

COLLECTIVE AGREEMENT

BETWEEN

KINECTRICS INC.

AND

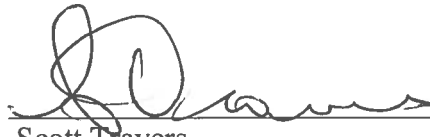
THE SOCIETY OF ENERGY PROFESSIONALS

January 1, 2014 - December 31, 2016

IN WITNESS THEREOF the parties hereto have caused the Agreement to be executed by their proper officers duly authorized in the behalf at Toronto, Ontario.



L. A. Gibbons
Vice President Human Resources
Kinectrics Inc.



Scott Travers
President
The Society of Energy Professionals

Date: 2015.04.07

Date: April 15

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PART I - PREAMBLE**1 SOCIETY AND CORPORATE INTERESTS**

The object of this Agreement is to promote harmonious relations between Kinectrics and employees consistent with the preamble of the Ontario Labour Relations Act and the Canada Labour Code and in recognition of the need for the successful accomplishment of the public purposes for which Kinectrics has been established.

The objective of the parties is to facilitate the peaceful adjustment of salaries and benefits, working conditions, issues of fair treatment, all disputes and grievances, and to prevent inefficiencies and avoidable expenses and to reduce unnecessary delays.

Kinectrics' mission is to work with clients in the energy sector to improve their business through innovative science and engineering. The Society's mission is to strive to ensure the best rewards, career opportunities and working conditions for its members. The Society recognizes a responsibility for providing a technical service to Kinectrics' customers and in working towards the continued viability and continuity of Kinectrics. Both parties recognize the fundamental importance of service to Kinectrics customers.

The parties recognize that situations may arise where their missions, objectives, or actions come into conflict. These conflicts may impact on the bargaining unit and particularly on supervisory employees represented by The Society. The parties agree that supervisors will be able to participate fully as members and perform supervisory responsibilities without fear of reprisal or recrimination by either party.

1.1 Principles

Kinectrics and The Society agree to make their best efforts to adhere to the principle statements found in the Articles of the Collective Agreement in a balanced way, recognizing that some principles may compete with others. With the exception of the Principles of Agreement found in the Tripartite Agreement on Health and Safety Committees in Article 89, the parties agree that these principle statements are not subject to the grievance/arbitration procedure on their own standing.

1.2 The following principles were developed by the Joint Society Management Committee (JSMC) to guide its conduct in negotiations and in its ongoing relationship. Kinectrics is encouraged to use these principles at the local level.

1.2.1 Issues and interpretations will be dealt with in an open way with the earliest possible involvement of each party.

1.2.2 Each party will deal with the other in such a way that it effectively demonstrates respect for each individual's contribution and point-of-view.

1.2.3 Bilateral meetings will be conducted on the premise that such meetings are a "safe zone", with no rank within the room, and in an atmosphere where everyone is free to participate and no one dominates.

1.2.4 Common goals/needs will be identified, and both parties will work together to achieve them.

- 1.2.5 The primary focus of the parties will be the customer (Customer means Kinectrics' customers, together with Society members. Customer focus also includes being sensitive to the environment - economic, political, environmental, and social).
- 1.2.6 Processes will be designed with the involvement of the people who have the knowledge of the problem or issue. The processes will encourage the resolution of the problem/issue at the level closest to the source.
- 1.2.7 An honest attempt will be made to resolve all problems/issues internally.
- 1.2.8 By virtue of adherence to the above principles, the JSMC will endeavour to act as an example to the whole organization to show how using those principles, can create a harmonious relationship, while at the same time making the customer the primary focus.

1.3 Partnership Agreement

The parties agree to encourage business success and mutual gain. Management and Society sponsors will encourage regular feedback and timely communication. Although some aspects of partnership will be tripartite in nature, it is understood that other issues may involve only the Company and the Society.

Partnership will also provide an opportunity for the frank discussion of business issues and needs. In a spirit of co-operation and trust, issues pertaining to the use of purchased services will be tabled in a timely manner within the partnership process respecting the philosophy and principles of Article 67. It is recognized that all parties must act responsibly to balance the interests of the customer, the company and employees in decisions related to the use of purchased services. It is the Company's intent to use Society represented staff to perform most of the work where they are able to perform it well and effectively. Purchased services may be one element in our overall strategy for managing core and non-core resourcing issues.

PART II - RECOGNITION

2 RECOGNITION CLAUSE

2.1 Provincial Jurisdiction

Kinectrics recognizes The Society as the exclusive bargaining agent for a bargaining unit comprised of:

All employees employed in Kinectrics Inc., hereinafter known as Kinectrics, in the Province of Ontario employed as supervisors, professional engineers, engineers-in-training, scientists, and professional, administrative and associated employees, save and except for persons who perform managerial functions as distinct from supervisory functions; persons employed in a confidential capacity with respect to labour relations; and persons in bargaining units for which any trade union held bargaining rights as of November 13, 1991.

2.2 (reserved)

2.3 Clarity Notes

2.3.1 For the purposes of clarity, the bargaining units set out above:

Include:

- a) all regular, probationary, graduate students, reduced-hours and temporary employees whose functions are included in the classifications paid from Society Salary Bands and the Developmental Salary Schedule.

Exclude:

- a) those persons who perform managerial functions as distinct from supervisory functions. An employee is performing managerial functions if:
 - i) he/she performs managerial functions such as hiring, promotion, performance increase, discharge, etc., over other employees in the bargaining unit; and
 - he/she is required to spend the majority of his/her time performing managerial duties; and
 - he/she supervises at least seven (7) employees (directly and indirectly) on a regular and continuous basis; or
 - ii) he/she supervises persons who are excluded from The Society's bargaining unit by reason of performing managerial functions or being employed in a confidential capacity with respect to labour relations.

2.3.2 Definitions

- a) "Supervisors" means employees who primarily perform supervisory functions, including the requirement to make recommendations regarding any staff or personnel matter. These staff or personnel matters include, but are not limited to, such areas as

selection, promotion, appraisal, discipline, transfer, staffing needs, work methods, changes in terms and conditions of employment, grievances, or the interpretation and administration of the applicable Collective Agreement. “Supervisors” includes employees in other employee classifications who perform supervisory functions.

- b) “Professional engineer” means either: a) an employee who is a member of the engineering profession entitled to practice in Ontario and employed in a professional capacity; or b) an employee with equivalent credentials who is in a position that requires engineering expertise and specialized knowledge. This definition includes all employee categories included under the heading of “Professional Engineer” listed in Attachment A to Appendix I “Utilization and Advancement of Professional Engineers and Scientists” in this Agreement. “Professional engineers” includes employees who satisfy these criteria and who are required to perform supervisory functions.
- c) “Engineers-in-training” means an employee who has completed a course of specialized instruction in engineering sciences and graduated from a university or similar institution, who has not satisfied all the requirements for practicing as a professional engineer and who is on a structured training program to partially satisfy these requirements.
- d) “Scientists” means employees who are university graduates in the Natural Sciences, the Applied Sciences, Mathematics or Computer Sciences, who are not classified as professional engineers, and who are engaged in the application of this specialized knowledge in the course of their employment. This definition includes all incumbents in positions identified under the heading of “Scientists” listed in Attachment A to Appendix I entitled “Utilization and Advancement of Professional Engineers and Scientists” in this Agreement. “Scientists” includes employees who satisfy these criteria and who are required to perform supervisory functions.
- e) “Professional employee” means an employee who:
- i) in the course of his/her employment is engaged in the application of specialized knowledge ordinarily acquired by a course of instruction and study resulting in graduation from a university or similar institution; and
 - ii) is eligible to be a member of a professional organization that is authorized by statute to establish the qualifications for membership in the organization; or
 - iii) performs the functions, but lacks the qualifications of a professional employee.
- “Professional employees” include employees who satisfy these criteria and who are required to perform supervisory functions.
- f) “Administrative employee” means an employee who normally supervises persons engaged in office administration, construction, security or maintenance work who are represented by another trade union. This definition includes employees who share a community of interest with “supervisors”.
- g) “Associated employees” means employees in positions which normally require a university degree or equivalent education or experience. This definition encompasses employees who share a community of interest with “professional engineers”, “scientists” or “professionals” and includes, but is not limited to, Nurses and System Control Operators. “Associated employees” includes employees who satisfy these criteria and who are required to perform supervisory functions.

2.4 Supervisory Employees - Code of Ethics

Kinectrics agrees to include supervisory employees in the bargaining unit on the condition that the parties recognize that supervisory employees will continue to exercise key functions in the control and operation of Kinectrics. As members of Kinectrics managerial staff, supervisors use judgment to express and make operative the decisions of Management. They are responsible for fostering a healthy work environment. The parties recognize the responsibility of supervisors to discharge their supervisory duties in good faith. The Society and Kinectrics will identify, minimize and/or avoid the conflicts/perceived conflicts of interest that may arise concerning the relationship between supervisors, The Society and Kinectrics.

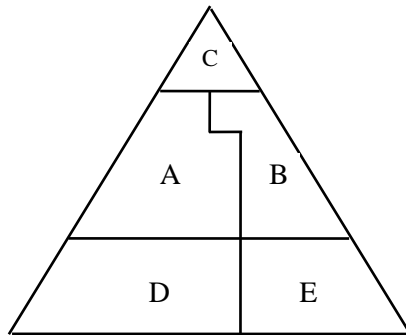
It is recognized that supervisory employees may be disciplined for failure to act in good faith as a representative of Management and fulfilling their responsibilities including abuse of supervisory position and breach of trust.

2.5 (reserved)

2.6 Exclusions Process

Kinectrics and The Society agree to the following process for the purpose of excluding new and changed positions from The Society's jurisdiction.

1. The following new or changed job documents or their electronic equivalents in Scenarios A to D will be sent to The Society for their review:



- A - Society Jobs
- B - MF Jobs
- C - Borderline Society/ESR Jobs
- D - Borderline Society/PWU Jobs
- E - MS Jobs

Scenario	New Jobs	Revised Jobs
A	Documents will be sent to The Society after finalization.	i) If job leaves Society jurisdiction, documents will be sent to The Society before finalization. ii) If Society jurisdiction does not change, documents will be sent to The Society after finalization.
B	Documents for new MF jobs will be sent to The Society before finalization.	If jurisdiction changes to Society bargaining unit, documents will be sent to The Society after finalization.
C	Documents for new first-level ESR jobs will be sent to The Society before finalization.	If jurisdiction changes to Society bargaining unit, documents will be sent to The Society after finalization.
D	Documents for the following new jobs not established as PWU jobs in the past will be sent to The Society before finalization: i) supervisory jobs, and ii) non-supervisory jobs which report to a Society-represented position and are paid at the final step rate at or above MP1 reference point.	If jurisdiction changes to Society bargaining unit, documents will be sent to The Society after finalization.

2. If there is disagreement concerning jurisdiction of a position, The Society will notify Kinectrics Human Resources within 10 working days of having received the document. The two parties will use the 10 working days to attempt to resolve the dispute.
3. If the two parties are not able to resolve the dispute, Management reserves the right to implement the position with the jurisdiction as proposed. At the same time, The Society has the right to file a grievance over the jurisdiction of the position.
4. Management will notify The Society office of any jurisdictional grievance filed by another trade union against a Society-represented position and will advise The Society of any change in status (e.g., referred to next step, resolved, withdrawn).
5. Attachment 1 is the exclusion form which will be used in accordance with this process. The Society's agreement to exclude any position under this process is without prejudice to its position in any proceedings and will not limit The Society's right to challenge the exclusion at a later point in time.

ATTACHMENT 1 - Request for Society Exclusion

Note: Before an occupation code can be issued, completion of the shaded areas by Line Management and/or Human Resources is mandatory.

Date	Job Title	Schedule/Grade
Business unit	Division	Department

This is a: new document

revised and previously excluded document - existing occupation code:

revised and previously included document - existing occupation code:

Managerial Exclusion

Confidential Exclusion

Within Another Trade Union

SOCIETY UNIT DIRECTOR

Agreed

Disagreed

Society Unit Director (signature)

Date:

SOCIETY STAFF OFFICER

Agreed

Disagreed

If disagreed, why?

Society Staff Officer (signature)

Date:

(The Society's agreement to exclude any position from its jurisdiction is without prejudice to challenge this exclusion at a later point.)

Line Management (signature)	Human Resources Department (signature)
_____	_____
Date:	Date:
_____	_____

Note: See Article 2 of The Society-Kinectrics Collective Agreement for the complete Recognition Clause and Letter of Understanding, dated Oct. 4, 1994. For clarification or information regarding exclusion, please contact Human Resources or The Society Office or a Society Unit Director.

2.7 Successor Rights

2.7.1 Kinectrics agrees that it will not directly or indirectly request government to exempt the Company or The Society from the successor rights provisions of the applicable labour relations legislation.

2.7.2 The successor rights provisions of the applicable labour relations statute shall be incorporated by reference into this Collective Agreement. No board of arbitration established pursuant to the grievance and arbitration provisions of this contract has jurisdiction to make any decision within the jurisdiction of the Labour Relations Board and nothing herein is intended to affect the jurisdiction of the Labour Board to resolve disputes related to the application of the provisions of the statute. For purposes of s.48 of the Ontario Labour Relations Act, the Ontario Labour Relations Board shall be deemed to be a Board of Arbitration for the resolution of disputes related to the interpretation, application, administration or alleged violation of this provision of the Collective Agreement. The remedial powers of the Labour Board shall be as set out in the relevant statutory provisions governing successor rights.

3 EMPLOYEE CLASSIFICATIONS

3.1 Probationary Employees

A probationary employee is an employee, who is hired on a trial basis with the prospect of being reclassified as a regular employee, if the employee's performance satisfactorily meets the job requirements. The probation period is normally a maximum of twelve (12) months. After twelve (12) months, the employee will either be made regular, transferred to another probationary position or terminated unless there is an expectation that a longer probationary period will result in improvement in a specific area which has been identified to the employee (e.g. completion of a training course or a specific work assignment, interrupted probationary period as a result of parental leave, etc.) The employee's benefits and working conditions are the same as regular employees with exceptions identified in the provisions where different treatment has been agreed to.

The length of the probationary period shall be made explicit in any job offer.

Time spent as a temporary employee or contract worker in a similar position shall be considered as part of the probationary period defined in the first paragraph.

3.2 Regular Employees

A regular employee is an employee who has either served the required probationary term or has previously been employed in one of the other categories and has satisfactorily met the job requirements. The employee occupies a position that is considered part of the ongoing organization of Kinectrics.

3.2.1 Reduced Hours of Work Regular Employees

A reduced hours of work regular employee is an employee who has regular status but works less than the base hours for a full-time position. The employee's benefits and working conditions are pro-rated and based on the entitlements of the regular employees. The pro-rating is described in Article 71 (Reduced Hours of Work).

3.3 Temporary Employees

3.3.1 A temporary employee is an employee who is hired for short-term work assignment which is not ongoing (i.e. normally 12 months or less and not extending beyond 24 months). The employee's benefits and working conditions are as per Article 34 (Temporary Employees).

3.3.2 Reduced Hours of Work Temporary Employees

A reduced hours of work temporary employee is an employee who has temporary status but works less than the base hours for a full-time position. The employee's benefits and working conditions are pro-rated as per Article 34 (Temporary Employees).

3.3.3 Student Employees

A student employee is an employee who is hired for short-term work which is not ongoing. He/she is normally in the process of completing his/her post-graduate studies and is expected to return to his/her studies after an agreed employment period. The employee's benefits and working conditions are as per Article 34 (Temporary Employees).

3.4 Regular Special-Rated Classification

3.4.1 A Regular Special-Rated classification is an employee who has regular status but chooses not to participate in any of Kinectrics' Health, Dental, Pension, **Long Term Disability & Life** insurance plans and Article 64 of the Collective Agreement. In lieu of these benefits, the base rate may be increased to an agreed upon amount. The employer shall inform the Society of the increased base rate and this rate shall form an essential and enforceable part of the collective agreement for the employee involved.

3.4.2 This classification is only to be used for external hires that have at least 25 years or more experience, or existing employees who are eligible for an undiscounted pension who choose to retire, subject to existing laws. This classification is not available for, or applicable to other employees. Nevertheless, the parties can agree to the hiring of individuals into this classification with less than 25 years experience. Such approval shall not be unreasonably withheld.

3.4.3 Payments made under this provision cannot be used to calculate compensation for the purposes of medication-arbitration.

4 SERVICE CREDIT DEFINITIONS

Service credits shall be based on all previous full-time (regular, temporary and casual) service and part-time/reduced hours (regular and temporary) unless otherwise specified.

4.1 Established Commencement Date (ECD)

The "ECD" represents the latest date of hire, subject to authorized adjustments for previous service as detailed below.

a) Regular

The ECD for regular employees is calculated by giving service credits for:

- probationary employment;
- 100% of employment service in an acquired Company;
- previous regular and temporary (full-time and reduced hours employment), if there has been no break in service exceeding twelve (12) months;
- previous casual construction employment if there was no break in employment exceeding three (3) months (or 12 months for casual construction employees on the Pension and Insurance Plan).

(The ECD has an impact on sick leave and severance pay.)

b) Temporary

The ECD for temporary employees is calculated by giving service credits for:

- previous temporary employment, if there has been no break in service exceeding 3 months and employee has less than 12 months service;
- previous temporary employment, if there has been no break in service exceeding 12 months and employee has greater than 12 months service.

(The ECD has an impact on statutory holidays and floating holidays.)

4.2 Vacation Credit Date (VCD)

The VCD represents all service regardless of breaks. While a regular employee, service credits shall be based on the current ECD and adjusted for all previous periods of Kinectrics employment. All employees who currently work reduced hours or have done so in the past, will have such service calculated as if were full-time.

