Two Twenty (20) minute Paid Breaks
3.2 Breaks will normally be taken during the mid 2 hours of each half of the shift.

4. OVERTIME:

4.1 Overtime shall be paid as per the collective agreement.

5. SCHEDULING:

5.1 The schedules will be as above or management and union may agree to another rotation.

6. RELIEF EMPLOYEES:

6.1 RELIEF Employees will be assigned to the shift as required.

7. STATUTORY HOLIDAYS and FLOATING HOLIDAY:

7.1 Statutory and Floating Holidays shall be scheduled and paid as per the Southern Interior Master Agreement ARTICLE XIII-STATUTORY HOLIDAYS AND FLOATING HOLIDAY and Supplement No. 8 – Alternate Shift Scheduling.

8. BEREAVEMENT LEAVE and JURY DUTY:

8.1 Bereavement Leave shall be paid as per ARTICLE XI – LEAVE OF ABSENCE, Section 6: Bereavement Leave of the Southern Interior Master Agreement at the Employee's regular hourly rate of pay for the Employee's regular work schedule for a maximum of three (3) shifts.

9. VACATIONS:

9.1 The Graveyard schedule will constitute a week for vacation purposes

10. SOUTHERN INTERIOR HEALTH AND WELFARE PLAN and MEDICAL SERVICES PLAN:

10.1 Regular full-time employees are eligible for health and welfare plan benefits.

11. IWA - FOREST INDUSTRY PENSION PLAN and LONG TERM DISABILITY PLAN:

11.1 The Company and employees will make the required contributions to the pension plan and long term disability plan.

12. IWA FOREST INDUSTRY HEALTH AND SAFETY FUND and EDUCATION FUND:

12.1 The Company will make the required contributions to the health and safety fund.

13. TERMINATION:

13.1 The Company will provide fourteen (14) days notice to discontinue the alternate shift schedule, except in special circumstances. Employees will revert back to the previous schedule unless otherwise mutually agreed.

Signed this _____ day of _____ 2012.

Signed on behalf of
USW
Local 1-405

Signed on behalf of
International Forest Products Ltd.,
Castlegar Lumber Division

JOHN STRAW

mill manager