

MEMORANDUM OF AGREEMENT

**BETWEEN: Federated Co-operatives Ltd. Canoe Sawmill and Plywood divisions
(Herein known as the "Company")
OF THE FIRST PART**

**AND: UNITED STEELWORKERS Local 1-417
(Herein known as the "Union")
OF THE SECOND PART**

It is agreed that all provision of the 2009-2013 Southern Interior Master Agreement will apply with the following Understanding and exceptions:

1. Casual employee rate

The starting rate for new hires in the Casual positions will be 75% of the basic labour rate. Casual positions will only be involved in non-production activities. If Casual employees do work in production, they will be paid the appropriate job rate associated with that position. Regular Employees are unaffected by this provision.

2. ROCE (Return on Capital Employed Payments)

The Parties agree the ROCE Provision in the Southern Interior Master Agreement will not apply for the term of this agreement and the 2013 IFLRA agreement

All employees who are on payroll as of the ratification of this agreement will receive a \$500 signing bonus in lieu of ROCE.

All employees who are on payroll as of the ratification of the 2013 IFLRA agreement will receive an additional \$500 signing bonus in lieu of ROCE.

3. Arbitration Procedure

In light of the fact that the Employer is not a member of the IFLRA, the following is agreed as the Arbitration Procedure for this Collective Agreement:

The Parties will endeavor to agree upon an Arbitrator to hear the matter. If the Parties are unable to agree upon an Arbitrator, then either party may apply to the Minister of Labour of the Province of British Columbia to appoint an Arbitrator.

4. Emergency Overtime

The Union and the Company agree that if Emergency Overtime is required due to a safety risk to the public or employees, the Company will require the appropriate employees to stay and work overtime until the safety risk is resolved or a replacement employee or employees are available. The principle of seniority competency considered will apply.

If an unforeseeable equipment breakdown occurs causing production to stop, it will be required that the necessary maintenance employees on shift will be expected to work emergency overtime until the affected equipment is fully repaired, or until another employee is available to relieve them. The principle of seniority competency considered will apply.

5. Apprenticeship Training Programs

- (a) The Company keep the employee on payroll during training periods;
- (b) The Company will pay a tool allowance of \$175 per year;
- (c) The Company will not provide the cost of text books;
- (d) The Company will pay tuition costs. If an employee leaves before one year has expired after completing his courses, a prorated portion of his tuition will be repaid to the Company.
- (e) The Company will continue the practice of paying apprentice's mileage and living-out allowance.

6. Wood Labourer Travel Time

The Parties agree that the Provisions of the Collective agreement regarding Travel time will apply once the present incumbent retires

7. Letters of Understanding #11 & #13-17

Notwithstanding the language in Supplement #8, the alternate shift schedules set out in Letters of Understanding 11 and 13 through 17 will remain intact and unchanged through the duration of our agreement, unless otherwise mutually agreed.

8. Union Leave

If requested Union Leave has the effect of depleting a particular shift to the point that it will severely impede the operation of the shift the Union agrees to cooperate with the Company to ensure the shift will continue to operate. The Company understands that it is expected that they will grant up to the required requests for leave of absence and will only request that the leave be withdrawn under extraordinary conditions.

9. Duration of Agreement

The Collective agreement will expire on June 30, 2013. Upon expiration, the parties will adopt the terms and conditions of the Memorandum of Agreement negotiated between the IFLRA and the USW for the renewal of the current (2009-2013) Southern Interior Master Agreement (the "Renewal Agreement"), with the exception of the ROCE provision set out in Section 2 above.

The parties will continue to resolve local issues on an ongoing basis outside the bargaining process through their existing Joint Labour-Management Committee.

The parties agree that there will be no strike or lockout upon the expiration of the 2009-2013 agreement.

The parties' agreement to adopt the Renewal Agreement as their collective agreement only applies to the 2013 collective agreement renewal.

10. Permanent Partial Closure of the Sawmill division (Without Prejudice settlement)

1. The Parties agree that a Permanent Partial Plant Closure of the Sawmill division is declared as of July 1, 2009. It is agreed that all employees who remained on the Seniority list as of July 1, 2009 will receive Partial Closure Severance as laid out below.

Employees who were not able to obtain an alternative position in the operation and were therefore laid off are entitled to severance pay of ten (10) days pay (eight (8) hours per day at the rate of \$24/hour) for each year of service with the cap of a maximum of 200 days pay.

The Company agrees to pay out severance in two (2) equal payments if requested by the employee. One payment would be made in 2011 and if requested one in February 2012.

Employees who have transferred to the Plywood division and retained their Seniority for the purposes of holiday entitlement and future severance calculation will not qualify for Permanent Partial Closure Severance under this agreement.

This agreement is intended to deal with the facts up to and including the date of this agreement. Therefore, those employees of the Sawmill division who continued to work after the Permanent Partial Closure of the Sawmill division and who either transferred to the Plywood division seniority list or remained on the Sawmill seniority list, will not qualify for severance under this agreement. This is not intended to abrogate any rights, based on events which occur subsequent to this agreement, to severance pay for permanent partial closure or permanent closure under the 2009 – 2013 collective agreement or any subsequent agreement.

2. The union, as the exclusive bargaining agent for the affected bargaining unit, agrees as follows:

- a) This payment shall be in full and final satisfaction of all claims in relation to the closure of the sawmill in or about 2007, under the previous, the existing or any subsequent collective agreement and under all applicable legislation.

- b) The payment of Permanent Partial Closure severance under Section 1 is a negotiated compromise;
- c) A permanent partial closure of the Sawmill division did not occur until July 1, 2009. Prior to July 1, 2009 there was no collective agreement right to severance pay for permanent partial closure;
- d) There will be no retroactive application of the Permanent Partial Closure severance provisions of this agreement or of the 2009-2013 Southern Interior Master Agreement
- e) The Union will not pursue grievances for Permanent Closure or Permanent Partial Closure Severance for any event occurring prior to ratification of this agreement, subject to clause (i);
- f) There are no outstanding grievances for severance pay for permanent partial closure of the Sawmill Division;
- g) In order to receive severance pursuant to this agreement the employee must sign a full and final release in favour of the company and Union for any and all claims for severance pay, either for partial or permanent closure, including the amount of severance;
- h) Employees who refuse to sign a release will forfeit their right to Severance pay;
- i) The Union will only pursue grievances regarding the calculation of severance pay for partial closure pursuant to this agreement (who remained on the Seniority list as of July 1 2009 and their years of service). The parties agree disputes of this limited nature will be referred to Arbitrator Hall for expedited arbitration.
- j) Payments made under this agreement shall be in accordance with the attached Appendix.

Signed this 30 day SEPT., 2011.

For:

Federated Cooperatives Canoe Divisions

United Steelworkers Local 1-417












