

LETTER OF UNDERSTANDING

#10

BETWEEN: FEDERATED CO-OPERATIVES LIMITED
FOREST PRODUCTS DIVISION, CANOE

AND: IWA CANADA - LOCAL 1-417

MILLWRIGHT TRANSFERS

Both parties to the collective agreement recognize the need to establish an orderly and equitable method of transferring millwrights, on a temporary basis, from the Sawmill to the Plywood Division and vice-versa. To facilitate and assist in this objective, Federated Co-operatives Limited and IWA Canada - Local 1-417 agree to the following:

1. From time to time transfers of millwrights between the plants may be necessary to accommodate coverage for resignations, vacations, sick leave, WCB leave and workloads.
2. Any millwright volunteering to temporarily transfer from one plant to another, will advise the Human Resources Manager in writing and a list of these individuals will be maintained on file.
3. Regardless of the expressed requests contained in #2 above, seniority, competency considered, will be the governing factor when selecting the millwright to be temporarily transferred, except for the purpose of transfers for workload considerations where relative competency according to the planned work will be the overriding consideration.
4. If the transfer is due to a millwright vacancy, the transferred millwright will normally go to a designated shift and would swing with the shift rotations. A familiarization period, which is to be no longer than five (5) working days, may first be required.
- 5a. An employee may not concurrently accrue seniority in two divisions. A millwright, who has temporarily transferred to another plant, shall not accrue seniority in that plant, however, seniority credits will continue for the time so worked and will be credited to the employee's home plant seniority.

There will be two plant seniority divisions: (i) Sawmill
(ii) Plywood

- 5b. It is further understood that a millwright employee, who is transferred to another division by FCL, shall be covered by the collective agreement of the division from which the employee was transferred. If a millwright is laid off and voluntarily transfers to another division, then that employee is covered by the collective agreement of the division to which the millwright is transferring.

- 6. In the event of layoffs or a reduction in working forces in one division, FCL will, upon the written requests of the laid off employees, give first preference to the laid off employees, competency considered, before hiring new millwrights in another division.

It is understood, however, that these employees are hired on a temporary basis until such time as they are called back to their own plant in accordance with Article X, Section 7, of the Southern Interior Master Agreement and according to #5 above except that the seniority retention provisions in the home plant would apply as per Article X, Section 10.

Regardless of the foregoing provisions, it shall be the employee's responsibility to notify the Human Resources Manager in writing of his desire to transfer to another division in the event of lay-off or a reduction in the work forces.

- 7. FCL will notify the respective plant chairman when a millwright is to be temporarily transferred stating their name and the approximate duration of the transfer.

This Letter of Understanding shall come into force upon signing of same and remain in force for a trial period of 90 days and form part of the appendix to the Master Agreement.

This letter of Understanding will continue beyond the ninety (90) day trial period unless it is terminated by either party upon providing 30 days written notice.

Signed this _____ day of _____, 2003

On behalf of:

FEDERATED CO-OPERATIVES LIMITED IWA - LOCAL 1-417

