

## LETTER OF UNDERSTANDING

#11

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

AND: IWA CANADA - LOCAL 1-417

### Preamble:

The purpose of this agreement is to provide a weekend maintenance schedule that will allow for more effective performance of maintenance during periods when the production facility is not operating.

### 1. Hours of Work:

The established hours of work for the compressed work schedule shall be:

Friday: Eight (8) hours - 8:00 a.m. - 4:30 p.m.  
Saturday: Ten (10) hours - 7:00 a.m. - 5:30 p.m.  
Sunday: Ten (10) hours - 7:00 a.m. - 5:30 p.m.  
Monday: Seven (7) hours - 8:00 a.m. - 3:30 p.m.

All shifts include a one-half (1/2) hour unpaid lunch period.

All scheduled hours are paid at straight time except for the Sunday shift, which will be paid at rate and one-half (1-1/2).

### 2. Overtime:

- (a) Overtime rates will be paid at one and one-half (1-1/2) times the employees' regular hourly rate of pay for any hours worked:
- (i) in excess of eight (8) hours but less than eleven (11) hours per day on Friday;
  - (ii) in excess of ten (10) hours but less than eleven (11) hours per day on Saturday;
  - (iii) in excess of seven (7) hours but less than eleven (11) hours per day on Monday;

- (b) Double straight time job rates will be paid for all hours worked in excess of eleven (11) hours per day.
- (c) If an employee is scheduled to work on their rest day, overtime rates will apply for all hours worked.

**3. Overtime Meal Allowances:**

The Meal Allowance provisions as outlined in Article VII, Hours of Work, Section 10, Hot Meals of the Master Agreement shall apply in respect of any hours worked in excess of the established hours of work.

**4. Day Shift:**

Employees who work a compressed work schedule shift shall not be paid shift differential irrespective of the number of hours worked.

**5. Rest Periods:**

Rest periods shall be provided as per Article VII, Hours of Work, Section 9, Rest Periods of the Master Agreement, except for Saturday and Sunday which shall be three (3) ten (10) minute rest periods each day.

**6. Statutory Holidays:**

- (a) The employee will be paid eight (8) hours pay at straight time rates for each statutory holiday irrespective of the day of the week on which it occurs.
- (b) When a statutory holiday falls on a Saturday or Sunday and is observed on the preceding Friday or following Monday by the other employees, the holiday will be observed on the following Monday or preceding Friday respectively.

When a statutory holiday falls on a Friday and is observed on Friday by the other employees, the holiday will be observed on the following Monday.

When a statutory holiday falls on a Monday and is observed on Monday by the other employees, the holiday will be observed on the preceding Friday.

When a statutory holiday falls on an employee's scheduled day off, such employee has the option of receiving eight (8) hours pay in lieu of the statutory holiday or taking a weekday off in lieu, which is to be mutually agreeable between the employee and the Company, but the employee will not be allowed to take a Saturday or Sunday.

The guiding principle in the administration of statutory holidays will be on the basis of keeping the employee's pay whole.

7. **Floating Holiday:**

A Floating holiday will be administered as per Article XIII, Section 3, of the Master Agreement. Wages paid for the holiday will be eight (8) hours at the employee's regular rate of pay.

8. **Vacations with Pay:**

(a) Under the regular job rate method, vacation pay will be credited on hours paid rather than hours worked.

(b) An employee who is scheduled to work the weekly established hours of work in the compressed work schedule, and who is on vacation, shall be treated as having taken one week's vacation entitlement.

9. **Bereavement Leave:**

Bereavement Leave entitlement shall be paid as per the Southern Interior Master Agreement. The employee will be granted an appropriate leave of absence for which he shall be compensated at his regular straight time hourly rate of pay for his regular work schedule for a maximum of three (3) days.

10. **Jury Duty**

Jury Duty reimbursement on the first week of leave shall be based on hours that otherwise would have been paid in accordance with the established weekly hours of work. Subsequent weeks shall be paid pursuant to Article XI, Leave of Absence, Section 7, Jury or Witness Duty. During the first week of jury duty, the employee is expected to work those scheduled work days that do not conflict with jury duty.

**11. Health & Welfare:**

An employee who is scheduled to work on the above schedule shall continue to be classified as a regular full time employee for purposes of benefit eligibility.

**12. Pension Plan and Long Term Disability Plan:**

The Company contribution to the Pension Plan and the Long Term Disability Plan for any employee who works the established hours under the above schedule shall be at forty (40) hours per week. The employee who works the established hours under the above schedule shall contribute to the respective plans on the basis of forty (40) hours per week.

**13. Vacancies:**

Vacancies shall be filled as per the Seniority and Job Posting Agreement in effect between the parties.

**14. Scheduling:**

Millwrights working on a different shift schedule may be temporarily assigned to the compressed work schedule shift from time to time, on the basis of relative competency, according to planned work for the compressed shift. This assignment would not exceed four (4) weeks at a time exclusive of vacation relief.

It is agreed that a temporary assignment is considered to be thirty (30) calendar days or less.

**15. Period of Agreement:**

- (a) If either party requests in writing to meet and discuss amendments to the compressed work schedule, the parties agree to discuss said amendments.
- (b) The agreement will automatically continue, unless terminated by either party upon providing thirty (30) days' written notice at which time the maintenance shift schedule shall revert back to the schedule in place prior to implementation of the Compressed Work Schedule.

(c) Upon implementation of this compressed work schedule, a sixth (6th) millwright will be hired or an apprentice millwright will be posted at the option of FCL. If the Plywood Plant operates at less than full capacity (e.g. less than three press shifts ) and the complement of millwrights is reduced due to attrition, sickness, WCB, etc, then the sixth (6th) millwright would not necessarily be replaced until the plant resumes capacity operations. This agreement, therefore, would not die due to a reduced complement of millwrights during less than capacity operations. If the manning, however, goes below today's level of five (5) millwrights, this compressed work schedule will be discontinued unless both parties agree to maintain it.

**16. Guiding Principles:**

The application of this Letter of Understanding shall be in accordance with the principles as outlined in Article VII, Hours of Work, Section 2, Alternate Shift Scheduling and Supplement 8 of the Master Agreement.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

On behalf of:

FEDERATED CO-OPERATIVES LIMITED

IWA - LOCAL 1-417

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