(VCD is used to determine vacation bonus.)

4.3 External Experience Value (EEV)

The EEV represents a vacation credit quantity expressed in number of years, months and days for external work experience granted to qualifying regular employees (Section 38.7). The EEV and VCD determine total years credit for vacation entitlement (days) and the length of service based search notice period (Section 64.7.1 - Search Notice Period).

4.4 Service Recognition Date (SRD)

The SRD for regular employees represents all service while an Kinectrics employee on payroll regardless of breaks in employment. Service credits shall be based on the last hire date and adjusted for all previous periods of Kinectrics employment. All employees who currently work reduced hours or have done so in the past, will have such service calculated as if it were full-time (it should never be pro-rated).

Authorized Adjustments:**a) Personal Leaves of Absence**

SRD includes the time an employee is on "leave", if the employee is on a:

- personal leave of absence with pay; or
- personal leave of absence without pay which is less than 15 working days; or
- personal leave of absence without pay which is more than 15 working days and which was started on or after April 15, 1993 -- only that portion which was taken during the period from April 15, 1993 to August 31, 1997.
- prepaid leave of absence, under the enhanced leaves of absence policy dated April 16, 1993, greater than eight (8) weeks.

b) Pregnancy/Parental Leaves Family Medical or Emergency Leaves

SRD includes the time an employee is on a Family Medical Leave, an Emergency Leave or a pregnancy/parental leave (previously referred to as normal or extended maternity/adoption leave).

c) Job Sharing

SRD is calculated as if the employee is working full-time hours.

d) Work Sharing

SRD is calculated as if the employee is working full-time hours.

(SRD has an impact on recognition of employee service at years 25 and 40, Quarter Century Club Membership and seniority (Article 64).)

4.5 "Eligibility Service" or "Continuous Employment" for Pension Purposes

Generally, it is the number of years (including a portion of a year) a pension plan member has been continuously employed in which there has been no break in employment exceeding 12 months. It includes previous Kinectrics pensionable service which has been reinstated; external service which has been transferred into the pension plan under a reciprocal pension transfer agreement; and periods of pregnancy/parental leave. It may include certain types of non-regular service purchased under special provisions. It generally excludes leaves of absence without pay except where the employee elects to pay the pension contribution. The exceptions are detailed in the pension rules.

Eligibility Service (ES) is used as an eligibility criteria for early retirement and the associated early retirement discounts; and in conjunction with Membership Service (i.e., the service subsequent to the date actually joining/started contributing to the Plan) and Age, to determine death and termination benefit entitlements.

5 TEMPORARY ASSIGNMENTS

There may be instances when employees are temporarily removed from their normal duties to perform work outside of The Society's bargaining unit. Likewise, employees from outside of the bargaining unit may be assigned temporarily to work within The Society's bargaining unit.

In such instances, the parties agree that:

5.1 Employees Temporarily Excluded from Society Jurisdiction

- 5.1.1** The Society shall be given prior notice of any temporary assignment exceeding three months' duration that Kinectrics considers outside the bargaining unit, along with a rationale for the proposed exclusion.
- 5.1.2** The Society shall continue to represent employees who have been temporarily removed from their regular positions to perform work outside the bargaining unit for the first three months of the temporary assignment. Dues shall be deducted and remitted to The Society for the three-month period.
- 5.1.3** Except where otherwise specified in this Agreement, Society-represented employees who are temporarily assigned to positions outside the bargaining unit shall have access to all benefits, plans or entitlements under Part IX (Health Benefits), Part X (Pension and Insurance), Part XI (Relocation Assistance), and Articles 64 (Employment Continuity) and 65 (Vacancies) of the Collective Agreement for the full duration of the assignment.

5.2 Employees Temporarily Included in Society Jurisdiction

- 5.2.1** Kinectrics personnel from outside The Society's bargaining unit who are temporarily assigned work within Society jurisdiction shall be represented by The Society for that portion of the assignment extending beyond three months, and dues shall be deducted for the period beyond three months.
- 5.2.2** During the period of Society representation, temporarily included employees shall be subject to the provisions of the Collective Agreement, but the following shall not apply:
 - Article 20, 21, (excluding 31.4), 32 (Performance Pay Plan), 33
 - Part VIII (Absence from Work)
 - Part IX (Health Benefits)
 - Part X (Pension and Insurance)
 - Part XI (Relocation Assistance), except for Article 55 (Compensation when Assigned to Temporary Work Headquarters)
 - Article 63
 - Part XIII (Working Conditions)
 - Other provisions or Agreements to the extent they concern the above

5.3 Grievance

The Society's Complaint and Grievance/Arbitration procedure shall apply to any dispute relating to an applicable provision of The Society's Collective Agreement, including any dispute as to whether the Collective Agreement is applicable in the circumstances. The employee and/or the employee's bargaining agent retain any rights in respect of terms and conditions of employment to which The Society's Collective Agreement does not apply.

6 EMPLOYEES ON TEMPORARY OUT-OF-PROVINCE ASSIGNMENT

6.1 Terms and Conditions of Employment During Assignment

- 6.1.1** When a Society-represented employee accepts a temporary assignment outside Ontario, the employee:
- a) retains his/her status as an employee of Kinectrics;
 - b) continues to accrue service credit for all purposes under Article 4 of the Collective Agreement;
 - c) is required to pay Society dues during the term of any assignment beginning on or after January 1, 1995.
- 6.1.2** The employee remains represented by The Society while on a temporary out-of- province assignment and all terms of the collective agreement remain in place with the exception of job duties, overtime, travel time, temporary living expenses, and hours of work provisions which will be determined on an individual basis. All terms and conditions not covered by the Collective Agreement shall be captured in an assignment-specific document that will be negotiated by the employer, the employee and the Society.
- 6.1.3** If an employee is declared surplus while he/she is on temporary out-of-province assignment, the employee will be notified and all surplus entitlements will be deferred until the employee completes the assignment and returns to Ontario.

7 MID-TERM AGREEMENTS - BUSINESS UNITS

The following principles were developed by the JSMC to govern negotiations of Mid-Term Agreements at the Business Unit level (organizational unit under a Vice President or General Manager or equivalent) that may alter by joint agreement an item or a range of items found in Attachment A.

7.1 Principles

- a) There is a need for a negotiating forum that is capable of responding quickly to unique local conditions and circumstances within the Business Unit, including specific legal requirements that may be applicable to a Business Unit, consistent with the principles in Article 1.
- b) Joint negotiations on items and issues specific to the employees within one Business Unit may occur at that level rather than the JSMC/ Kinectrics level to the extent that such issues can be resolved there.
- c) It is the intent that Business Unit negotiations provide for increased efficiency and effectiveness in the bargaining interface with Society overall.

- d) It is the intent that Mid-Term Agreements entered into by one Business Unit will not prejudice other Business Units.
- e) It is the intent that Mid-Term Agreements signed by individual Business Units will not impede the mobility of employees outside of, or within, the Business Unit in pursuing their career objectives, or form barriers for employees transferring between Business Units.

7.2 Issues That May be the Subject of Business Unit Mid-Term Agreements

The JSMC agrees that Business Units have local authority to enter into Mid-Term Agreements with The Society on the items listed in Attachment A. Such Mid-Term Agreements will be included in a mid-term section of the Collective Agreement. The terms of the Mid-Term Agreement will specify if they are to augment, amend, supersede, or run concurrently with the general provisions in the Collective Agreement. The provisions of the Collective Agreement represent the default where local negotiations either do not take place or fail to come to an agreement.

Attachment A may be amended by joint agreement at the JSMC at any time in accordance with the above-stated principles.

7.3 Approvals

Mid-Term Agreements on items listed in Attachment A will be signed by the Business Unit leader (or equivalent) and the Unit Director(s) whose unit encompasses The Society members in the Business Unit or a Principal Officer from within the Business Unit, subject to the normal internal review and ratification process. Other items developed at the Business Unit level are subject to JSMC approvals as set out in Section 99.2.

7.4 Scope

Agreements signed at the Business Unit level apply within that Business Unit only and will not be used by either party as a precedent or an example of how to interpret the Collective Agreement.

7.5 Duration

Such agreements will have either expiry dates, which may go beyond the life of the Collective Agreement, and/or cancellation clauses. Upon expiry or cancellation, the normal provisions of the Collective Agreement apply unless otherwise agreed.

Prior to negotiations at the JSMC for the purpose of renewing the Collective Agreement, a joint committee at the Business Unit level may meet for a fixed period of time to address items put forward by either party including the renewal of Mid-Term Agreements. If a settlement is not reached, items may be forwarded, by either party, to the JSMC for resolution through the normal dispute resolution processes including mediation-arbitration.

Mid-Term Agreements are subject to the same grievance and arbitration provisions as are other items in the Collective Agreement unless otherwise agreed to by the parties.

7.6 Responsibilities

Each party will appoint an equal number of representatives to a Joint Society/Business Unit Team which may include resource persons from outside the Business Unit. Management recognizes that the effectiveness of negotiations and joint processes at the local level depends on Society

representatives having adequate time off from normal duties to prepare/negotiate agreements. As such, the Business Unit will commit to providing reasonable time for the preparation and negotiation of local issues. Participation on joint teams will not be used to limit or adversely bias an employee's standing in job competitions or performance evaluations.

Attachment A

Item	Collective Agreement Reference
Performance Pay Complaints (administration only)	Section 21.3
Holiday Shutdown	Section 39.1.4
Minimum Moving Distance (eligibility only)	Section 52.2
Extension of 12 Week Decision Period (Relocation)	Subsection 52.3.3
Lump Sum Payments in Lieu of Expenses	Subsection 52.3.3
Compensation When Assigned to Temporary Work Headquarters	Article 55
On-Call Service	Article 56
Travel Time	Article 58
Shift Work (M&P, OSS)	Article 59 (except 59.3)
Compensation and Working Conditions - 12 Hour Shift Schedule	Article 61 (except 61.2 and 61.3)
Shift Turnover	Article 62
Alternate Hours of Work Arrangements	Article 70
Reduced Hours of Work (RHOW) Arrangements	Article 71
Work Sharing	Article 73
Assignment of Non-Bargaining Unit Work During a Strike/Lockout	Section 74.2
Teleworking	Article 75
Special Clothing	Article 80
Personal Time Off	02-03-04 June 1989 HRPP
Deferment/Interruption of Vacation	Article 38.15
Extreme Winter Weather Conditions	Article 84
Commuting Allowance	04-02-06 January 1992 HRPP p.4 & p.21

PART III - VOLUNTARY RECOGNITION AGREEMENT

8 VRA AMENDMENTS

A Voluntary Recognition Agreement (VRA) between Ontario Hydro and The Society came into effect on January 14, 1992. A complete text of the VRA between Ontario Hydro and The Society is found in Appendix IX. The VRA, as amended in this Article, is applicable to Kinectrics. The VRA shall remain in effect thereafter except for Sections 4.0 and 5.0 of the VRA (outlined in Articles 14 and 15 of this Agreement) which may be terminated by written notice by either party not less than six months prior to the expiry of the Collective Agreement in operation on January 1, 2014 or any subsequent Collective Agreement. In the event that The Society provides notice of termination of Sections 4.0 and 5.0 of the VRA, Kinectrics may require that the supervisors defined in Section 8.1 form a separate bargaining unit for which The Society shall be recognized as the bargaining agent and for which there shall be a separate Collective Agreement. In addition, The Society shall continue to be recognized as the bargaining agent for non supervisory staff defined in the VRA. Disputes on the identification of supervisors shall be submitted to a mutually acceptable arbitrator for settlement. If the parties fail to agree to appoint an arbitrator, either party may refer the matter to the Minister of Labour (provincial) or the Chief Justice of the Ontario Court of Justice who shall appoint a single arbitrator. The arbitrator will have the power accorded arbitrators under the Ontario Labour Relations Act. If Kinectrics provides notice of termination of Sections 4.0 and 5.0 of the VRA, it shall continue to recognize The Society as representing all employees in one bargaining unit as per the VRA and ensuing Collective Agreements.

In the event that either party desires to amend the VRA on or after January 1, 2014, it must notify the other party in writing not less than six months prior to the expiry of the Collective Agreement in effect on January 1, 2014 or thereafter six months prior to the expiration of any subsequent Collective Agreement. In such circumstances the parties will have the right, if either party so chooses, to appoint a mutually agreeable mediator for the purpose of reaching a settlement of the issues and where there is mutual agreement the mediator shall arbitrate outstanding matters in dispute.

Notwithstanding the foregoing, for any round of collective agreement renewal bargaining between Kinectrics and the Society that begins prior to December 31, 2019, mediation/arbitration shall be the dispute resolution mechanism, on the same terms and on the same basis as in the current collective agreement.

Notwithstanding the above, the parties may mutually agree to amend the VRA at any time.

8.1 Supervisory Employees

For the purposes of this Article, the parties agree that Supervisory positions are those that are not excluded under Article 2.0 above and that satisfy the following criteria:

- a) Employees on Salary Bands P1 or P2 who under Plan K "Responsible for Supervision and Guidance" have either Level 3 (or higher) or its equivalent;
- b) Employees on Band L on condition they normally supervise other employees.

PART IV - COLLECTIVE AGREEMENT TERM - NO STRIKE/NO LOCKOUT**9 COLLECTIVE AGREEMENT TERM - NO STRIKE/NO LOCKOUT**

9.1 This Collective Agreement shall remain in effect from January 1, **2014** to December 31, **2016** inclusive and, thereafter, shall be renewed automatically from year to year, subject to Section 4.0 of the Voluntary Recognition Agreement (VRA) as amended in the Collective Agreement, unless either Party notifies the other in writing not less than 90 days prior to the expiration of the Collective Agreement that it desires to amend the Collective Agreement. As long as Sections 4.0 as amended and 5.0 of the VRA remain in effect, where notice to amend the Collective Agreement is given, the provisions of this Collective Agreement shall continue in force until a new Collective Agreement is signed.

9.2 No Strike/No Lockout

The Society, employees within the scope of the bargaining unit, and Kinectrics are pledged to the effective and efficient operation of Kinectrics and they pledge themselves, individually and collectively, to refrain from taking part in strikes, lockouts or sympathy strikes and other interference with work or production as long as the terms and conditions in Section 4.0 of the VRA continue.

Nothing in this Collective Agreement is intended to interfere with the exercise of lawful economic sanctions under the Ontario Labour Relations Act by any member of the bargaining unit or bargaining units as the case may be or by The Society itself should either party to the Agreement elect to terminate Sections 4.0 and 5.0 of the Voluntary Recognition Agreement.

The parties agree that, at the expiry of this current agreement on December 31, **2016**, the dispute mechanism for the subsequent round of collective agreement bargaining shall be mediation/arbitration.

9.3 Operation of the Collective Agreements

9.3.1 The Parties have agreed that The Society will not challenge the above separate successor companies to Ontario Hydro under the successor rights or common employer provisions of the Ontario Labour Relations Act.

PART V - UNION SECURITY

10 SOCIETY MEMBERSHIP AND DUES DEDUCTION

10.1 Membership in The Society

The Society agrees to permit members to withdraw from membership in The Society.

10.2 Dues Deduction (Rand Formula)

Society dues, as prescribed by The Society Constitution, or an equivalent amount, shall be deducted monthly (or more frequently if agreed) by Kinectrics by compulsory payroll deductions from all Society-represented employees and shall be forwarded to The Society on their behalf with a list of appropriate employee information.

The Society confirms it will respect the applicable provisions of the Ontario Labour Relations Act (RSO 1990) with respect to bona fide religious convictions or beliefs.

11 PRINCIPLES REGARDING INVOLVEMENT WITH RESPECT TO SUCCESSOR RIGHTS

Consistent with the parties' commitment to deal with issues in an open and co-operative manner with the earliest possible involvement of each party, the parties have developed the following principles and intent:

- a) Prior to the finalization of negotiations that could lead to the sale of all or part of the business, privatization of all or part of a Business Unit, the creation of joint ventures or partnerships or other enterprises which could adversely impact on The Society's bargaining rights or the contractual rights of its members, The Society will be consulted to the extent that circumstances reasonably permit. The Society agrees that confidentiality will be maintained.
- b) The parties agree to attempt to minimize the negative impacts on Kinectrics employees in these circumstances.
- c) Kinectrics agrees to apprise any external third party involved in negotiations that Kinectrics has employees represented by The Society and Kinectrics will undertake to provide The Society with an opportunity to present its interests to the third party.

PART VI - DISPUTE RESOLUTION PROCESSES

12 NO DISCRIMINATION

12.1 Human Rights

Every employee has a right to be free of harassment and discrimination in the workplace on the basis of prohibited grounds, as outlined in the Kinectrics Human Rights Policy. An employee who has a harassment or discrimination complaint on the basis of these grounds will have access to Kinectrics Human Rights and Complaints resolution process.

Any Society-represented employee involved in Kinectrics Human Rights and Complaints process may consult with and be accompanied by a Society representative if he/she chooses to do so. No record of a complaint will be maintained in an employee's personnel file, except in the case of individuals who have received disciplinary action. Any person against whom a formal complaint is filed must be given particulars of the complaint.

As long as an employee has an active complaint of discrimination or harassment on the basis of prohibited grounds, either under Kinectrics Human Rights and Complaints process or with the Human Rights Commission, The Society will not make such a complaint or Kinectrics process the subject of a grievance on the employee's behalf.

12.2 Union Activity

Kinectrics shall not discriminate against an employee on the basis of membership or activity in The Society. An employee who has a complaint of such discrimination shall have the right to seek redress under the Grievance and Arbitration Procedure.

