

LETTER OF UNDERSTANDING

#16

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

AND: UNITED STEELWORKERS OF AMERICA - LOCAL 1-417

ALTERNATE SHIFT SCHEDULE**Shipping and Yard and Forklift Operators****Preamble:**

The purpose of this agreement is to provide an alternate shift schedule(s) that will increase productivity, production, operating efficiency, reduce overtime and efficiently utilize employees and capital.

1. Hours of Work:

<u>Schedule #1</u>	Day Shift	
Monday:	Ten (10) hours	6:00 am – 4:30 pm
Tuesday:	Ten (10) hours	6:00 am – 4:30 pm
Wednesday:	Ten (10) hours	6:00 am – 4:30 pm
Thursday:	Ten (10) hours	6:00 am – 4:30 pm

<u>Schedule #2</u>	Night Shift	
Monday:	Ten (10) hours	4:30 pm – 3:00 am
Tuesday:	Ten (10) hours	4:30 pm – 3:00 am
Wednesday:	Ten (10) hours	4:30 pm – 3:00 am
Thursday:	Ten (10) hours	4:30 pm – 3:00 am

2. Lunch & Rest Breaks:

- a) Rest periods will be one (1) ten minute break and one (1) fifteen minute break plus a one-half (1/2) hour unpaid meal break.

3. Payment of Wages:

- a) Employees will be paid a total of forty (40) hours straight time pay for the forty (40) hours of work. All hours worked in excess of ten (10) hours per day will be paid at overtime rates as per Appendix No.1, Alternate Shift Scheduling provisions of the Collective Agreement.
- b) Overtime is payable at time and one half (1-1/2) after ten (10) hours worked and double time (2x) after eleven (11) hours worked per day.

4. Shift Differential:

Shift Differential as per Article V – Wages, Section 7: Shift Differential, shall be paid only for those hours worked outside the recognized day shift as outlined in #1 above.

5. Statutory Holidays:

- a) Statutory and Floating Holidays are paid as per the employee's regular schedule if it falls on a regularly scheduled workday.
- b) If the holiday falls on a rest day, it will be paid at eight (8) hours straight time pay, in addition to the employee's regular pay for the week.

6. Vacation:

Under the regular job rate method, vacation pay will be based on hours paid rather than hours worked. An employee who is scheduled to work on the above schedule, and who is on vacation, shall be treated as having taken one-week of vacation.

7. Bereavement Leave:

Bereavement Leave shall be paid at the employee's regular straight time hourly rate of pay for the employee's regular work schedule for a maximum of three (3) shifts.

8. Jury or Witness Duty:

Jury or Witness Duty compensation shall be as per the Southern Interior Master Agreement ARTICLE XI – LEAVE OF ABSENCE, Section 7: Jury or Witness Duty for income lost from the regularly scheduled hours of work in the alternate shift schedule.

9. Job Postings:

Vacant positions will be posted as per Letter of Understanding #6, Seniority & Job Posting. If there are not enough applicants for the positions on the shift, then the junior qualified employee will be required to work on the shift.

10. General:

- a) Contributions to the Pension Plan, LTD, Health Safety Fund, and the Education Fund will be made based on a minimum of forty (40) hours per week.
- b) The company will ensure there is no loss, no gain to employees who go into and out of this shift.
- c) The probationary period for new employees who work this schedule will be two hundred and forty (240) hours.
- d) Other Articles of the Collective Agreement, which provide benefits after eight (8) hours are extended by the amount the regular hours of work have been increased beyond the eight (8) hours per day.

- e) The company will provide fourteen (14) days notice to discontinue an alternate shift except in special circumstances. Employees will revert to the previous shift schedule(s) unless otherwise mutually agreed.

Signed this 18th day of July 2006.

This agreement is subject to ratification by the sawmill employees.

On behalf of:

FEDERATED CO-OPERATIVES LIMITED

UNITED STEELWORKERS OF AMERICA - LOCAL 1-417





