

LETTER OF UNDERSTANDING
BETWEEN
ELKVIEW OPERATIONS (the Company)
AND
UNITED STEELWORKERS, LOCAL 9346 (the Union)

FAXED
May 27/11

Vacation Allocation Agreement (May 27, 2011)

As per the matter of the Arbitration (Vacation Entitlement) ruling of May 24, 2011 the Company and Union have come to the following agreement with regards to the implementation of the Arbitrator's award. As a result of the recent Arbitration ruling vacation entitlement dates will revert back to their original date.

Employees shall be required to submit their preference for vacation time to their immediate foreman before June 12, 2011. Following this the Company will post approved vacation schedules, by department, no later June 25, 2011. These vacation requests will be for June 25, 2011 to April 14, 2012. Vacation for this period will be allocated as per the current CBA.

In accordance with the Arbitrator's award the Company will prorate the entitlements and corresponding pay by 18.36%. This will affect vacation entitlement and pay for the period of April 8, 2011 to April 7, 2012 inclusive.

The revised allocations for the period are as follows:

Years Completed	Entitlement as per CBA	Entitlement for April 8, 2011 to April 7, 2012
1 - 2	96	78
3 - 4	120	98
5	144	118
6 - 8	180	147
9 - 11	192	157
12 - 14	204	167
15 - 17	216	176
18+	228	186

Article 10.09 outlines the process involved when an employee's entitlement does not calculate to whole shifts.

Vacation that was previously approved for the period up to June 24, 2011 will remain. However previous approved vacation beyond June 24, 2011 will no longer apply and will be governed by the new allocation process.

Any additional leave requests that fall before June 25, 2011 will be granted on a first come first served basis as per departmental practices.

For individuals who have vacation entitlement dates prior to June 25, 2011 the Company will grant a one - time 67 day carryover of unused 2010 vacation entitlement from the original date of entitlement. This will enable individuals who were informed of the change to vacation entitlement dates an opportunity to allocate the time.

Individual requests to carry forward vacation beyond what is noted above will be addressed as per the CBA.

U.S.W., LOCAL 9346

ELKVIEW OPERATIONS

Chris Nand



Larry Davey



Troy Cook



Alex Eldaun



May 27, 2011