13 EMPLOYEE INDEMNIFICATION

13.1 Kinectrics will provide assistance and financial indemnification to an employee who, as a consequence of performing the normal duties of his/her job for Kinectrics, is made, or threatened to be made, a party to a civil action or a criminal proceeding (other than for offenses under the Criminal Code of Canada) or quasi-criminal proceeding, or other administrative proceeding (such as formal complaint filed with the Human Rights Commission), or is subject to a threat of discipline or actual discipline from an association that is empowered by statute to regulate professional standards.

Notwithstanding the above paragraph, Kinectrics will not provide financial indemnification to an employee considered by Kinectrics to have acted with dishonesty, bad faith, or with intentional or reckless disregard for the best interests of Kinectrics.

An employee who is subject to prosecution under criminal law (Criminal Code of Canada) as a consequence of performing the normal duties of his/her job and found to be not guilty, or against whom charges have been dropped, may receive financial indemnification. More details are found in the Kinectrics policy.

14 VOLUNTARY RECOGNITION AGREEMENT DISPUTES

14.1 Enforcement

The primary method of enforcement of the Voluntary Recognition Agreement shall be pursuant to the grievance and arbitration provision in this Collective Agreement. However, should the Collective Agreement not be in operation or applicable to the dispute, either party shall have the right to refer to final and binding arbitration any differences between the parties arising from the interpretation, application, administration or alleged violation of the Voluntary Recognition Agreement, including any question as to whether a matter is arbitrable.

Subject to the conditions of this Agreement, if a mediator or arbitrator is not appointed within 30 days of a matter being referred to mediation and/or arbitration, either The Society or Kinectrics shall have the right to refer the matter to the Minister of Labour (provincial or federal) or the Chief Justice of the Ontario Court of Justice and the Minister or Chief Justice shall appoint a mediator and/or arbitrator. The arbitrator will have the power accorded under the Ontario Labour Relations Act.

14.2 Selection of Mediators and Arbitrators

Mediators and arbitrators shall be selected from the list of mutually acceptable persons which include those set out in Appendix V of the Collective Agreement and the costs of using them will be shared equally by Kinectrics and The Society.

15 COLLECTIVE AGREEMENT NEGOTIATION DISPUTES

Future contract negotiations disputes shall be resolved by binding arbitration.

The dispute resolution process shall be mediation-arbitration using the same individual as both the mediator and arbitrator. The negotiating process is set out in full in Appendix VII.

The mediator-arbitrator shall consider the following issues as relevant to the determination of the award on monetary issues:

- a) a balanced assessment of internal relativities, general economic conditions, external relativities;
- b) Kinectrics need to retain, motivate and recruit qualified staff;
- c) the cost of changes and their impact on total compensation;
- d) the financial soundness of Kinectrics and its ability to pay.

A mediator-arbitrator shall have the power to settle or decide such matters as are referred to mediation-arbitration in any way he/she deems fair and reasonable based on the evidence presented by representatives of Kinectrics or The Society in light of the criteria in items (a) to (d) and his/her decision shall be final and binding.

16 COMPLAINT AND GRIEVANCE/ARBITRATION PROCEDURE

16.1 Preamble and Principles of Operation

The following procedure for dispute resolution consists of three elements: a complaint process, a grievance procedure and an arbitration process. These processes will be used by the Parties in order to resolve complaints and grievances submitted by Society-represented staff, The Society, or Kinectrics unless the parties have expressly agreed elsewhere in this Agreement on alternate dispute resolution processes to limit the scope of the grievance/arbitration procedure.

Early discussions and resolutions at the lowest level possible are encouraged because this leads to addressing issues before a grievance is lodged. The Parties also recognize that early and open discussions are key to maintaining a positive working relationship.

The Parties recognize the need for open and honest discussions at all levels of the complaint and grievance process. These discussions will allow for a common understanding of all the facts and will enhance the chance of a mutually acceptable resolution.

This process should have the flexibility to respond to the advantages gained through a problem-solving approach to dispute resolution.

This process is designed to be simple, efficient, and understandable for all parties involved.

16.2 Definitions

a) Employee Complaint

An employee complaint is a claim of unfair treatment that an employee has requested The Society to present on the employee's behalf. An employee complaint which does not meet the criteria of an employee grievance shall not be subject for the grievance/arbitration procedure.

b) Employee Grievance

An employee grievance is defined as any dispute between Kinectrics and The Society arising from the application, administration, interpretation or alleged violation of the Collective Agreement, or unreasonable exercise of Management discretion in the administration and application of the Collective Agreement. An employee grievance shall be filed at Step 2, normally following consideration of an employee complaint at Step 1.

c) Group Grievance

A Group grievance is defined as any dispute between Kinectrics and The Society arising from the application, administration or alleged violation of the Collective Agreement, or unreasonable exercise of Management discretion in the administration and application of the Collective Agreement relating to the same

dispute by more than one employee. A Group grievance shall be filed at Step 2. Grouped complaints will normally be considered at the Complaint Step if the employees report to a single supervisor.

d) Policy Grievance

A Policy grievance is defined as any dispute between Kinectrics and The Society arising from matters of application, administration, interpretation, or alleged violation of the Collective Agreement. A policy grievance shall be filed at Step 2, and must be filed within 60 days after the circumstances giving rise to the grievance have come or ought to have reasonably come to the attention of The Society.

e) Management Grievance

Kinectrics may present to the Joint Society-Management Committee any complaint with respect to the conduct of The Society. If such a complaint is not resolved, it may be treated as a grievance and referred to arbitration under the provisions of this Article.

16.3 Scope Notes

Grievances concerning the Performance Pay Plan will be processed in accordance with Article 20.

Job evaluation complaints shall be processed in accordance with this Article up to and including Step 2. If a complaint has not been resolved at Step 2, then the complaint may be referred to a Joint Job Challenge Resolution Committee (Article 19).

Disputes concerning Article 90 relating to the Occupational Health and Safety Act will normally be referred to the Ministry of Labour consistent with Article 91.

The scope of the Complaint and Grievance/Arbitration process includes policies listed in Article 97.

Both Kinectrics and The Society have access to the grievance/arbitration procedure for disputes arising from the application of Part II (Recognition). If such disputes proceed to arbitration, the arbitrator will consider the principles contained in Article 1.0.

The grievance/arbitration procedure may be used to challenge any unreasonable, arbitrary or bad faith action taken by Kinectrics which results in the exclusion of any employee or position from the bargaining unit. The Parties will attempt to resolve disputes expeditiously. The Society may initiate an unresolved dispute as a Policy Grievance.

16.4 Timeliness

The grievance procedure shall proceed without unnecessary delay. It is recognized that in some cases strictly enforced time limitations may interfere with a mutually acceptable process of fact finding or problem resolution. However, either Party may invoke a time

limitation upon five (5) days' written notice to the other Party. Except by mutual agreement, time limits for initiating a complaint/grievance, however, must be adhered to.

16.5 Step 1: Employee Complaint

- a) The Society's Vice-President, or designate, must file an employee's complaint with the local line manager within 30 working days of the date the employee should reasonably have been aware of the action or decision giving rise to the complaint. The Society will provide a written statement of the grievor's complaint and will identify the employee's Society representative. Management's representative will be identified by the local Human Resources office.
- b) An employee's complaint must normally be raised with the employee's supervisor and/or Society delegate and every effort should be made to resolve it informally. Kinectrics will provide independent facilitation where the Parties agree that this is a reasonable approach to resolving the complaint.
- c) Where mutually agreeable, The Society may initiate an employee grievance arising from disciplinary suspension or discharge directly at Step 2.
- d) Local management and The Society representative will meet to attempt resolution within ten (10) working days of the date that the complaint is filed. Where mutually agreeable, the employee may attend the Step 1 meeting. Any resolution at Step 1 will be without prejudice and will not constitute a precedent in any other matter between the Parties except by written agreement.

16.6 Step 2: Grievance Meeting

- a) The Society may file an employee grievance, at Step 2, within ten (10) working days of the Step 1 meeting. A Policy grievance shall be initiated at Step 2. A grievance must be filed by letter from a Vice-President of The Society, or designate, to the Business Unit Leader of the appropriate Business Unit, or a single designate, and will specify the grievance.
- b) Prior to a 2nd Step grievance meeting, the Parties will use their best efforts to identify the issue(s), the basis of the grievance and areas of agreement and disagreement.
- c) Each party will appoint two members to a Step 2 Joint Grievance Resolution Committee. Kinectrics' members will be two Directors, or designates, normally including one from the employee's Business Unit. The Society members will be two Principal Officers or designated Unit Directors. The Joint Committee will meet to attempt resolution within ten (10) working days of the date that the Step 2 grievance is filed.

16.7 Settlement

A grievance submitted to Step 2 may be resolved by written agreement of Kinectrics Management and The Society's Vice-President, or designate. Such resolution shall be final and binding on the Parties.

16.8 Employment File

- a) Documents communicating discipline and discharge will be maintained in the employee's official employment file.
- b) Unless otherwise agreed to, after documents communicating discipline have been on an employee's file for a maximum of two years, and there have been no further disciplinary occurrences, then the documents communicating discipline will be removed.

16.9 Grievance Arbitration

- a) Either Party may refer an unresolved grievance to arbitration within 40 working days following the end of the Step 2 limitation period. Arbitration shall be a single arbitrator chosen by mutual agreement. The arbitrator shall be appointed within 20 working days following the date of referral to arbitration. The arbitrator's award shall be delivered within 60 working days following the completion of the hearing. Each Party shall assume its own costs of the arbitration proceedings and shall share equally the cost of the arbitrator.
- b) An arbitrator shall consider any difference which arises between the parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated. An arbitrator shall also consider any matter of interpretation, application, and administration of policy and practice as may be referred to him/her by employee grievance. An arbitrator shall consider only such evidence as is presented to him/her by representatives of Kinectrics or The Society.
- c) The arbitrator shall have the power to settle or decide such matters as are referred to him/her in a fair and equitable manner, and the arbitrator's decision shall be final and binding. An arbitrator shall not have the power to amend or terminate this Agreement, policies, or procedures save only any policies and procedures which may conflict with the terms of this Agreement.

16.10 Society Representatives

A Society representative will be granted reasonable time off from normal duties and have normal base earnings maintained while acting as a Society representative in any of the steps of the grievance procedure or when required by Management to be a participant in arbitration proceedings under Articles 16, 19, 20 and 64. Requests for time off will be made to Kinectrics Human Resources.

17 DISCIPLINE AND DISCHARGE

- 17.1** No employee, except as noted below, shall be disciplined or discharged without just cause.

When disciplining or discharging probationary employees for just cause, it is recognized that the probationary period is an extension of the selection process and that these employees have short service. Therefore, the threshold for discipline and discharge may be less than that of a regular employee in similar circumstances.

- 17.2** Unless the employee is a danger to himself/herself or others, prior to the imposition of any disciplinary penalty, the employee and/or his/her Society representative shall attend an interview. At this interview the employee or Society representative will be provided an opportunity to respond to the alleged infraction(s) or dissatisfaction(s). If the employee and/or the Society representative require an opportunity to review the issues and/or the evidence, the employer shall provide up to two (2) days for them to respond prior to the imposition of discipline.

- 17.3** Where an employee is required to participate in an interview in circumstances where discipline is likely to follow for such employee, the Employer shall provide the Society LVP or Unit Director and the employee with a written notices two (2) business days in advance of the interview, indicating:

- i. his /her right to be accompanied by a Society representative if he/she chooses;
- ii. the purpose of the meeting including an outline of the disciplinary issue(s); and,
- iii. the time and place of the meeting.

- 17.4** Where management determines that the appropriate disciplinary penalty is suspension without pay, pay shall not be withheld unless the decision to withhold pay has been agreed to by The Society or upheld by an arbitrator at an expedited arbitration. The arbitration shall be held within three (3) weeks of the suspension or as otherwise agreed by the parties. Where an arbitrator upholds the employer's "without pay" decision, the employee shall reimburse the full amount of pay during the suspension period as upheld.

- 17.5** A verbal reprimand is considered a disciplinary measure if it is documented in the personal file. In all such cases, the reprimand shall be relayed in writing to the employee.

18 PRINCIPLE AND PROCESS OF PRIOR INVOLVEMENT IN JURISDICTIONAL ISSUES/DISPUTES

- 18.1** Kinectrics should advise The Society and provide an opportunity for its involvement at the appropriate organizational level (e.g., Kinectrics, Business Unit) prior to making any final decision which could adversely affect The Society's jurisdiction.

The Society's jurisdiction may be adversely impacted by an organizational or operational changes, including technological changes, workload changes, and business process re-engineering. The Society's jurisdiction is adversely impacted by any assignment of functions customarily done by Society-represented employees to persons or employees outside of its bargaining unit and/or reduces the proportion of work customarily performed by Society-represented employees relative to that done by persons or employees outside of its jurisdiction.

- 18.2** Prior to making a final decision that could adversely impact The Society's jurisdiction, at the request of either party, Kinectrics will establish a joint team with The Society which will review relevant facts and issues. In the event that the jurisdiction of another union is affected by this decision, The Society and Kinectrics will strive to include a representative of this union in the

review team. The criteria considered by the joint or tripartite review team will include the following:

- representational rights
- skill and training
- safety
- economy and efficiency
- past practice

- 18.3** The parties agree to make their best efforts to reach consensus on issues affecting The Society's jurisdiction which will form the basis of recommendations to Senior Management.
- 18.4** In the event that consensus is not reached on issues affecting The Society's jurisdiction or Senior Management rejects the joint/tripartite team's recommendation(s), Kinectrics will make the final decision and will provide written rationale for the decision to The Society.
- 18.5** The principle and process set out in 18.1 to 18.4 are not grievable with the exception of Kinectrics final decision. The recommendations of joint tripartite teams are without prejudice and cannot be relied upon at grievance/arbitration or before any labour relations board.

19 JOINT JOB CHALLENGE RESOLUTION COMMITTEE

- 19.1** The Joint Job Challenge Resolution Committee shall serve as the final body of appeal for all complaints arising from the interpretation or application of a job evaluation plan, including job documentation and job rating, following implementation by Kinectrics.
- 19.2** The Committee shall consist of three members, one appointed by Kinectrics, one appointed by The Society, and a third person jointly selected from a mutually agreed list. This list appears in Appendix VI of the Collective Agreement.
- 19.3** The third member of the Committee shall be either a current or former Kinectrics employee. Appointees to this position should be knowledgeable of job evaluation plans and their application, should be at arm's length from the parties and the job evaluation process, and should be credible.
- 19.4** The Committee shall be assisted by two staff advisors, one appointed by Kinectrics and one appointed by The Society. The advisors are responsible for preparing and presenting joint fact-finding reports on the substance of complaints heard by the Committee.
- 19.5** A majority decision of the Committee shall be final and binding.
- 19.6 Time Limits**
- When a complaint is referred to the Joint Job Challenge Committee, the time limits shall be as specified in Article 16.
- 19.7** The Joint Job Challenge Resolution Committee will use the rules of application and any guidelines for the job evaluation plan used to evaluate the disputed job.

20 PERFORMANCE PAY COMPLAINTS

20.1 The following complaints may be processed through the grievance/arbitration procedure in accordance with Article 16. These are:

- a) complaints concerning the interpretation or application of Article 21 ("Performance Appraisal Feedback and Advanced Warning of Reduced Performance Pay Standing");
- b) complaints from employees whose performance standing is below (100%) of the journeyman level of that job and who have been held at the same level despite achievement of the employee's defined goals and targets for the preceding performance pay period.
- c) complaints from The Society on policy matters concerning the interpretation, application and administration of the Performance Pay Plan.

20.2 In the situation where an employee submits a grievance in accordance with Section 20.1(b) above which ends up going to arbitration, the powers of the arbitrator will be as follows:

An arbitrator appointed to hear a performance appraisal grievance shall have the remedial authority to either remit the matter back for reappraisal or make an award that conforms to the norms of the Performance Pay Plan as applied for the year in question.

20.3 All other complaints concerning an employee's performance appraisal will be heard through an internal resolution process. This process consists of the following three consecutive steps:

Step 1: After a 24 to 48 hour buffer period of receiving the assessment, an employee who disagrees with the assessment should meet with his/her supervisor to attempt to resolve the disagreement.

Step 2: Failing resolution at Step 1, the employee should meet with his/her supervisor, the second-level supervisor and the Human Resources Officer. The Society Delegate (or his/her alternate) may attend this meeting if the employee wishes.

Step 3: Failing resolution at Step 2, if the employee wishes to continue the process, he/she and his/her direct supervisor will make a presentation to the Line Manager and The Society Unit Director (or his/her alternate). The Line Manager and The Society Unit Director will make every effort to resolve the problem within five (5) working days of the presentation. If a joint resolution cannot be reached, the performance assessment, which includes the employee's comments, will stand as a record of that year's appraisal.

The parties shall endeavour to resolve issues at the lowest possible level.

21 PERFORMANCE APPRAISAL

21.1 Performance Appraisal and Review Process

21.1.1 The Performance Appraisal and Review process shall be conducted on an annual basis by Supervisors to explain and discuss what is expected of the employee, and to provide attainable yet ambitious goal setting as well as to provide written feedback of the employee's work over the preceding 12 months. .

- 21.1.2** The Performance Appraisal shall provide each employee with the measure by which their contribution and performance will be evaluated. In the event that circumstances significantly change, goals and expectations may be adjusted where appropriate. In such cases, the performance cycle for those goals that have changed shall end, and performance achievements for those goals shall be evaluated against proportional targets to that date and pro-rata rewards for those goals, if any, shall accrue. The Supervisor shall explain and discuss these changes with the employee.
- 21.1.3** At a minimum, the Performance Appraisal shall set out and document measurable and attainable work-related achievements expected for the coming year with clear and, where advisable, specific detail of training and other improvement opportunities that will be provided to facilitate the employee's successful attainment of their goals.
- 21.1.4** The Supervisor(s) responsible for the employee's work over the course of the previous year shall provide him or her with at least seven (7) days notice of their Performance Appraisal and Review meeting, accommodating legitimate absences.
- 21.1.5** Supervisors shall communicate with employees with regard to their progress toward achievement of their performance goals during the course of the year.

