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March 19, 2014

To The Members

AEA/GSU Local 8 – Regina and Saskatoon Plants

**Re: Layoffs and Plant Closure – Advance Engineered Products - Regina and Saskatoon**

We are writing to report on conversations and your AEA executive members and I have had with the Company's executives earlier this morning. This is also to report that AEA/GSU received notices at 9:48 informing us that the Company is intending to issue layoff notices to employees in Regina and Saskatoon.

Based on the conversations with management and the notices received, it is our understanding that layoff notices will be issued to 78 employees at the Regina plant and that all 49 employees working at the Saskatoon Plant will be issued notices of layoff as well as being advised that the Company has decided to permanently close that operation.

Needless to say, the Company's intended layoffs will cause severe hardship for the many employees who will be rendered unemployed through no fault of their own.

This morning the Company was advised that AEA/GSU takes the position that the Company's actions in both bargaining units are covered by section 43 of the Saskatchewan Trade Union Act and as such the Company is required to give 90 days' notice to the affected employees, their bargaining agent and the Minister of Labour Relations and Workplace Safety.

The Company was also informed that in our view it cannot implement any of the intended layoffs or plant closure during the required 90 day notice period. If the Company does not honour the 90 day notice period and freeze on layoffs AEA/GSU will commence legal actions to protect the interests of the employees in both bargaining units. AEA/GSU's legal counsel has been briefed on the situation and has been asked to prepare for possible legal actions.

In addition, AEA/GSU served notice to commence collective bargaining for the purposes of developing a workplace adjustment plan in response to the possible layoffs. It is our intention to provide as much support and relief for affected employees as we can by bargaining a workplace adjustment plan.

We have asked the Company to confirm that it will comply with section 43 of the Saskatchewan Trade Union Act, including the 90 day notice and freeze period. And, we've asked the Company to provide confirmation that it is prepared to engage in collective bargaining for the purpose of developing a workplace adjustment plan.

Sincerely,

*Doug Murray*

Doug Murray

President, AEA/GSU Local 8

A handwritten signature in black ink, appearing to read "Hugh Wagner".

Hugh Wagner

General Secretary, AEA/GSU