

LETTER OF UNDERSTANDING

#13

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

AND: IWA CANADA - LOCAL 1-417

COMPRESSED WEEKEND PRODUCTION SHIFT

The purpose of this agreement is to increase production and productivity, and to reduce overtime.

1. Hours of Work

The parties to the Collective Agreement agree to the following terms and conditions regarding a compressed weekend production schedule.

The days and hours of work shall be:

1:00 a.m. Saturday to 11:30 a.m. Saturday – 10.5 hours
7:30 p.m. Saturday to 6:00 a.m. Sunday – 10.5 hours
1:30 p.m. Sunday to Midnight – 10.5 hours

2. Payment of Wages

For the thirty-one and a half (31.5) hours worked on this shift, forty (40) hours at straight time rates will be paid in accordance with the provisions of the Collective Agreement. Employees who work less than full portions of the shift(s) will be paid at a multiplied wage rate of one point two seven (1.27) for each hour worked.

Hours worked in excess of the above scheduled hours will be paid at rate and one half (1-1/2) after the completion of the regularly scheduled shift and double straight time (2) shall be paid for all hours worked in excess of eleven (11) hours per shift.

Shift differential pay will be paid to employees for all hours worked as per the Collective Agreement.

3. Lunch and Rest Breaks

Employees are entitled to two (2) fifteen (15) minute rest breaks and one (1) thirty (30) minute lunch break. Key production equipment shall continue to run during breaks to balance production.

4. Statutory Holidays

Christmas Day, Boxing Day, and New Year's Day will be considered non-operating days. If these days fall on the weekend, they will be paid on the basis of ten and one-half (10.5) hours pay at the employee's regular job rate.

Statutory holidays observed during the week (Monday to Friday) and personal floating holidays will be paid on the basis of eight (8) hours pay at the employee's regular job rate in addition to the regular pay for the compressed work week.

5. Vacation

One weekend off is equivalent to one-week of vacation. Vacation pay will be credited on hours paid rather than hours worked.

6. Rest Days

Employees working on their rest days will be paid time and one-half for the first eleven (11) hours and double time thereafter.

7. Bereavement and Jury Leave

Employees qualifying for bereavement leave will be paid twenty-four (24) hours pay at straight time rate and the appropriate leave granted.

Employees will be reimbursed for jury duty for all hours lost based on his/her regular shift.

8. Benefits

All benefits for employees on this shift will be provided on the same basis as if they were working a regular forty (40) hour week.

9. Vacancies

The positions on the Compressed Weekend Production Shift will be posted and filled as per the Seniority and Job Posting Agreement. If there are not enough bidders for the positions on the shift, junior qualified employees are then required to work on the shift.

In the event that an employee from the regular shift(s) is required to provide relief coverage on the compressed weekend shift, and they have already worked their regular shift(s), then overtime rates would apply.

10. General Provisions

(a) If the company has to lay off a shift, then the weekend shift will be the first to be laid off.

(b) A simple majority will pass any vote taken regarding the weekend shift.

- (c) This shift will be operated on the basis of complete flexibility. All production employees on this shift will be required to perform any and all jobs on the shift. Seniority, competency considered, will determine what rates will be paid, but will not allow employees to maintain a specific job. An employee's job rate, as determined by seniority, competency considered, will be maintained as a base rate or floor. When an employee performs work at a higher job rate, that rate will be paid to the employee for those hours worked at the higher job rate. If an employee works at a lower rated job, wages paid will be based at the employee's regular job rate.
- (d) The probationary period for new employees who work this schedule will be two hundred and forty (240) hours.
- (e) A spareboard employee who works a portion of the compressed weekend shift will be paid at a 1.27 ratio for all hours worked. Should the spareboard employee work all weekend, then the employee would be considered as having worked a forty (40) hour week.
- (f) The company will ensure that there is no loss, no gain to employees transferring from this shift to other shifts. The compressed shift is considered the start of a workweek. Employees going onto the compressed shift will complete their last regularly scheduled shift and go directly to the compressed shift that weekend. If mutually agreed upon, an employee on a PM shift will be given the opportunity to take the Friday shift off to get to the compressed weekend shift. Upon completing their last scheduled compressed weekend shift, employees moving from the compressed shift to a regular production shift will have completed their weekly work obligations. They will have the remainder of the week off following the compressed shift, and will be required to report to work the following week.

11. Period of Agreement

- (a) If either party request in writing to meet and discuss amendments to the compressed work schedule, the parties agree to discuss said amendments.
- (b) Either party may terminate this agreement by giving thirty (30) days written notice.

Signed this _____ day of _____ 2004.

On behalf of:

FEDERATED CO-OPERATIVES LIMITED

IWA - LOCAL 1-417