21.2 Performance Improvement

- 21.2.1** Supervisors shall communicate on a regular and ongoing basis with employees towards improved performance as defined in 21.1 above, however, if a supervisor determines that an employee's performance is unsatisfactory or does not appear to be progressing toward the goals set out in the employee's last Performance Appraisal documentation, the supervisor shall undertake the following course of action:
- a) Discuss the concerns with the employee and advise the employee's union representative if a performance improvement plan is being considered.
 - b) Determine if the employee requires work-related assistance, including coaching, mentoring or training, and if so, determine the appropriate and specific opportunities for assistance and improvement.
 - c) Determine a specific performance improvement plan setting out the course for improvement, including reasonable goals and timelines which shall provide for at least 20 weeks to achieve the agreed-upon goals.
 - d) Discuss and agree to a schedule to review the employee's progress toward the improvement defined and advise the employee of the possible consequence if performance goals are not achieved in accordance to the plan as set out at Article 21.2.2 below.
- 21.2.2** If, at the conclusion of a course of performance management, the plan goals have not been achieved despite the genuine efforts of the employee and the supervisor in accordance with the plan, the employer may consider:
- a) extending the performance management plan; or
 - b) review and revision of the employee's current performance standing; or
 - c) any other reasonable and appropriate action.

21.2.3 Voluntary Severance

Pursuant to 21.2.2 c) one reasonable and appropriate action may be voluntary severance. Before any discussion takes place between Management and an employee, Management shall advise the Society Local V.P. or their alternate of any voluntary severance offer that it seeks to present to an

employee. The employer shall meet with the employee to present the offer further to a notice of meeting advising the employee of his/her right to Society representation in a work-related matter. The Society shall be provided with the opportunity to review the offer with the employee prior to any agreement between the employee, the employer and the Society. It is understood that the Society shall not withhold their agreement if the employee is in agreement unless the employer has coerced the employee or acted in bad faith. It is also understood that the formula provided in Article 64 need not apply.

- 21.2.4** Positions vacated under Article 21.2.3 shall be posted, within 60 days of the severed employee's last day of work subject only to extension of not more than three (3) weeks for reasons acceptable to The Society. If, at any time, the employer determines that the position will not be posted, or filled, resulting in a reduction in the overall number of represented positions in the Society bargaining unit and absent a concurrent Article 64 declaration, Kinectrics shall pay to the Society the monetary difference between the amount paid to the severed employee under 21.2.3 and the value of the full notice and severance entitlements prescribed in Article 64.4.4

21.3 Career Development

- 21.3.1** An employee or management or the Society may initiate discussions to resolve career planning issues related to such realities as: employee need for competency or skill development; fit between individual goals and aspirations and the ability for those to be achieved at Kinectrics; general performance potential; career progression opportunities; family/work life balance; or any other individual career issues at any time.
- 21.3.2** Where mutually agreeable, options for resolution of career planning issues as described at 21.3.1 above may include: job re-assignment; appropriate training including but not limited to training in accordance with Article 85; increased delegation; alternate work/hours of work arrangements; job redesign; counseling, leave of absence, or voluntary termination.
- 21.3.3** Pursuant to 21.3.2 one reasonable and appropriate action may be voluntary severance. Before any discussion takes place between Management and an employee, Management shall advise the Society Local V.P. or their alternate of any voluntary severance offer that it seeks to present to an employee. The employer shall meet with the employee to present the offer further to a notice of meeting advising the employee of his/her right to Society representation in a work-related matter. The Society shall be provided with the opportunity to review the offer with the employee prior to any agreement between the employee, the employer and the Society. It is understood that the Society shall not withhold their agreement if the employee is in agreement unless the employer has coerced the employee or acted in bad faith. It is also understood that the formula provided in Article 64 need not apply.

22 ROLE OF SUPERVISORS

- 22.1** As members of Kinectrics' managerial staff, supervisory employees have a role to play in the resolution of disputes in their work units before they reach the grievance/arbitration procedure. In the event that a dispute reaches the grievance/arbitration procedure, The Society agrees not to discriminate against supervisors who represent Management in Society grievances.
- 22.2** The Society will exclude supervisors directly involved in a particular grievance from the decisions on the referral of the grievance through the grievance/arbitration procedure. Supervisors will not act on behalf of The Society in matters associated with a particular grievance where the grievance has been lodged by another member(s) who reports to the particular supervisor.

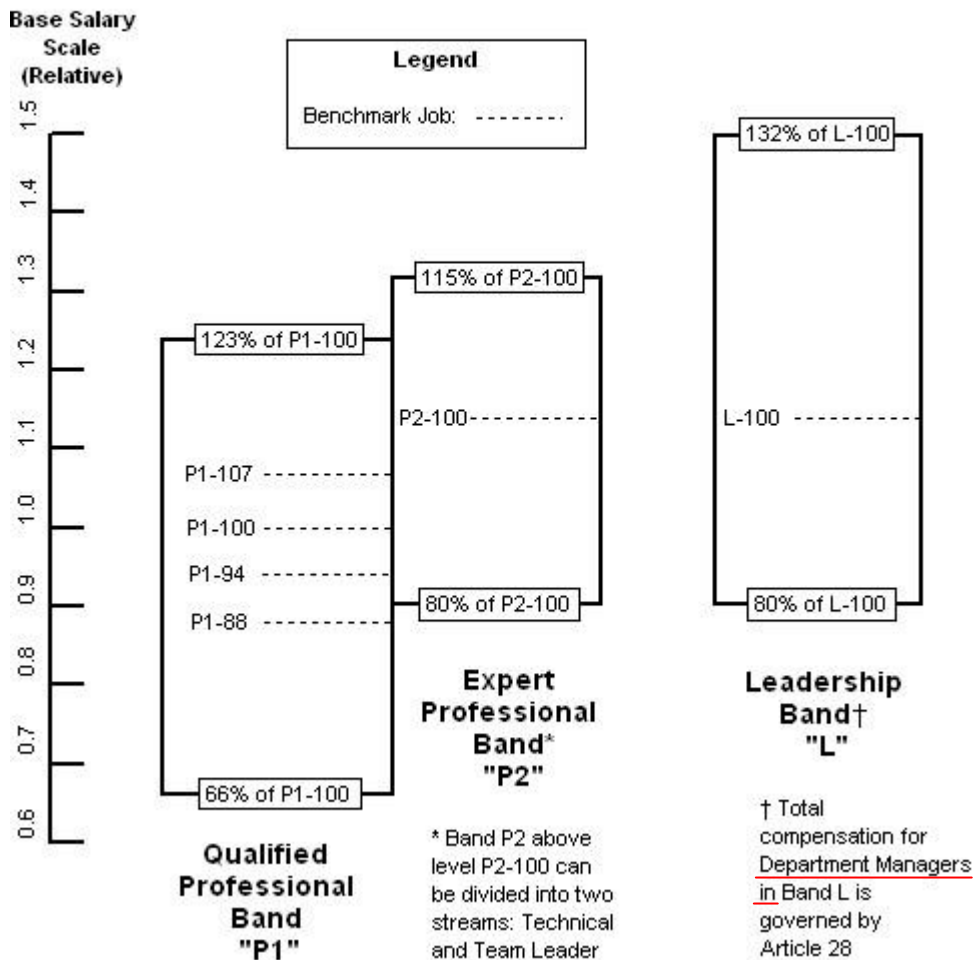
PART VII - SALARY

23 SALARY SCHEDULES

23.1 Salary rates shall be paid in accordance with the Salary Bands that are established as part of this Agreement and shown in the diagram below. At December 31, 2004, the Reference Points of the Salary Bands were as follows (based on a 37.5-hour workweek and a 365.25 day year).

Band Reference Point	Annual Salary
P1	\$83,835.83
P2	\$95,311.99
L	\$95,311.99

Regular Society-Represented Job and Salary Categories



23.2 The Salary Bands shall be increased as follows: **by .75% effective January 1, 2014; by 2% effective January 1, 2015; and by 2.5% effective January 1, 2016.**

Management & Professional Staff - Salary Schedule

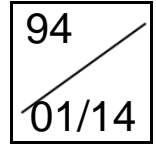
Effective Date	01-Jan-14	01-Jan-15	01-Jan-16
Band Reference Point	Annual Salary	Annual Salary	Annual Salary
P1- 100	\$110,351.65	\$112,558.68	\$115,372.65
P2 – 100	\$125,457.53	\$127,966.68	\$131,165.85
L – 100	\$125,457.53	\$127,966.68	\$131,165.85

- 23.3** Adjustments to the Developmental Salary Schedule will be made in accordance with the agreed formulae set out at Article 25 below, concurrent with the above-mentioned economic increases.

24 ESCALATOR CLAUSE

- 24.1** In the event that Kinectrics and The Society negotiate a Collective Agreement for a term of more than one year, a Cost of Living Adjustment (COLA) escalator clause shall become part of such an Agreement and shall be applicable to all employees covered by that Agreement.
- 24.2** **There will be an adjustment for any inflation that is greater than 3.5% for each of the last two years of the agreement, i.e. effective January 1, 2015 and January 1, 2016. This provision is for the duration of this collective agreement only.**

KINECTRICS INC.
SALARY SCHEDULE 94



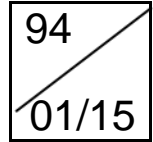
MANAGEMENT AND PROFESSIONAL DEVELOPMENT
DOLLARS PER WEEK

<u>Grade</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>
01	\$1014.00	\$1092.00	\$1189.00	\$1286.00	\$1383.00	\$1480.00

- Notes:**
- 1 This schedule covers a 37.5 hour work week.
 - 2 For employees hired at Step 2 and above, Step to Step progression is automatic on a semiannual basis unless withheld for performance reasons.
 - 3 For employees hired at Step 1, Step to Step progression is automatic at 21 week intervals unless withheld for performance reasons.

effective: January 1, 2014

KINECTRICS INC.
SALARY SCHEDULE 94



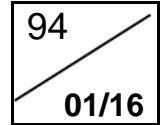
MANAGEMENT AND PROFESSIONAL DEVELOPMENT
DOLLARS PER WEEK

<u>Grade</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>
01	\$1034.00	\$1114.00	\$1213.00	\$1312.00	\$1411.00	\$1510.00

- Notes:**
- 1 This schedule covers a 37.5 hour work week.
 - 2 For employees hired at Step 2 and above, Step to Step progression is automatic on a semiannual basis unless withheld for performance reasons.
 - 3 For employees hired at Step 1, Step to Step progression is automatic at 21 week intervals unless withheld for performance reasons.

effective: January 1, 2015

KINECTRICS INC.
SALARY SCHEDULE 94



MANAGEMENT AND PROFESSIONAL DEVELOPMENT
DOLLARS PER WEEK

<u>Grade</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>
01	\$1060.00	\$1142.00	\$1243.00	\$1345.00	\$1446.00	\$1548.00

- Notes:**
- 1 This schedule covers a 37.5 hour work week.
 - 2 For employees hired at Step 2 and above, Step to Step progression is automatic on a semiannual basis unless withheld for performance reasons.
 - 3 For employees hired at Step 1, Step to Step progression is automatic at 21 week intervals unless withheld for performance reasons.

effective: January 1, 2016

25 PAY AND BENEFITS TREATMENT OF STAFF PAID FROM THE DEVELOPMENTAL SALARY SCHEDULE

25.1 Pay Treatment

The Developmental Salary Schedule, as defined in this article, will be used for:

- a) the hiring and progression of all employees hired for Society-represented work, when they have less than the following applicable experience requirements after Bachelor graduation:

Job Level Benchmark Hired For	Applicable Experience Requirements
Below P1-88	1.5 years
P1-88	2 years
P1-94 and over	2.5 years

or;

- b) as a bridging salary schedule for employees who are appointed to entry Society-represented positions from non-Society-represented salary schedules where such employees are not fully qualified or do not meet the minimum experience requirements for the position.
- 25.2** Individuals with advanced degrees or some applicable experience may be given an appropriate time credit when they are paid from the Developmental Salary Schedule.
- 25.3** The Developmental Salary Schedule will consist of six steps. Step 6 will be equivalent to 70% of the band P1 Reference Point, and Step 2 will be established at the estimated average community hiring rate for new engineering graduates. Intervening steps will be in equal dollar increments rounded to the nearest whole dollar. Step 1 will be established at the estimated average community hiring rate for non-engineering graduates. Step 1 will be used, where appropriate, as a hiring rate for non-engineering graduates.
- 25.4** Management will consult with The Society before determining the community hiring rate and a joint data collecting process will be used for setting the average community rate.
- 25.5** Progression from step-to-step on the Developmental Salary Schedule will be dependent upon satisfactory performance.
- 25.6** Step-to-step progression will be at six-month intervals for graduates hired at Step 2 or above.
- 25.7** Step-to-step progression will be at four equal intervals of 21 weeks plus one further progression to Step 6 at the second anniversary date for graduates hired at Step 1. Progression to Step 6 will not take longer than 24 months for anyone on the Developmental Salary Schedule.
- 25.8** Regardless of the date of appointment to a job on a Society salary band, individuals will remain on the Developmental Salary Schedule until they reach the following steps:

Job Level Benchmark Hired For	Minimum Step on Developmental Salary Schedule
Below P1-88	Step 4
P1-88	Step 5
P1-94 or higher level	Step 6

On the next regular progression date appointees to a Society Band job will be transferred to that Salary band and will be paid 80% of the benchmark salary reference for their job. Salary progression thereafter will be in accordance with the Performance Pay Plan.

- 25.9** Employees who have reached Step 6 and have not yet been appointed to a job on a Society salary band will be treated as special cases to be dealt with on an individual basis by line management.
- 25.10** A progression step may be withheld due to unsatisfactory performance. In such cases the employee's performance will be reviewed at the next progression date and, if performance has been satisfactory, the employee will progress to the next step. If progression must be withheld due to unsatisfactory performance for two consecutive progression periods, there may be cause for termination. If the employee's performance is satisfactory for one year following the withholding of a progression step the employee will be awarded a two-step increase, thus restoring his/her original progression pattern.
- 25.11** An absence greater than one month due to illness, pregnancy, parental leave, etc., may result in an extension of a step in the progression process. The original progression dates may be reinstated if satisfactory progress can be shown to have been made during an extension period.
- 25.12** Vacation provisions that apply to Society-represented staff on Bands P1 or P2 will also apply to employees on the Developmental Salary Schedule.
- 25.13** Articles contained in Part XI (Relocation Assistance) will apply to employees paid from the Developmental Salary Schedule when they are appointed to a job on Bands P1 or P2.
- 25.14** Eligibility for other benefits and allowances which apply to regular staff will be granted to employees on the Developmental Salary Schedule when they are granted regular employee status.
- 25.15** Shift compensation reference point rate for employees on the Developmental Salary Schedule will be 70 percent of the Band P1 Reference Point.
- 25.16 Students**
- Student employees represented by the Society will be paid in accordance with the Developmental Salary Schedule.
- 25.17** Employees hired under Article 25 as "Trainees" will be allowed to perform work not normally fitting into Society jurisdiction for the purposes (and only for the purposes) of meeting training requirements.

28 SPECIAL COMPENSATION PLAN & EMPLOYMENT TERMS & CONDITIONS FOR DEPARTMENT MANAGERS

28.1 Purpose/Scope

- 28.1.1 To establish a special compensation and working conditions plan ("the Plan") for a unique class of employees (Department Managers) selected to lead the company's growth and profitability initiatives. The term employee in this Article means Department Manager.
- 28.1.2 Except as expressly modified in this Article, all provisions of the Collective Agreement shall continue to be applicable.
- 28.1.3 Management will create, define, modify or end Departments as required. It is understood that Departments will evolve and change with changing business circumstances.

28.2 Employee Eligibility

- 28.2.1 All employees appointed to or on rotation in the Department Manager position for a minimum of three months, who are still employees when incentive payouts are made, will receive a pro rata payout. The requirement that an employee be an employee of Kinectrics when payouts are made does not apply where the employee has retired, involuntarily terminated employment with the company as a result of death, or termination as a result of downsizing requirements. Termination for any other reason (quit /termination for cause, etc.) results in complete forfeiture of award opportunity.
- 28.2.2 The probationary period for externally hired Department Managers can be extended up to 12 months.

28.3 Incentive

- 28.3.1 "Incentive elements" include threshold, target, and maximum incentive payments.
- 28.3.2 "Measures" are the indicators used to determine when threshold, target or maximum levels (goals) have been achieved.
- 28.3.3 "Threshold target" is the goal whose achievement triggers employee entitlement to the minimum level of incentive payments. The threshold target will be the minimum expected achievement under any reasonably foreseeable conditions (i.e., below budget).
- 28.3.4 "Target" is the budgeted goal. It will be difficult to achieve, but attainable.
- 28.3.5 "Maximum target" is the goal past the target where the amount of incentive money reaches its ceiling (and thus incentive payments are capped). The maximum target will be more difficult to achieve, but attainable with exceptional skill and effort.
- 28.3.6 "Incentive payments" are variable, (i.e. do not form part of base pay) cash payments made to eligible employees for actual performance above the threshold target level. Incentive payments are pensionable up to 3% of base salary.
- 28.3.7 Plan year is normally defined as the fiscal year, but this may be modified.
- 28.3.8 The Company shall determine the incentive elements and payout targets annually on an individual basis with input from the incumbent. The availability of resources shall also be taken into account in setting targets. Annual target setting will normally be completed as part of Kinectrics' budget setting process. Significant changes to the incentive elements and payout targets will not normally be made after the first quarter of the plan year. A Department Manager's acknowledgement of receipt of their targets shall not be deemed

to be agreement with those targets. A complaint about targets will be heard through the process in Article 20.3.

