

Memorandum of Agreement for the application of the Progressive Retirement at Canpar Transport L. P,

This letter refers to the implementation of the Progressive Retirement in accordance with the Letter of Understanding dated October 2nd, 2009 and more particularly to the details concerning the application of the progressive retirement.

The intent of progressive retirement is to permit employees who are eligible to retire to reduce their work week in preparation for full retirement. Details concerning how progressive retirement would work and how such opportunities will be awarded are outlined below:

1. Availability:

The Company and the Union will agree on the number of opportunities available for each locations; or,

Awarding of Opportunities will be at the discretion of the Company depending upon staffing needs;

2. Eligibility to apply:

To be eligible to apply for progressive retirement, employees must be eligible to apply for retirement (minimum age 55);

3. Phase and duration:

Employees may apply to reduce their work week to four (4) or three (3) days per week on their current permanent position or another arrangement for the duration of the progressive retirement. The work week may also be reduced from four days to three days during this period. The duration of the phased retirement will cease when the employee reach 65 years old or quit the Company's service.

Note: To be eligible for the Progressive Retirement Program the employee will have to agree to retire at 65 years old.

4. Application & Award Process:

If an eligible employee desires to take advantage of this provision, the employee may apply to the Company indicating when he would wishes to start the Progressive Retirement and which day(s) they are seeking to reduce and when. In order to properly evaluate the request, such requests should be made 30 days in advance of when the employee would wish to start Progressive Retirement.

A mutual agreement between the Company and the Union will be required for the approval of each request.

The request will be evaluated in light of the staffing needs. If more than one application is received, they will be awarded in order of seniority.

The Company will confirm the start date of the phase, the number and which day(s) on the assignment that will be reduced. Confirmation will also be provided to the Local Chairperson.

5. In order to collect his/her pension, an active employee will have to sever his/her service with the Company then the employee will be re-hired to work on a reduce workweek;
6. For the application of the progressive retirement, the employees who resign and who is re-hired within three (3) months of his resignation will have his/her former seniority date recognized for:
 - a. Annual vacations;
 - b. Rates of pay;
 - c. Benefits.

Administration

In order to administer these arrangements, the following items are provided for clarification.

Payment

- Employees will be paid on an hourly basis as per the terms of the collective Agreement;

Benefits

- Employees participating in Progressive Retirement will have the following options regarding Canpar benefit plans:
 - Benefit Top-up - The Company and the employee share the costs of extended health & welfare, dental and life insurance benefits outlined in the USW benefit plan. This share will be based upon the amount of hours worked. For example, if an employee works 4 days per week (80%) the Company will pay for 80% of the cost of these benefits and the employee will pay for 20%. This amount will be deducted from the employee's paycheque. The amount will be confirmed prior to the employee accepting Progressive Retirement and will be based upon the costs for the benefits for USW represented employees. Note that this is in addition to any deductible payment required under the plan;
 - Opt out of the Canpar benefit plan.

Annual Vacation

- Generation of Entitlement while on Progressive Retirement:
Terms of the Collective Agreement will apply. For example, (to be discuss)
- Taking of Annual Vacation:
Employees participating in Progressive Retirement will be granted Annual Vacation based on the previous year's entitlement up to the maximum number of weeks of that entitlement as per the terms of the Collective Agreement. For example, an employee working 3 or 4 days/week who is entitled to 6 weeks annual vacation will be granted only six calendar weeks vacation; however, they will be paid for 30 days of Vacation for that period.

Statutory Holiday:

- For employees participating in Progressive Retirement, payment for Statutory Holidays will be governed as follows:
- Employee who works the statutory holiday will be paid in accordance with Article 14 of the Collective Agreement;
- Under the agreement, an employee with less than 12 days in the previous 30 days prior to the General Holiday is not entitled to the Statutory Holiday;
- Employee is entitled to the Statutory Holiday under the terms of the agreement.

Seniority & Dues

- Under this arrangement, Seniority will be protected and Dues will be deducted as per the terms of the USW Constitution.

Staff Reductions

- Reduction in staff will be done in accordance with Article 5.3 of the Collective Agreement unless otherwise mutually agreed.

Bereavement Leave

- Employees participating in Progressive Retirement are entitled to Bereavement Leave. For clarity, such leave will not be moved to working days.

General Provisions

Both Parties recognize that the Progressive Retirement program is new to Canpar and that the USW agreement governs multiple worksites with different schedules, hours of work and practices. As such these programs may need to be altered to obtain the desired outcomes. Accordingly, the parties agree that the terms of the program will not form part of the collective agreement and may be modified upon mutual agreement to meet the needs of each work location.

In implementing this program, representatives from the Company, USW and local management will meet as required to review issues and assess the programs.

Agreed in Toronto on July 08, 2010



David Neale
Vice-President/Financial Secretary
TC Local 1976 (USW)



/ Larry Fuaco
Vice-President Operation
Canpar Transport L.P.