

USW - Canfor Collective Agreement

Vote Yes!



An Agreement to Assist Our Members and a Recovering Industry

The Steelworkers have reached a tentative agreement with Canfor, covering 15 operations in Locals 1-424, 1-417 and 1-405. The agreement that you will vote on includes several advances for our members including unprecedented seniority protection, better severance pay, including severance for partial plant closures, protection of our Long Term Disability Plan and strong health and safety language.

It's a four-year agreement that will expire on June 30, 2013. Negotiated wage increases of two percent in years 3 and 4 will ensure that our members continue to receive top wages in the industry.

As part of the agreement we have put together a plan to invest in Canfor, rather than take wage rollbacks. This investment strategy is linked with a direct pay back schedule and the potential for profit sharing in the future. These are in addition to our wage increases.

Our agreement with Canfor is unique and innovative. We will be using it to form the basis of pattern agreements through the rest of the BC Interior.

Here some highlights of the agreement. Check the Memorandum of Agreement for full details.

To preserve our members' seniority and achieve greater job security, your bargaining committee negotiated:

SENIORITY RETENTION - If you were laid off with seniority retention as of or on July 1, 2009, you will have full seniority rights until June 30, 2013 in the event of an extended layoff.

SENIORITY RETENTION & SEVERANCE PAY - Because we have extended your seniority retention as described above, should

you find yourself laid off due to an indefinite closure and the plant later permanently closes, you will maintain your entitlement to full severance pay.

PERMANENT PARTIAL PLANT CLOSURE – If your job is eliminated due to a permanent partial plant closure, you will be able to opt for severance pay or you will be able to bump to another job under similar provisions of our tech change language. Should a junior employee find themselves permanently laid off as a result of the bumping, this individual will be entitled to full severance pay.

VOTE YES!

Assist Our Members and the Industry on a Road to Recovery



EMPLOYEE INVESTMENT PLAN - For a limited time, not past December 31, 2011, members will invest in Canfor. In order to minimize our investments' impact on take home pay, this agreement provides for investing some vacation pay, pay for a personal floating holiday and Boxing Day statutory pay. These invested holiday benefits will be repaid in full in accordance with the repayment formula.

This investment will discontinue if lumber prices average \$300 CDN per 1000 bd ft spf for six



consecutive months. Repayment is triggered by quarterly calculations of Return on Capital Employed (ROCE).

Once a quarterly ROCE reaches 3 per cent, 25 percent of the member's investment will be returned on an individual pro rated basis.

Four non-consecutive business quarters of 3 per cent ROCE will repay 100 per cent of your investment.

PROFIT SHARING PLAN – Following repayment of employees' investments, our agreement allows for "Variable Compensation Profit Pay" in addition to general wage increases in the third and fourth years.

After the repayment of our members' investment, profit sharing will be paid on a quarterly lump sum basis. Should ROCE reach 3 per cent, in a given quarter, members will receive a \$140 lump sum. On a sliding scale, that increases to \$494 on a 10 per cent quarterly ROCE and \$1000 on a 20 per cent quarterly ROCE.

ENTRY LEVEL RATES – Starting rates for New Hires and Casuals will be 75 per cent of established job rates for the first 6 months for each new hire. This provision will end on May 1, 2013 when full entry level wages are restored.

HOURS OF WORK – The agreement calls for 4 specific shift schedules that the employer can utilize. These shifts, seen in most of our operations, are 4 x 10 - Monday to Thursday; 4 x 10 Tuesday to Friday; 3 x 12 - Friday to Sunday; and 3 x 12 - Saturday to Monday. Other alternative shifts, other than these ones, have to be agreed to by a membership vote.

OTHER GAINS - Your investments will maintain LTD benefits, improve life insurance coverage, medical travel coverage, establish payment for apprenticeship tuition and books coverage, and a trades rate adjustment of \$1.00 per hour.

For more details check the Memorandum of Agreement or ask your local union representative.