28.3.9 The specific Departmental measures selected in any given year may include the following:

1. Orders (\$)
2. Revenue (\$)
3. Project Performance (on time, on budget, etc.)
4. Gross Margin (\$ or %)
5. Productivity Index (%)
6. Billable Percentage (%)
7. Contribution (\$ or %)
8. Accounts receivable (change in days outstanding)
9. License Income (\$ or %) & timeliness (%)
10. Year on year revenue growth (change from previous plan year) (\$ or %)
11. Year on year growth in contribution (\$ or %)
12. **EBITDA or modified EBITDA (\$ or %)**
13. **Cash (\$ or %)**

Additions to this list or measures not on the list will be discussed with the Society before their utilization.

Productivity index is defined as the sum of billable percentage and percentage of time spent on Marketing and Sales, and percentage of time spent on New Product Development, all as recorded in Kinectrics time reporting system.

Specific measures selected and weighting of measures may vary from one Department to another. Normally, no more than five measures will be selected for a given Department.

Discretionary Modifiers

Consideration of the following discretionary modifiers may result in the calculated bonus being increased or decreased by up to 20%.

- 14) Health, Safety & Environment
- 15) Quality
- 16) Teamwork
- 17) Customer Service

28.3.10 Kinectrics must achieve a minimum overall business performance level of 85% of the overall operating income budget target for any incentive to be paid. If the difference between 85% and 100% of the budget operating income is below materiality, the JSMC will discuss the appropriate threshold. If a loss is budgeted, then a specific larger loss will be set as the payment threshold, consistent with the philosophy of the above criterion.

Incentive payouts will begin at 4% of base salary at threshold levels of performance and will increase as higher levels of performance are achieved until a maximum payout of 22% of base salary is reached. No incentives will be paid for below threshold performance. The continuous range of bonuses shall be defined by the following fixed points:

- 4% base salaries at threshold target level
- 12 % base salaries at target level
- 22 % base salaries at the maximum target level

28.4. Distribution of Money

28.4.1 Payments will be made shortly after the end of each Plan Year.

28.5 Terms and Conditions

28.5.1 This Section applies to employees appointed to or on rotation for a minimum of three months of a Plan Year.

28.5.2. The base salary conditions of these employees shall be as follows.

- a) Employees shall be paid from a salary band. (Band L). The dollar values of Band L shall be adjusted through the collective bargaining process based on comparable salaries for similar levels of expertise, in the private sector professional services industry. The criteria and process for collecting the external market data used to make Band L adjustments shall be jointly agreed upon or determined in bargaining. This adjustment may be higher, lower or nil.
- b) Management may place new hires or successful internal applicants anywhere on Band L, commensurate with their capabilities, responsibilities and experience. Successful internal applicants will be treated according to Article 66.2; however this does not imply that all appointments to the Department Manager position are promotions.

28.6. Appeal Process

28.6.1 An individual employee may appeal his/her movement on the Band L through discussions with management and ultimately through the Grievance Procedure.

28.7 Employee Appraisal System

28.7.1. **Society Represented Department Managers** will be part of the existing **base payroll component of the** Performance Pay Plan, **as provided for in Article 32.3.** Their performance will be compensated for by their position in the band (see Article 28.5.2) and with their bonuses (see Article 28.3).

28.8 Signing, Retention and Special Bonuses

28.1. Management may in its discretion pay bonuses to attract new hires ("Signing Bonus").

28.8.2 Management may pay bonuses to retain an employee ("Retention Bonus") or to compensate him/her for foregone opportunities/income ("Special Bonus"), subject to subsections 28.8.3 & 28.8.4. The Special Bonus may include compensation for loss of overtime pay.

28.8.3 The Society must agree, on a generic, not case by case basis, to all conditions associated with acceptance by an employee of these bonuses (e.g. commitment to remain with Kinectrics for a specified duration). This could be done by the Society agreeing to the form letter used.

28.8.4 Bonuses may not be awarded in an arbitrary, capricious, unreasonable or discriminatory manner. Within 10 days of the implementation of any incentive payout, Management shall provide the Society with data on incentives paid.

28.9 Hours of Work

- 28.9.1 Employees will be ineligible for overtime payments (Article 57 (Overtime) and Appendix XII (Guidelines for Applying Burkett Overtime Award) of the Collective Agreement), except as defined in subsection 28.8.2.
- 28.9.2 Due to the nature of their role, Department Managers may work outside of the "standard hours of work" as defined in Article 70 of the Collective Agreement and this shall constitute an alternative hours of work arrangement pursuant to this Article. This clarifies that Department Manager is considered to be a salaried position.
- 28.9.3 All work hours ascribed by the Department Manager to Kinectrics shall be tracked in a Time Reporting System, acknowledging that they do not form the basis for compensation.

28.10 Employee Conduct

- 28.10.1 Due to the higher commercial knowledge inherent in the position, subject to review and approval of the applicable documents by the Society, an employee will be required to sign undertakings relating to:
- Non-disclosure of confidential information.
 - Compliance with the applicable codes of conduct, risk policies and relevant statutes and regulations.
 - External hires only will be asked to sign an additional undertaking not to compete against the Company while still an employee and for one year following termination for any reason.
- 28.10.2 Management shall be permitted to approach employees regarding signing undertakings subject to the following conditions:
- a) Management shall consult the Society on the wording of such undertakings.
 - b) The employee shall have the opportunity to obtain advice concerning the undertaking.
 - c) Management shall inform the individual regarding the right to obtain advice from the Society.

28.11 Removal from the Role

Except in circumstances requiring removal from the role, where there are performance issues in the role, Article 21 will apply.

- 28.11.1 Management may remove an employee from the role of Department Manager. "Removal from role" means an employee is relieved of specific Department Manager accountabilities and is reassigned to perform other temporary or ongoing duties at an equivalent base salary level, i.e., red-circled (if required) (see Article 28.11.6).
- 28.11.2 Where continuation of the employee in the Department Manager role puts the financial or legal position of the company at serious risk, Management may remove the employee from the role. The Society will be advised in writing as soon as possible.
- Intent: This provision is agreed upon in recognition of the unique nature of these jobs, and specifically the potentially significant financial impact of the decisions incumbents in these jobs are accountable for making, in a competitive environment.*
- 28.11.3 An employee removed from role may appeal this removal through the grievance process. If the employee is reinstated in his/her role as Department Manager as a result of this appeal, he/she will suffer no loss in incentive payments.

28.11.4 The intent of creating the Department Manager position is to promote growth and profitability, not to cause a reduction in existing staff levels. The Company will attempt to mitigate possible adverse impact on existing staffing levels from external hires or removal from role by encouraging new Department Managers to expand their Department to cover additional costs and the requirement for increased billables. If that does not occur, or if there is a significant change in the business viability of a Department, Management and the Society will discuss ways to minimize any adverse impact.

28.11.5 An employee and management may mutually agree to an alternate assignment and removal from this role. If management does not grant a Department Manager's request to be re-assigned, the employee may ask the Society to examine the circumstances further and attempt to negotiate a solution. Disputes, if any, will be resolved at the JSMC. Employees granted removal forfeit any partially earned bonus.

28.11.6 An employee removed from the Department Manager role by application of 28.11.2 or 28.11.5 above, shall be returned to the role by successful appeal under 28.11.3 above, or, where an appeal is not filed or in the event of an unsuccessful appeal, the employee shall be offered one of the following outcomes, subject to agreement with The Society, as follows:

1. Placement in a temporary or ongoing position; or,
2. Voluntary termination options in accordance with the new Article 64 of the Collective Agreement, offered at the discretion of management. For external hires, notice and severance provisions shall be in accordance with those set out at subsection 28.11.7. At its discretion, management may extend voluntary termination to incumbents in jobs for which the removed Department Manager is qualified. In that case, all incumbents in the selected job will be eligible for consideration for the voluntary termination option. Management may select a volunteer from this group, and place the employee removed from role in the vacated position. Management shall notify the incumbent and the Society in writing of the final disposition of the case; or,
3. Any other terms mutually agreeable to Management, the Society and the employee.

28.11.7 For new external hires to the Department Manager position, notice and severance payments shall be defined as:

Notice:

Up to 5 years service: one (1) months' notice.
 For 5 years or greater service: three (3) months' notice.
 Notice includes both working and/or non-working notice.

Severance:

3 weeks severance pay for each year of service.

28.12 ESR and other Employees:

28.12.1 All employees may apply for the Department Manager position. Except as provided for in this section, appointees to the Department Manager position will be represented by the Society unless that appointee elects to become a non-represented employee in the Department Manager position. If such an election is made by the appointee, Management recognizes that the position is still within the Society jurisdiction and an amount equivalent to Society dues will be paid to the Society in lieu of dues, by Kinectrics, for the duration of that election.

28.12.2 The appointee may revoke his or her election to be a non-represented employee in a Department Manager position at any time **during his or her first twelve months in the role**. This revocation is permanent and cannot be changed at a later date. Immediately upon revocation, the employee will become represented by the Society, their Society dues payment shall commence, and dues payment-in-lieu by Kinectrics will cease. The employee will immediately become eligible for all rights and benefits provided to Society represented employees.

28.12.3 At no time will the number of employees in the Department Manager position in the non-represented category be permitted to rise above 20.0% of the total number of employees in Department Manager positions at Kinectrics Inc. If an appointee's election to become a non-represented employee would increase this category to above 20.0%, that appointee will not be permitted the opportunity of election outlined in article 28.12.1. The Society may agree to increase the non-represented category beyond the normal 20.0% cap on a temporary basis where, in the opinion of the Society's Local Vice President, special circumstances justify such an exception. **Such agreement will not be unreasonably withheld.**

28.13 Training:

28.13.1 Department Managers will receive training that includes Project Management, Selling Skills, Leadership and Finance.

29 SHORT-TERM ABSENCES

Payment for short-term absences (e.g., vacation, sick leave) will be based on the normal rate paid for scheduled job hours, except as stated elsewhere in this Agreement.

30 (RESERVED)

31 JOB EVALUATION PLANS

Job evaluation plans which are used to rate Society-represented jobs form part of this Collective Agreement.

- Plan K (established November 1, 2005) shall be used to classify all Society-represented jobs unless otherwise prescribed by this Collective Agreement.

32 PERFORMANCE PAY PLAN

32.1 In addition to the general terms and conditions applicable to performance pay as set out at 32.2 through 32.7 below, individual employee entitlement to receive performance pay for any particular performance pay year shall be determined by the operation of the Performance Pay Plan described below based upon the achievement level of the goals and targets set out and described in the employee's Performance Appraisal as described at Article 21.1 for each performance pay year.

32.2 During the term of this Collective Agreement, the terms of the Performance Pay Plan (1978,

revised 1987) shall apply except as amended by the agreement of the parties. Kinectrics will not terminate or otherwise alter the terms of the Plan without agreement of The Society. The current practice for administering the Plan will continue, subject to any changes agreed upon.

- 32.3 When an individual employee meets his/her defined target pursuant to Article 21 triggering performance pay, for each performance pay year (April 1 – March 31) covered by this agreement, Kinectrics will make minimum performance based (“merit”) payouts from a pool of **1%** of base payroll which shall be payable within 90 days of the end of each performance pay year.

Employees within 8 years of graduation from their first degree and within their first 3 years of hire to Kinectrics shall be assessed on a semi-annual basis and be eligible for performance pay increases two times per year based upon meeting appropriate performance targets. Such assessments shall be done for April 1st and October 1st of each year. All payouts shall be considered a part of the negotiated performance pay pot described herein.

The performance-based payout pool may be used for movement within a salary band but will not be used to fund promotions to a higher salary band.

- 32.4 Kinectrics shall increase the performance-based payout pool above the level set out at Article on April 1 of each year of this agreement by an adjustment amount based on Kinectrics’ Earnings before Interest, Income Taxes, Depreciation and Amortization (EBITDA) for the fiscal year ending on March 31 of each year of this agreement. EBITDA, for the purpose of calculating this pool adjustment, shall be based on the results from Kinectrics Inc., Kinectrics North America, Kinectrics USA, and Kinectrics International Inc. The payout pool adjustment on April 1 of each year shall be **3%** of EBITDA. For purposes of validating the adjustment amount, Kinectrics will provide the Society with the Audited Financial Statements for each fiscal year as soon as they become available.

The parties agree to meet during the term of the agreement to discuss the administration of the Performance Pay Plan with a view to providing greater clarity around goal-setting and rewards and to address distribution issues.

- 32.5 Kinectrics will consult with The Society on the performance pay guidelines for any future distribution of performance pay at the Kinectrics prior to implementation.
- 32.6 Within 90 days of the implementation of any performance payout, Kinectrics shall provide The Society with the following data in electronic format:
- a) Salary information for Society-represented employees as of March 31 of the preceding year and April 1 of the current year with fields identifying employee number, salary band and rate, and performance standing for each date, Business Unit, department, and location.
 - b) Statistics regarding distribution of the year's performance pay adjustments, performance pay standings, and company ratios by salary grade and Business Unit for all performance paid staff. If there are five or less employees in any organizational unit, their salary information will be included in the next larger organizational unit.
- 32.7 Nothing in this article amends or abrogates any terms of the Performance Pay Grievance Settlement, dated June 21, 1996 and the Personal Performance Management Grievance Settlement dated April 6, 2000.

33 PROMOTION-IN-PLACE PLANS

33.1 Definition

A “promotion-in-place plan” (PIP) means a developmental plan involving a hierarchy of related jobs, in which employees who meet defined criteria will be promoted without advertising, and where it is the normal expectation that employees will reach the end position.

33.2 Principles

33.2.1 The Society should be involved in the development and periodic review of PIPs.

33.2.2 Either The Society or Management may initiate discussions on PIP proposals.

33.3 Conditions

33.3.1 All new and revised PIPs must have the joint agreement of the JSMC. During the term of the Collective Agreement, a catalogue of existing PIPs will be developed and the JSMC will determine the schedule for their review upon request by either party.

33.3.2 Salary treatment upon promotion within PIP will be in accordance with Section 66.2.

33.3.3 Employment continuity treatment of employees with respect to PIPs will be in accordance with Clause 64.6.2.1.

33.3.4 Vacancies for PIP jobs will be advertised in accordance with Clause 65.6.1 (e).

33.3.5 All jobs in a PIP must be evaluated under the applicable job evaluation plan.

33.4 Standard Features

All PIPs must have the following features:

- based on a developmental plan to an end position;
- based on the expectation that normally employees in PIP jobs will reach the end position;
- a sunset clause;
- joint Society-Management Agreement on promotion criteria consistent with the PIP;
- progression within the PIP based upon the employee meeting defined criteria (e.g., performance goals, experience, breadth of assignments). If an employee has met all of the criteria for progression within the PIP, progression should take place.
- targeted to have sufficient staff in the higher level positions for unit viability;
- specification of the normal expected time period an employee should take to progress through the various stages of the PIP;
- provision for employees to have a reasonable opportunity to fulfill requirements to qualify for progression within the normal expected time frame.

33.5 Application to Band P1

Job growth and salary progression within Band P1 for most jobs at Kinectrics may be formalized as a PIP through the application of this Article. For most Band P1 jobs, P1-100 represents the journeyperson level of job performance, and the end point of the PIP plan. Jobs designated in Appendix A of the Performance Pay Plan as having journeyperson levels at other than P1-100 can also be planned as a PIP with their corresponding journeyperson end point. PIP plans for Society-represented jobs will incorporate the following (in addition to any other features required by this Article):

- a description of the end point job, including its level;
- specific qualifying accomplishments for at least one intermediate step between the starting level of the PIP and the end point, including the job levels at each step;
- the periods of successful performance normally considered necessary for an incumbent to proceed from the starting level of the PIP to the intermediate steps and to the end point of the PIP;

An individual's progress through the PIP plan shall be in accordance with the application of the performance evaluation process outlined in the Performance Pay Plan (which forms part of this Collective Agreement). The annual (or more frequent) performance goal and criteria-setting process shall reflect the qualifying accomplishment content of the PIP plan, and the individual's current point of development along that plan. Individuals who have reached the end point of their PIP plan may continue to progress based on application of the Performance Pay Plan.

34 TEMPORARY EMPLOYEES

Intent: Temporary employees are employees hired for short-term work assignments which are not ongoing and/or where there are no available qualified regular employees to perform the work. Such work assignments are not expected to go beyond 18 months, but may be extended up to a maximum period of 24 months with The Society's Agreement. The impact on employment continuity should be an important consideration in the decision to hire temporary employees.

34.1 Society Notification

Kinectrics will discuss the circumstances with the local Society representative prior to hiring a temporary employee. The Society will be informed of the job skill needs, the salary classification for the position, the expected job duties, and the duration of the assignment.

Assignment extension beyond 18 months requires the agreement of The Society. At 24 months, Kinectrics will either terminate the employee, advertise the position if there is an ongoing staff requirement, or obtain the agreement of The Society for a further extension. If the position is advertised, and the temporary employee is not selected for the vacancy, the employee will be terminated.

Temporary employees will have their applications for vacancies considered in accordance with Article 65.6.3.

Notwithstanding the above, Kinectrics may utilize a temporary employee for up to 36 months with the approval of the appropriate Society Unit Director.

34.2 Temporary Employees with Less than 12 Months' Service

34.2.1 Compensation and Benefits Treatment

- i) Vacations: payment of the prorated amount of 15 days adjusted earnings or 4%, whichever is greater.
- ii) Statutory Holidays: pay for statutory holidays provided the employee has more than three months' accumulated service.
- iii) Floating Holidays: three floating holidays after 20 weeks' continuous service except for employees hired after April 2, 2002 1 floating holiday will be granted after 20 weeks' continuous service and up to 2 additional paid days will be granted, if necessary, to meet Human Rights legislative requirements for religious observance during normally scheduled working days.
- iv) Sick Leave: credits for one-half day at 100% pay for each month of accumulated service.
- v) Semi-Private and EHB Plan: optional at employee's cost.
- vi) Remembrance Day; Personal Time Off; Parental Leave (excluding the SUB Plan); Jury Duty; Special Time Off at Christmas: same as regular employees.
- vii) Kilometre Rates: same as regular employees.
- viii) Personal Travel and Accident Benefits: same as regular employees.

34.2.2 Termination

When a temporary employee with less than 12 months' service is terminated for other than cause, he/she will receive at least two weeks' notice in writing.

34.3 Temporary Employees with More than 12 Months' Service

Temporary employees with more than 12 months' service are entitled to sick leave coverage as for regular employees (Article 42), performance appraisals and consideration for performance pay, and severance pay equal to two weeks' base salary per continuous year of service. All items in Section 34.2 above, except for 34.2.1 (iv), will also apply to these employees.

34.4 Temporary Employees Working Reduced Hours

Temporary employees who work reduced hours will have the items listed in Sections 34.2.1 and 34.2.2 pro-rated in accordance with the provisions outlined in Article 71 (Reduced Hours of Work).

PART VIII - ABSENCE FROM WORK**35 PAID/UNPAID TIME OFF**

Intent: It is recognized that from time-to-time, an employee will be faced with situations that may require him/her to be absent from his/her work. Such time will be either with or without pay, or a combination of both, and will be granted where there is an entitlement under this Agreement, a clear legal or statutory requirement, or where, in the supervisor's judgment, such time off is warranted by specific circumstances. It is further recognized that it is the employee's responsibility to balance his/her need for a leave of absence with the work requirements of his/her unit.

Where the granting of the absence is discretionary, considerations would include: factors beyond an employee's control that prevent him/her from attending work; severity or nature of circumstance; workload of the unit.

The exact amount of time off is at the discretion of Management; however, the entitlements of employees in specific circumstances include those described below.

35.1 Jury Duty/Required Attendance at Court

For the duration of the Jury Duty, or required attendance at an Inquest or court (subpoenaed witness), the employee's normal base earnings and benefits will be maintained. The employee is responsible for informing his/her supervisor as to the probable duration of the jury duty.

35.2 Funeral Leave

In the event of the death of a family member, including parent, parent-in-law, brother, brother-in-law, sister, sister-in-law, husband, wife, son, son-in-law, daughter, daughter-in-law, grandparents, grandparents-in-law, and grandchildren, an employee may be granted leave of absence with pay. The supervisor will take into consideration the relationship of the deceased, the distance that the employee has to travel, and the need for the employee to attend to arrangements when deciding how much time is to be granted. Usually a period of up to three days is an adequate amount of time. In the event of the death of a fellow employee, time off with pay may be granted to attend the funeral.

35.3 Medical and Dental Appointments

An employee may attend a medical consultation, receive dental treatment or be absent because of sickness for less than one-half day without reduction of sick leave credits and/or pay.

35.4 Family Care

An employee is entitled to take time off for family care. Normally, up to five (5) days a year may be taken for this purpose. By mutual agreement with his/her supervisor, the employee may pay for this time by using his/her banked overtime, by working back the time over a reasonable period of time, or by taking the time off without pay.

36 EMPLOYEES HIRED AS SOCIETY STAFF

At the request of The Society, a leave of absence may be granted to an employee who is offered a Society staff position. During this period The Society will assume:

- Cost of salary;
- Kinectrics' cost of contributions to the Pension and Insurance Plan, and the LTD Plan;
- The responsibility and cost of providing Health, Dental and Sick Leave Insurance/coverage;
- The responsibility for any other employee contributions related to employee wages and benefits provided by The Society.

At the end of the leave of absence, Kinectrics is obligated to relocate the employee within Kinectrics at a salary classification as close as possible to the position held at the time the leave of absence was granted. An employee on leave will be neither advantaged nor disadvantaged in a surplus situation.

37 RELEASE OF SOCIETY REPRESENTATIVES

Note: Please also see Letter Re: Clarification of Article 37 in Appendix XIV.

37.1 Intent

Kinectrics will grant elected Society representatives reasonable paid time off from normal duties for purposes of involvement in joint processes and business related to Society/Management relations under this Agreement.

Kinectrics recognizes and appreciates the dual responsibility employees elected to hold Society office have to their job and to Society members. Society representatives and their supervisors (those excluded from The Society) are encouraged to pursue a mutually acceptable and cooperative approach to managing the requirement for absences as a result of this dual role. Management recognizes that the need for time off from normal duties will vary with the position that the employee holds within The Society. The higher up in The Society the more will be the demands for time off.

37.2 Specific Circumstances

37.2.1 Absence from work due to The Society representative's involvement in joint processes, tripartite processes or with respect to other business related to Society/Management relations under this Agreement, should not negatively impact on his/her performance appraisal.

37.2.2 In the expectation that the joint problem solving approach based on the JSMC principles outlined in Article 1.2 will be mutually beneficial to the relationship between Kinectrics and The Society, Management agrees to continue its practice of maintaining base salaries for Society representatives involved in all joint processes up to but not including arbitration unless required by Management to attend.

37.2.3 Society Delegates and members of the Board of Directors will be permitted two (2) days per year at their normal base rates to attend Delegates' Council meetings. Members of the

Board of Directors will be permitted up to 12 additional days per calendar year at their normal base rates, to attend Society Board meetings.

37.2.4 Kinectrics will release elected Society representatives from their normal duties without pay for other Society business. The Society will give Management reasonable notice of such releases, and Management will normally release such representatives. From time-to-time there may be unexpected events that prevent such a release, but such situations will be the exception.

37.2.5 As clarification of the current release time provisions, management agrees to provide up to 50% release time to one local vice president or the Society Unit Director or any combination not exceeding 50% of one full time equivalent employee at Kinectrics. Management also agrees to provide additional release time, if required, in order to accommodate the Society Unit Director's participation in joint and/or partnership processes such as but not limited to Gainsharing and JSMC. **Personal billability and other performance targets, where appropriate, will be adjusted to reflect time required for Society business as indicated above.**

37.2.6 As clarification of the current release time provisions:

- a) Management agrees to provide 100% release time to Principal Officers of the Society (President, Executive Vice President, Vice President Finance)
- b) Any such Principal Officer remains an employee of Kinectrics under the terms set out the "Side Letter Re Package Agreement on Grouping 5" dated December 3, 1998 in Appendix XV
- c) The Society agrees to reimburse Kinectrics for 100% of the salary of the President or 80% of the Salary of the other Vice Presidents. If more than one Principal Officer is elected from Kinectrics, the Society agrees to discuss with Kinectrics ways to mitigate the lost revenue and additional cost.

37.2.7 All hours in excess of the current provisions for Local Representatives will be reimbursed by the Society

38 VACATIONS

38.1 Vacation Entitlement

The combination of Vacation Commencement (VCD) plus External Experience Value (EEV) determines service for vacation entitlement for the purpose of this Article. For employees hired after April 2, 2002 the company may increase initial vacation entitlement available under Article 38.

38.2 Less Than One Year of Service by June 30

One and one-half (1-1/2) days vacation for each full month of service completed between June 30 of the previous year and July 1 of the current year to a maximum of three (3) weeks (15 working days).

38.3 One to Seven Years of Service

Fifteen (15) working days (three weeks) annually when an employee has completed from one (1) to seven (7) years of service by the end of the calendar year.

38.4 From Eight to Fifteen Years of Service

Twenty (20) working days (four weeks) annually when an employee has completed from eight (8) to fifteen (15) years of service by the end of the calendar year.

38.5 For Sixteen to Twenty-Four Years of Service

Twenty-five (25) working days (five weeks) annually when an employee has completed sixteen (16) years to twenty-four (24) years of service by the end of the calendar year.

38.6 For Twenty-Five or More Years of Service

Thirty (30) working days (six weeks) annually in the calendar year in which an employee completes twenty-five (25) years of service and in each succeeding year.

38.7 External Experience Credit

(Applicable to 4, 5, and 6 Weeks Vacation Entitlement)

38.7.1 Appointments to Positions Paid from Salary Bands P1, P2 or L

Employees hired after the implementation of the band compensation system (November 1, 2005) who were or are hired directly into, or within one year of their ECD were, or are, appointed to a Society-represented position and paid from Salary Band P1, P2 or L, will receive the following vacation credits for external experience, applicable to four, five, and six weeks vacation entitlement. Credits are based upon the highest salary grade attained within one year of hiring and are translated into an External Experience Value (EEV).

Employees hired before the implementation of the band compensation system will receive the vacation credits for external experience set out at Article 38.7.1 in the Collective Agreement that expired December 31, 2004.

Percentage of Salary Band Hired Into	Vacation Credit
74%– 78.99% P1 ¹	1 year
79% - 83.99% P1 ²	2 years
84% - 89.99% P1	3 years
90% - 95.99% P1	4 years
96% or more in Band P1	5 years
Any position on Band P2	6 years
Any position on Band L	6 or more years

38.7.2 Appointments to Positions Paid from a Developmental Rate Schedule

An employee hired on or after December 31, 1981 and paid from the Developmental Salary Schedule will receive one year's vacation credit.¹

¹ Relevant work experience of one year or more is required to receive this credit.

² Relevant work experience of two years or more is required to receive this credit.

38.8 Vacation Credit for Prior Service

Employees will be entitled to vacation credits for all prior service, including casual employment, regardless of breaks in service.

38.9 Vacation Without Pay

Up to one week off without pay may be taken by employees for vacation purposes.

38.10 Use of Vacation Credits of Succeeding Year at Christmas

For purposes of taking time off at Christmas (December 15 to December 31) employees will be permitted to utilize earned vacation credits for the succeeding year.

38.11 Banked Vacation

Annual vacation entitlement must normally be scheduled and taken throughout the calendar year. If the entitlement is not fully used in the calendar year, the balance may be paid out at the end of the year or may be deferred for up to one year.

Employees shall have the following choices regarding payout of already banked vacation: either full payout, or partial payout with retention of the residual banked vacation or no payout with retention of all banked vacation.

38.12 Vacation Bonus

Employees shall receive one day's base pay (or adjusted earnings) for each year of service beyond twenty-five (25) years, to a maximum of ten (10) days' pay.

38.13 Vacation Entitlement on Retirement/Termination**Retirement**

A retiring employee may take part/all of earned vacation for the year in which he/she retires, plus authorized carryover from previous years and banked vacation, or receive cash payment in lieu, plus any vacation bonus.

38.14 Vacation Pay on Retirement/Termination is as follows:

- a) If an employee terminates between July 1, and December 31, he/she receives the following:
 - i) pay for any unused vacation days earned up to June 30, and not taken during the current calendar year; plus
 - ii) 4% of accumulated earnings from July 1, to the date of termination, or the appropriate percentage (determined by vacation entitlement) of base earnings from July 1, to the date of termination; whichever is greater.
-

- b) If an employee terminates between January 1, and June 30, he/she receives the following:
- i) 4% accumulated earnings from July 1, to date of termination, or the appropriate percentage (determined by vacation entitlement) of base earnings from July 1, to the date of termination; whichever is greater; minus
 - ii) vacation taken in the current calendar year.

"Base earnings" in this Section refers to base pensionable earnings for normal scheduled hours of work.

"Accumulated earnings" in this Section refers to base earnings, plus overtime pay, shift allowances, etc.

The appropriate percentages determined by vacation entitlement are as follows:

- 4% of accumulated wages if entitlement is 10 working days or less annually;
- 6% of base earnings or adjusted earnings to date if entitlement is 15 working days annually;
- 8% of base earnings or adjusted earnings to date if entitlement is 20 working days annually;
- 10% of base earnings or adjusted earnings to date if entitlement is 25 working days annually plus any vacation bonus;
- 12% of base earnings or adjusted earnings to date if entitlement is 30 working days annually plus any vacation bonus.

If the reason for termination is the death of an employee, the payment will be made to the estate or beneficiary.

For calculation purposes, the termination date is the employee's last day of work. The employee is removed from payroll on this date.

In cases where the termination is due to causes other than death, the termination date must not be extended to permit use of outstanding vacation credits or lieu days which are paid for in cash on termination.

38.15 Vacation Approvals and Deferment or Interruption of Vacations

Vacation Approval

Vacations are important and contribute to work life balance and a productive and healthy workforce. Employees are encouraged to schedule and receive approval for their vacation early in the year to allow for appropriate work planning and back up arrangements.

When seeking approval for vacations of greater than 5 consecutive days and where the employee considers the time off to be of high priority, employees must provide their Department Manager or designate with the following:

- **A qualified and available backup who has confirmed willingness to perform the work, where feasible**

- A description of the workload and implications of time off on the employee's project schedules
- A list of deliverables occurring in close proximity to the period of time off requested.

Department Managers will provide their response within 7 days of receiving this vacation request.

Deferment or Interruption of Vacation

High priority vacations that have been approved will not be unreasonably cancelled or interrupted. When management is considering asking an employee to defer or interrupt their vacation they will first discuss the matter with the employee. The Society will be invited to have a representative present for that discussion, subject to the employee's approval. After the parties have explored all other available options, management may proceed with the deferral or cancellation of approved vacation only if the situation would reasonably be considered to be an emergency.

38.15.1 Reimbursement will be made for out-of-pocket expenses incurred by an employee, **including reasonable replacement costs for cancelled or interrupted vacations for themselves and other immediate family members (spouse and children) whose plans are impacted by the cancellation** who, at the request of Kinectrics, either defers an approved vacation or returns before the vacation has expired. **Reimbursement for others affected by the cancellation or interruption of an employee's vacation will be considered on a case by case basis.**

38.15.2 When an employee is called back from vacation or when an employee's vacation is cancelled at the request of Kinectrics, the employee shall receive premium rates of pay for all normal hours worked on cancelled vacation days for which seven calendar days' notice has not been given up to a maximum of seven calendar days.

38.15.3 Deferred or interrupted vacation days will be rescheduled at a later date.

38.16 Any employee who is entitled to at least 15 days vacations shall be entitled to take their vacation for up to three contiguous weeks, upon the approval of their supervisor and such approval shall not be unreasonably withheld.

39 STATUTORY HOLIDAYS AND FLOATING HOLIDAYS

39.1 The following days are recognized by Kinectrics as statutory holidays:

New Year's Day	Christmas Day	Good Friday
Boxing Day	Victoria Day	Labour Day
Canada Day	Thanksgiving Day	Civic Holiday
Easter Monday		

If a statutory holiday falls on a day when an employee is off on sick leave, pay is not charged against sick leave credits for that day. A statutory holiday falling within an employee's vacation period is not counted as part of the vacation, but is taken as an extra day of holiday.

Payment for statutory holidays will be on the basis of straight time for the normal hours of work per day.

39.1.1 When Canada Day falls on a Saturday or Sunday, it shall be observed on the following Monday.

39.1.2 When Christmas falls on a Friday and Boxing Day on Saturday, a half holiday will be granted on the preceding Thursday. The days of observance will not be moved.

When Christmas falls on a Saturday and Boxing Day on a Sunday, a half holiday will be granted on the preceding Friday. Christmas will be observed on Saturday. Boxing Day will be observed on Monday.

If Christmas Day falls on a Sunday, it shall be observed on Monday and Boxing Day on Tuesday.

When Christmas Day falls on a Tuesday, Boxing Day shall be observed on Monday.

When Christmas falls on a Wednesday and Boxing Day falls on Thursday, the Friday following Boxing Day will be granted as an additional holiday. The days of observance will not be moved.

39.1.3 When New Year's Day falls on a Saturday, an additional holiday shall be granted on either the preceding Friday, or the following Monday. The day of observance will not be moved.

When New Year's Day falls on a Sunday, it shall be observed on Monday.

39.1.4 Holiday Shutdown

Kinectrics may authorize a shutdown over the Christmas - New Year period. In order to encourage employees to voluntarily take this time off, employees will be allowed to use up earned vacation from the following calendar year in order to cover the shutdown period.

39.2 Floating Holidays

Employees who have completed 20 weeks of continuous service in any calendar year are entitled to three floating holidays. Such days will be taken on dates mutually agreeable to the employee and the supervisor. Floating holidays must be taken in the year they are earned (i.e. there is no carryover for floating holidays). For employees hired after April 2, 2002, 2 floating holidays will be granted after 20 weeks' continuous service and up to 1 additional paid day will be granted, if necessary, to meet Human Rights legislative requirements for religious observance during normally scheduled working days. A floating holiday may be taken as "Family Day".

If an employee terminates after completing 20 weeks of continuous service in a calendar year, Kinectrics will make a cash payment in lieu of any unused floating holiday credits.

If an employee terminates prior to the completion of 20 weeks of continuous service in a calendar year, entitlement is as follows:

- An employee not entitled to floating holidays in the previous calendar year is not entitled to floating holidays in the current calendar year. If an employee has been granted a floating holiday(s), Kinectrics will recover one day's pay for each floating holiday taken.

- For an employee entitled to floating holidays in the previous calendar year, entitlement will be prorated based on the number of weeks of continuous service in the year of termination. Kinectrics will either make a cash payment for any unused floating holiday credit or recover the value of any unearned portion taken.

40 UNEMPLOYMENT INSURANCE COMMISSION REBATE

The value of any Unemployment Insurance Commission (UIC) rebate shall accrue to Kinectrics.

41 PREGNANCY/PARENTAL LEAVE

The entitlements in this article are generally described in the brochure "Pregnancy and Parental Leaves – All Society Represented Performance Paid Staff" (April 1, 1999). The Brochure is under revision to reflect the provisions below.

Definitions

Pregnancy leave means a leave of absence of up to 17 weeks for a pregnant employee who has been employed by Kinectrics for at least 13 weeks immediately preceding the expected birth date. Unless provided for in this Article, this leave is without pay.

Parental leave means a leave of absence for an employee who has been employed by Kinectrics for at least 13 weeks and who is the parent of a child. This employee is entitled to a leave of absence following the birth of the child, or the coming of the child into the custody, care and control of the parent for the first time. Unless provided for in this Article, this leave is without pay.

For an employee who takes pregnancy leave, the leave of absence is for a period of up to 35 weeks. For an employee who does not take pregnancy leave, the leave of absence is for a period of up to 37 weeks.

41.1 Pregnancy Leave

- a) **Start Date**: Pregnancy leave may begin at any time during the 17 weeks immediately preceding the expected date of delivery.
- b) **End Date**: Pregnancy leave normally ends 17 weeks after the pregnancy leave began.
- c) **Notice**: The employee must give Kinectrics as much notice as possible and a certificate from a legally-qualified medical practitioner stating the expected birth date. In no case, however, will the employee provide less than two weeks' written notice of the day the leave is to begin.
- d) **Reinstatement**: At the end of pregnancy leave, the employee will be eligible to return to the position the employee had prior to the leave, if it still exists, or to a comparable position, if it does not.
- e) **Benefits**: Kinectrics will continue to pay the Kinectrics portion of the contributions for Group Dental, Extended Health Benefits, Pension Plan, Life Insurance, and any other type of benefit plan related to the employee's employment as prescribed by the Employment Standards Act for provincially regulated employees, for the duration of the pregnancy leave, unless the employee gives Kinectrics written notice that the employee does not intend to pay the employee portion of the contributions, if any.

- f) Service Credits: Employees on pregnancy leave shall be entitled to normal accumulation of service credits for the duration of the pregnancy leave.
- g) A pregnant employee may continue to work during a normal pregnancy until such time as the duties of her position cannot be reasonably performed.
- h) An employee on pregnancy leave does not qualify for sick leave.

41.2 Parental Leave

- a) Start Date: The parental leave must begin no later than 52 weeks after the day the child is born or comes into the custody, care and control of the parent for the first time for employees.

The parental leave of an employee who takes a pregnancy leave must begin when the pregnancy leave ends unless the child has not yet come into the care and control of the parent for the first time.

- b) End Date: Parental leave normally ends 35 weeks after the parental leave began for an employee who also took pregnancy leave or 37 weeks for an employee who did not take pregnancy leave.
- c) Notice: The employee must give Kinectrics as much notice as possible but in no case will there be less than two weeks' written notice of the date the leave is to begin.
- d) Reinstatement: At the end of parental leave, the employee will be eligible to return to the position the employee had prior to the leave, if it still exists, or to a comparable position, if it does not.
- e) Benefits: Kinectrics will continue to pay the employer portion of the contributions for Group Dental, Extended Health Benefits, Pension Plan, Life Insurance, and any other type of benefit plan related to the employee's employment as prescribed by the Employment Standards Act for the duration of the parental leave, unless the employee gives Kinectrics written notice that the employee does not intend to pay the employee portion of the contributions, if any.
- f) Service Credits: Employees on parental leave shall be entitled to normal accumulation of service credits for the duration of the parental leave.
- g) An employee on parental leave does not qualify for sick leave.

41.3 Benefits Under the Supplementary Unemployment Benefit (SUB) Plan

- a) In order to be paid a leave benefit in accordance with the Supplementary Unemployment Benefit Plan, the employee:
 - i) must provide Kinectrics with proof that she/he has applied for, and is eligible to receive unemployment insurance benefits pursuant to the Employment Insurance Act; *and*,
 - ii) must be regular and employed by Kinectrics for at least 13 weeks immediately preceding the date of delivery/adoption; *and*,

- iii) must (a) be on pregnancy leave, *or* (b) be on parental leave.
 - b) According to the Supplementary Unemployment Benefit Plan, payments will consist of the following:
 - i) for the first two (2) weeks, payments equivalent to ninety-three percent (93%) of the employee's base pay (pregnancy leaves only, not parental leaves); and
 - ii) when receiving EI benefits, the employee is eligible to receive payments equivalent to the difference between the EI benefits and ninety-three percent (93%) of the employee's base pay. Where the employee's base salary exceeds 1.5 times the Years Maximum Insurable Earnings, the employee will receive an additional \$300 as a lump sum as full compensation if a clawback is required by Canada Revenue Agency or any other government agency.
 - iii) where an employee becomes eligible for an annual increment/salary schedule adjustment during the period of pregnancy/parental leave, payments under 41.3(b)(i) and 41.3(b)(ii) shall be adjusted accordingly.
 - c) An employee who qualifies under Section 41.3(a) shall sign an agreement with Kinectrics providing:
 - i) that she/he will return to work and remain in Kinectrics' employ for a period of six (6) months from the date of return to work;
 - ii) that she/he will return to work on the date of the expiry of pregnancy/parental leave, unless this date is modified with Kinectrics' consent or unless the employee is then entitled to a leave extension provided for in this Article;
 - iii) that should the employee fail to return to work as per the provisions of Subsections 41.3(c)(i) and 41.3(c)(ii), the employee recognizes that she/he is indebted to Kinectrics for the amount received under the SUB plan.

PREGNANCY/PARENTAL LEAVES - TIME LINES

*Only maximum entitlements available are shown:

Time lines show maximum lengths of leaves which may be available, providing qualifiers/conditions of specific legislation/agreements/policies are met.

EI Benefits show maximum amounts which may be available. Employees should be referred to the nearest EI Office to determine their specific entitlements.

SUB Plan Benefits show maximum amounts which may be available, providing qualifiers/conditions of specific agreements/policies are met.

Birth Mothers:

Pregnancy	
2 wks	15 wks
93%	EI+SUB=93%*

Plus Parental Leave as outlined below.

All parents who are entitled to Parental Leave and EI benefits in accordance with Employment Standards Act

Parental Leave		
2 week waiting period (If required*)	3 wks	32 weeks maximum
unpaid	EI*+SUB=93%	EI

Duration of Parental Leave is maximum 35 weeks if the employee has preceded their Parental Leave with Pregnancy Leave. Otherwise, the maximum is 37 weeks.

* Note: A waiting period is not always required, should parents choose to share parental benefits, the parent filing the second claim would not be required to serve a two-week waiting period. There would be one waiting period per birth or adoption.

All parents who are entitled to Parental Leave in accordance with Employment Standards Act, but who are not eligible for EI benefits

Parental Leave
(Maximum 35 weeks)
Unpaid

42 SICK LEAVE PLAN

42.1 The Sick Leave Plan provides for maintenance of an employee's income when he/she is absent from work due to illness or non-occupational injury.

42.2 Regular employees :

COMPLETED MONTHS OF SERVICE	% Salary Maintained
Less than 2 months	5 days at 75%
2 months up to and including 9 months	Up to 15 weeks at 75% base pay
More than 9 months up to including 24 months	Up to first 2 months at 100% Up to subsequent 2 months at 75% (4 months total)
More than 24 months	Up to 6 months at 100%

Part time employees:

Coverage will be as per regular employees pro-rated.

42.3 Occasional absence due to short-term illness will not affect an employee's overall sick leave coverage, i.e. only continuous absence, or recurrence of the same disability, will accumulate to reach the maximum eligibility period.

42.4 An employee will be reimbursed for any doctor's note required by Kinectrics.

43 LONG TERM DISABILITY

The Long Term Disability Plan provides financial security and rehabilitative employment features to regular employees during their absence from work due to extended sickness or injury. The benefits and terms and conditions of benefit entitlement of the Long Term Disability Plan are as described in: the Collective Agreement; the brochure entitled "Sick Leave and Long Term Disability Plans, updated April 10, 2000". These documents, by reference, form part of the Collective Agreement. The benefits and terms and conditions of benefit entitlement as described in the above documents can be changed by mutual consent only.

43.1 Qualifying Period

The qualifying period is defined as the period six calendar months from the starting date of the employee's continuous absence due to disability; or a total of six months in accumulative authorized medical absences in the year prior to the date sick leave expires due to the same progressively deteriorating disability; or the expiration of sick leave whichever is longer.

43.2 Disability Period

The period in which an employee cannot continuously perform the essential duties of any position available in accordance with the priority placement criteria of the Rehabilitation and Re-employment Procedure.

43.3 Benefits

During the disability period, the plan will provide an income equal to the lesser of:

- 43.3.1 Sixty-five percent (65%) of base earnings at the end of the qualifying period for LTD benefits, or
- 43.3.2 Seventy-five percent (75%) of base earnings at the end of the qualifying period for LTD benefits less any pension entitlement and/or any supplement from the Workplace Safety and Insurance Board (excluding the Non-Economic Loss award) and or the Canada Pension Plan, excluding benefits for dependents.

A person who runs out of sick leave credits during the qualifying period will be granted a leave of absence without pay until such time as the LTD qualifying period elapses. The employee will continue to receive service credit during this period and have coverage maintained in, but will not be required to contribute to, the Kinectrics Pension Plan, Health and Dental benefits, and the Group Life Insurance Plan.

43.4 Other Conditions

- 43.4.1 Kinectrics and/or the insurance carrier reserve the right to periodically obtain necessary proof of continued disability. If at any time an individual who has been declared disabled and placed on LTD is capable of returning to any further service with Kinectrics, Kinectrics will request and The Society will normally grant a waiver of posting requirements except in the case of redeployment under Employment Continuity.
- 43.4.2 Employees will not be eligible for coverage if a medically pre-determined pre-existing condition(s) re-appears within the first year of employment.
- 43.4.3 Employees who are in receipt of LTD benefits will have their LTD benefit levels adjusted by the indexation increase which is applied to the Kinectrics Pension Plan.
- 43.4.4 Where a position is identified that both Kinectrics and the employee on LTD agree he/she can become qualified for through educational retraining, Kinectrics will pay tuition fees associated with the retraining, up to a maximum of three years.
- 43.4.5 Employees on LTD must apply for CPP disability benefits after an appropriate period (6 months) unless there are compelling (e.g., medical) reasons that prevent the employee from doing so.
- 43.4.6 LTD assessments shall be performed at the earliest occasion possible under the circumstances. The employer, The Society and the employee shall have an obligation to facilitate this process.
- 43.4.7 Should there be an active appeal or an LTD determination, or if the LTD assessment is delayed by Kinectrics or its LTD supplier, then the employee shall be covered after 6 months at the LTD rate until the assessment is finalized and the appeals are exhausted.

44 WORKERS' COMPENSATION LEAVE

An employee awarded a Workers' Compensation Safety and Insurance Board (WSIB) grant shall be granted a compensable disability leave with compensation made up of a tax-free Workplace Safety Insurance Board award, and a taxable top-up grant for the duration of WSIB Disability benefits. The top-up grant will ensure an employee's net pay is maintained.

If the employee is awarded a Future Economic Loss (FEL) award and is unable to perform the essential duties of any available job, the leave and top-up grant will be extended for the first 24 months of the FEL award. If an employee is unable to return to work during the first two years of a FEL award, an application for LTD should be submitted. The qualifying period is waived in these cases, and LTD benefits will be payable at the expiry of the first FEL for a qualifying employee.

Pending a decision of the Workers' Safety and Insurance Board regarding the legitimacy of a claim the employee will receive sick leave. Employees who are receiving WSIB benefits for claims or injuries suffered while in the employ of an Employer other than Kinectrics are required to notify Kinectrics of being in receipt of those benefits in order to qualify for the top up grant. These employees will not be eligible for sick leave while receiving WSIB benefits for the top-up grant.

The top-up grant for compensable disability leave will be withheld if the employee refuses a medically suitable position that she/he is capable of performing, pursuant to the provisions of Article 45 ("Rehabilitation and Re-Employment") of the Collective Agreement. The grant may also be withheld where an employee is subject to appropriate discipline or discharge for cause pursuant to Article 17 ("Discipline and Discharge").

Authority for withholding the supplementary grant is vested in Management.

45 REHABILITATION AND RE-EMPLOYMENT

45.1 Application

This Article applies to Kinectrics employees who either have qualified for Long Term Disability (LTD) Plan benefits or have been approved for a Workers' Safety and Insurance Board (WSIB) award, and, regular employees who have medical disabilities that prevent them from performing the essential duties of their jobs.

45.2 Policy

The parties seek to ensure that timely vocational rehabilitation and placement assistance is provided to affected employees whose medical impairments prevent performance of the essential duties of their jobs. The goal is re-employment in a continuing capacity which will make maximum use of these employees' capabilities.

Entitlements to rehabilitation and re-employment will be provided pursuant to the terms of the Kinectrics Policy, "Rehabilitation and Re-employment". As applied to Society-represented employees, the Policy will be subject to other provisions of this Collective Agreement and to relevant legislation, and may not be altered except by mutual agreement. The Society will be provided with notice in all circumstances in which notice is given to "the Union" under the Policy.

45.3 Rehabilitation

An employee who is eligible for rehabilitation and is capable of rehabilitative employment is entitled to placement in a medically suitable position.

45.4 Re-employment

An employee who is eligible for re-employment must be given a reasonable job offer in accordance with placement priorities under the Policy. Where more than one job is available, the employee will be offered the job nearest the salary level of the pre-disability position. The job offered should be no more than two salary levels below the pre-disability position. When an employee is placed in a lower rated position following rehabilitative employment, Kinectrics will maintain the base salary and benefits of the pre-disability position until the employee's performance standing in the new position exceeds that in the pre-disability position.

45.5 Termination of Employment

In the event an eligible employee refuses reasonable rehabilitative employment or a reasonable job offer for re-employment, the employee shall be terminated without entitlement to LTD benefits. Where an employee grieves termination for medical incapacity an arbitrator shall have jurisdiction to consider relevant post-termination evidence of rehabilitation.

PART IX - HEALTH BENEFITS

Kinectrics, through its claims services provider, shall provide extended health benefits and dental coverage in accordance with the existing insurance carrier contract for Society-represented staff. For employees hired after April 2, 2002 co-insurance rates for coverage described in Articles 46, 47 and 48 below will be 25 % higher than co-insurance rates for employees hired prior to this date. Where this is deemed to be excessive in specific instances, the Company will discuss a reasonable alternative with the Society.

46 EXTENDED HEALTH BENEFITS (EHB)

The parties have revised the Health and Dental Benefits for Society represented employees, pensioners and eligible dependents brochure dated January 2014 or its electronic equivalent to include any negotiated changes.

47 DENTAL PLAN

Effective January 1, 2002 the following applies:

- Specific dental codes are replaced with specific categories: basic preventative, minor restorative, major restorative and orthodontics.

Effective January 1st of each year of the Collective Agreement, the dentist fees will be paid up to the amounts shown in the current Ontario Dental Association (ODA) Fee Guide.

48 SEMI-PRIVATE HOSPITAL ACCOMMODATION PLAN

Coverage under the Semi-Private Hospital Accommodation Plan is unchanged.

PART X - PENSION AND INSURANCE

49 LIFE INSURANCE

49.1 The benefits and terms and conditions of benefit entitlement for group life, living benefit and spousal life insurance for employees are as described in: the Collective Agreement; the brochure entitled “Group Life Insurance, Living Benefit and Spousal Life Insurance, updated April 10, 2000”. These documents, by reference, form part of the Collective Agreement. The benefits and terms and conditions of benefit entitlement as described in the above documents can be changed by mutual consent only.

49.1.1 The cost of basic term insurance for employees will be paid by Kinectrics.

49.1.2 The cost of additional term insurance for employees will be paid by the employees.

49.1.3 Upon retirement, term insurance equal to 50% of final base annual earnings will be provided, reducing to 25% ten years after retirement.

49.1.4 An employee will become eligible for membership in the plan upon being assigned regular status.

49.1.5 In the event that an employee does not make an election, Option I (see 49.2 below) will automatically be designated.

49.1.6 After the initial election period, a re-election of option will be permitted only once a year during the month of December.

49.1.7 The employee will be required to submit evidence of insurability if a re-election results in total increased insurance coverage.

49.1.8 Any re-election shall become effective on the January 1st following the year in which the re-election is made or on the date of approval by the insurer of any required evidence of insurability, whichever is later.

49.2 Life Insurance Options

Option	Basic Term Insurance³	Additional Term Insurance⁴
I	Two Times Base Salary	Nil
II	Two Times Base Salary	One Times Base Salary

49.3 The maximum additional term insurance that may be purchased by an employee shall be referred to a tripartite (Society, Management and CUPE 1000) forum for further consideration.

49.4 An employee who meets the following criteria shall be eligible to cash out 50% of his/her total claim value to a maximum of \$50,000.

³ Basic Term Insurance is composed of term insurance equal to base annual earnings raised to the next \$500.00 and multiplied by 2.

⁴ Additional Term Insurance is the optional term insurance which an employee may elect in addition to the basic insurance coverage. It is equal to base annual earnings raised up to the next \$1,000.00.

Criteria:

- the illness must be terminal with death likely to occur within 24 months;
- Kinectrics' consent is required;
- the consent of the employee and his/her beneficiary is required;
- the beneficiary must have reached the age of majority; and
- the employee must be competent and able to understand a transaction of this nature.

Payments must be processed as a loan and interest charged to avoid making the payment a taxable benefit to the employee.

When death occurs, the advance payment plus accrued interest is deducted from the claim value.

49.5 Spousal Insurance

- 49.5.1** Only spouses of active employees are eligible.
- 49.5.2** The amount will be limited to 50% of the employee's basic coverage.
- 49.5.3** The entire cost, including administration costs, will be paid by the employee. The employee will pay by payroll deduction.
- 49.5.4** The participation rate will have to be 20-30% otherwise proof of insurability will be required.
- 49.5.5** The premium rate will be different from the rate for employees, and will be experience rated. The premiums would then vary from year to year based on the experience of the previous year.

50 PENSION PLAN

The Ontario Electricity Financial Corporation Pension Plan (Registration #0352377) and the successor pension plan of Ontario Power Generation Inc. constitute the present Pension Plan and form part of this collective agreement. The provisions of the Pension Plan are generally described in the brochure (Kinectrics Brochure). Changes to the Pension Plan affecting Society-represented members of the plan, other than legislative changes, shall be made only upon mutual consent.

The parties agree to apply any changes(s) to the Pension plan(s) negotiated between Ontario Power Generation (Nuclear) and the Society of Energy Professionals in the Memorandum of Settlement dated July 6, 2000 ("OPG Memorandum of Settlement") as ratified by both parties.

The parties also agree that that the changes to the employee benefit and parental leave provisions negotiated between Ontario Power Generation (Nuclear) and the Society of Energy Professionals and set out on pages 23 and 24 of the OPG Memorandum of Settlement as ratified by both parties shall apply.

The Parties further agree that, subsequent to the date of the sale to Kinectrics, OPGI and Kinectrics will establish a pension plan which mirrors the OPGI pension plan and covers all OPT employees transferred to Kinectrics. The liabilities and assets of the OPGI pension plan applicable to past service of all

employees transferred to Kinectrics will be transferred to Kinectrics pursuant to the terms and conditions of the Asset Purchase Agreement between OPGI and Kinectrics.

50.1 All the changes to the Pension Plan heretofore agreed to between The Society and Kinectrics have been incorporated into the Pension and Insurance Regulations/Rules.

50.2 The employer shall not request legislation, regulations, or Order-in-Council approval or make rules which would change pension benefits, unless upon mutual consent. Moreover, the employer will not unilaterally seek legislation to change access to surplus unless upon mutual consent.

50.3 Probationary Employees

Probationary employees who have attained three months' service shall be eligible to become members of the Pension Plan. A new employee who completes his/her probationary period after January 1, 1999 and who is a contributor to the Plan may irrevocably elect and pay the required contribution within three months immediately following completion of the probationary period, to buy credited service for his/her probationary period, failing which there shall be no subsequent right to elect. Time spent as a temporary employee in a similar position shall be used when determining the three-month period for the purposes specified in this paragraph.

50.4 a) Pension Indexing and the Notional Account

The Notional Account will be eliminated in respect of all employees, former employees and beneficiaries of the Plan.

Effective on the date the Notional Account is eliminated, the Plan shall be amended, in respect of employees and former employees who immediately prior to termination of employment were members of The Society, to increase pension benefits on January 1 of each year by 100% of the increase in the Consumer Price Index (CPI), up to a maximum of 8% per year. In the event that the increase in the CPI exceeds 8%, the increase shall be carried forward to future years. In the event that the CPI decreases, the percentage decrease shall be applied in determining subsequent increases in pension benefits. A decrease in the CPI shall not reduce pension benefits in payment.

Changes to indexing as described in this section are subject to the condition precedent that the Notional Account will be eliminated for all members and former members and confirmation thereof.

In the absence of such an amendment and elimination of the Notional Account, the pensions of members and former members who immediately prior to termination of employment were members of The Society will be increased by 100% of the increase in the CPI effective January 1, 1999 and January 1, 2000 and the cost of such indexing shall be charged to the Notional Account in the same way as was done in respect of the increase on January 1, 1998.

b) The Society will withdraw all outstanding litigation, including grievances #512, #533 and proceedings before the Financial Services Commission of Ontario regarding the PWU settlement, dual valuation and partial plan wind-up and the 7th amendment rules objection but not individual benefits issues including #515.

50.5 Buy-Back of Service

The following shall apply after the Pension Rules are changed.

- a) Employees will be able to purchase the following service on an actuarial basis, provided the employee provides evidence of such service satisfactory to Kinectrics.
 - i) summer and co-op students;
 - ii) casual construction;
 - iii) temporary employees;
 - iv) leaves of absences;
 - v) pregnancy/parental leaves;
 - vi) broken service;
 - vii) external service (see (b) below)

(iv), (v) and (vi) above are enhancements to current provisions.

- b) This provision will be subject to restrictions of the *Income Tax Act* (Canada) and all applicable provincial or federal pension legislation. (For example, external service prior to 1992 can only be purchased if there was a reciprocal Agreement with the former Employer in existence at the time and still exists.)
- c) For the purposes of this section, “service” shall mean service with Ontario Hydro prior to April 1, 1999 or service with Ontario Hydro’s successors after April 1, 1999.
- d) The Pension Buy Back grievance is settled on the understanding that the company policy is to pay reasonable administrative costs related to calculation of cost of service buy-back.

50.6 Spousal Benefit

Effective July 1, 2000 the survivor benefit maximum shall be increased from 64% to 66 2/3rds. This improvement will apply to members whose pensions commence on or after July 1, 2000 and also to pensioners and surviving spouses in receipt of pensions.

50.7 Bridging Benefit

1. This benefit is payable to eligible employees who retire after January 1, 1997 and this benefit replaces the existing bridge benefit.

This amendment does not change the amount of pension payable after age 65. The purpose of the amendment is to pay the bridge benefit now payable to members who retire before age 65 with 35 years of credited service to a member retiring after January 1, 1997 before age 65 with 30 years of credited service. For members who retire before age 65 with less than 30 years of credited service, the bridge benefit will be prorated in proportion to credited service.

The bridge benefit will be reduced by the same percentages as is applied to the lifetime pension if a member retires prior to qualifying for an unreduced pension.

2. For people retiring on or after January 1, 1997 the bridge benefit payable when a member eligible for an unreduced pension retires will be increased from:

$$A \times B \times C$$

where:

A equals 0.625%

B equals post 1965 credited services to a maximum of 35 years

C equals the lesser of the member's average earnings in the 60 consecutive months when the earnings were the highest and the average of the YMPE's during the 60 consecutive months when the earnings were the highest.

to;

$$A \times D \times C$$

where A and C are as above and

D equals 35 times the lesser of 1 and the member's years of credited service divided by 30.

50.8 Rule of 82

Employees may retire without discount when their age and years of continuous service equals 82 or more.

50.9 Continued Contribution

Contributions are now allowed beyond 35 years.

50.10 Contribution Holiday

Society-represented employees will not be required to make any contributions to the plan unless the company is also making contributions to the plan at least equal to the total sum of all specified Society-represented employee contributions.

50.11 Plan Formula

Effective January 1, **2014** employee contributions to the pension plan will increase **from 7% to 9.5%** of base annual pensionable earnings. **This increase is in effect only as long as the solvency ratio of the pension plan is less than 1.0. Should this ratio reach 1.0 or higher (to be determined annually), the pension contribution percentage will revert back to 7%. For clarity, inflation-related indexation benefits will be excluded from the solvency ratio calculation.**

50.12 Supplementary Plan

The following language will be included in the supplementary plan:

“Society members of the Kinectrics Pension Plan, whose pension income as a pensioner will exceed the limits prescribed by the Income Tax Act (ITA) for pension paid from a

registered pension plan, are eligible for the supplementary pension payment. The supplementary pension payments top up the amount one receives from the Kinectrics registered pension plan to the amount one would receive if there were no ITA limits.”

50.13 Reciprocal Transfer Agreements

Kinectrics will seriously consider reciprocal transfer agreements with respect to any change of employer situations, where the new employer is not a competitor of Kinectrics, and where the new employer agrees to a reciprocal transfer agreement.

50.14 Fund Transfer

The Society shall continue to have access to reasonable pension plan and pension fund information, which shall include reasonable information related to the allocation and transfer of pension funds to a successor pension plan. The Society will have the opportunity for input prior to the filing of any transfer report on new plan text with FSCO. In the event that pensioners are to be transferred, the Society will also have access to and input on, such submissions.

50.15 Employees who are eligible to receive an immediate early retirement pension or normal retirement pension will no longer have the option of transferring 100% of the commuted value of their pensions out of the pension fund. This option will be restored when the solvency ratio of the pension plan is greater than or equal to 1.0. For clarity, inflation-related indexation benefits will be excluded from the solvency ratio calculation.

50.16 The parties agree to seriously discuss pension plan design changes during calendar 2014 with commitment to implement changes by January 2015 if agreement is reached.

50.17 The parties further agree that if any of the Society bargaining units in the electricity sector agrees to pension plan design changes in two party bargaining (other than employee pension contributions) that are lower cost options for the employer than the Kinectrics pension plan provides, the parties will immediately enter into discussions that could result in the same or broadly similar design changes to the Kinectrics Pension Plan that, if agreed to by the parties, would be approved by the Society for implementation at Kinectrics.

PART XI - RELOCATION ASSISTANCE

The following provisions apply to regular employees and are outlined in the brochure entitled "Relocation Assistance Benefits for Performance Paid Staff" (1995). Employees paid from Salary Schedule 94 will receive the treatment contained herein when appointed to regular positions, and required to relocate as a result of Kinectrics' business.

51 (RESERVE)

52 MOVING EXPENSES

52.1 Intent

52.2.1 (reserved)

52.1.2 Kinectrics recognizes that there may be a number of relatively costly expenditures associated with moving and will endeavour to ensure that such expenses will be adequately covered.

52.1.3 Kinectrics will not assume responsibility to compensate for any upgrading in an employee's standard of living which may take place as a result of moving.

52.1.4 The Housing Assistance Plan will apply to the employee's principal place of residence and will not cover summer cottages, commercial real estate holdings or other secondary properties.

52.2 Minimum Moving Distance

52.2.1 Normally, an employee must move a minimum of **50** radius kilometers closer to the new work location to qualify for relocation assistance (see diagram). However, where an employee believes that this requirement creates a hardship, a joint Society-Management review shall consider the individual situation. This review shall consider the following criteria:

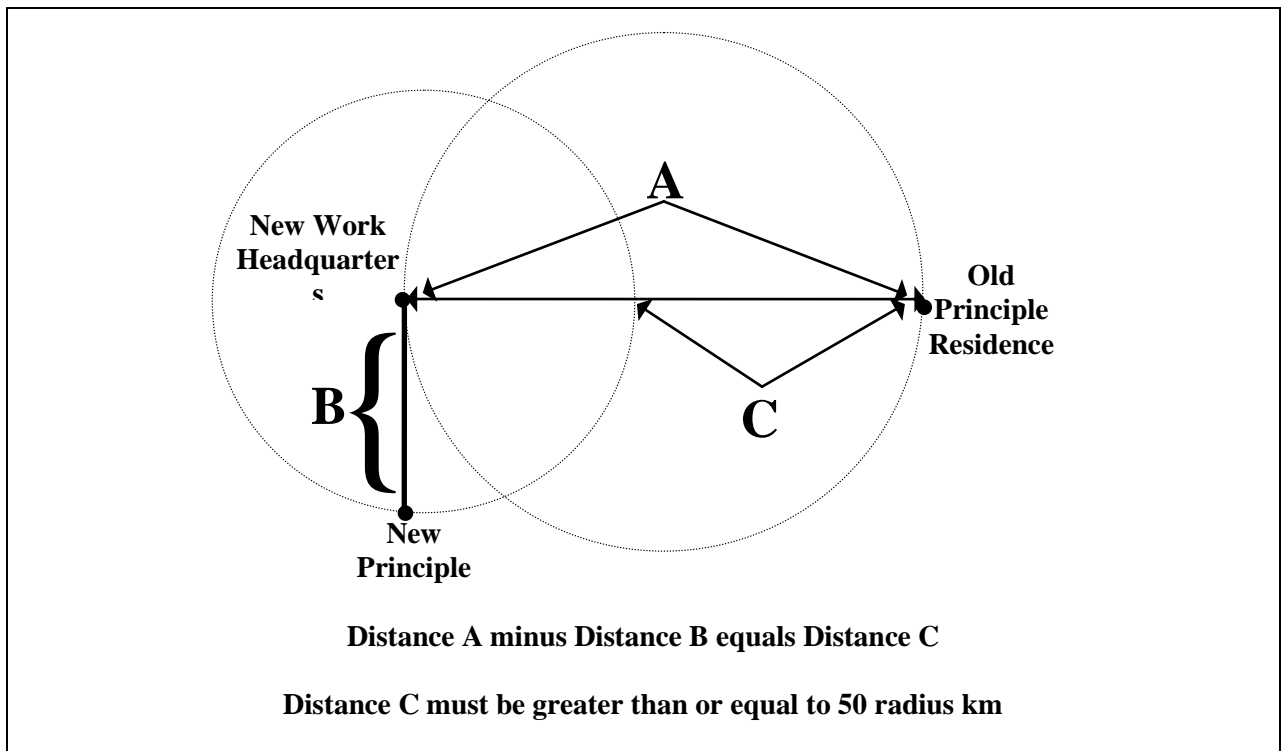
- increase in commuting time;
- increase in commuting cost;
- access to public transit;
- personal family considerations;
- recognition that Kinectrics is not responsible for upgrading the individual's standard of living;
- permanence of move to the new work location;
- relationship between road distance and radius distance;

- comparability of eligibility in comparison to treatment of Society-represented employees in similar circumstances.

The review team will balance the results of this review with the business requirements of the unit and may decide to waive or amend the minimum distance rule. The decision of the review team is final and binding. If the review team is unable to reach consensus, the matter will be referred to the JSMC which will have the authority to make a decision or to have the issue resolved as they see fit without prejudice.

What is meant by 50 km closer to the new work location is shown in the diagram below.

- 52.2.2** The provisions set out in Subsection 52.2.1 will apply unless Mid-Term Agreements pursuant to Article 7 are in effect.



52.3 Expenses for Reimbursement

52.3.1 Household Effects

Kinectrics will arrange for and shall pay the cost of packing, moving by freight or truck and insurance charges on household effects.

52.3.2 Home Buying and Legal Fees

Employees shall be reimbursed for legal disbursements and real estate brokerage fees associated with the purchase and/or sale of property valued up to five times the employee's annual base salary in the new location at the time of job transfer as follows:

a) Legal Fees

- The employee will advise Kinectrics of his/her preferred lawyer. Kinectrics will request the lawyer for an estimate on what the fees will be to complete the sale and/or purchase transaction. If Kinectrics finds the solicitor's estimate to be unreasonable, Kinectrics will ask the employee to recommend another solicitor to close the transaction.
- Legal fees and disbursements actually incurred in selling an old and buying a new residence will be paid by Kinectrics.
- Legal fees shall be defined to include fees for arranging or discharging a first mortgage when required and will include land transfer tax.

Disbursements shall be defined herein as those items paid by a lawyer on behalf of the employee for services in connection with the purchase or sale of the employee's residence including land transfer tax and land surveys when required, Ontario New Home Warranty Program if required for a new house, GST, and penalty costs to a maximum of three months' interest payments involved in discharging a first mortgage on the residence in the former location when required.

b) Referral Fees/Home Inspection

- Prior to commencing with the first house-hunting trip in the new location, the employee should contact Kinectrics to arrange for a real estate agent to assist with the purchase of his/her new principal residence. Kinectrics will ask the employee if he/she has a preferred real estate agent or ask the employee to select a Realtor from a list of qualified real estate agents provided by Kinectrics. Kinectrics will then contact the selected Realtor and refer the agent to the employee. When the employee purchases his/her new principal residence, the Realtor will pay a referral fee to Kinectrics.
- Providing Kinectrics receives the referral fee, when the employee is prepared to submit an offer to purchase on a property, Kinectrics will make arrangement for one home inspection at Kinectrics' expense. All offers to purchase should have a clause in the offer conditional upon the positive results of an inspection report. Any additional inspections for any reason will be at the employee's expense.
- Real estate brokerage fees charged by a real estate agency to the maximum standard recognized scale for services rendered in selling the employee's house shall be paid by Kinectrics.

Note: The changes identified above are not meant to take away the existing right of the employee to select the real estate agent or lawyer.

52.3.3 Transfer Expenses

A transferred employee is expected to make arrangements to move expeditiously but this should not exceed a period of one year from date of transfer, except where there is a

specific agreement between the employee and local management for an extension. The employee must provide in writing his/her intention to move to the supervisor, prior to receiving payment for any applicable living expenses. Reimbursement for actual costs incurred in the move will be allowed as follows:

- All employees who are eligible for moving expenses shall be afforded 12 weeks from the date the employee reports to work in the new location (i.e., date of transfer) to decide whether or not they wish to move. Payment of the following expenses is predicated on the employee maintaining his/her previous principal residence:
 - a) During this 12 week period, the employee shall have the option of either commuting to and from his/her new work location and receiving incremental travel expenses (i.e., additional travel costs beyond the employee's normal travel costs to the old work location), the total cost of which not to exceed living expense equivalent, or being paid living expenses in the new location. If the employee expressly indicates that he/she does not intend to relocate his/her residence, all expenses will cease at that time.
 - b) All expenses will stop at the end of the 12 week decision period unless the employee has provided in writing his/her intention to move within one year of date of transfer. Providing that the employee demonstrates to Management's satisfaction that arrangements to move with employee's family to the new location are being made as quickly as possible, the employee's living expenses in the new location or incremental travel expenses will be paid until such time as the employee moves or for a period not to exceed a further nine months. The time limits mentioned above may be extended by a specific mutual agreement between the employee and line management for a total period not to exceed two years from the date of transfer.
 - c) If an employee, after providing written notification of his/her intention to move fails to do so, all expenses paid on his/her behalf or travel expenses paid to him/her for any period beyond the initial 12 weeks from the date of transfer or the date of his/her written intent to move, whichever comes first, shall be repayable to Kinectrics. Repayment shall be made within one month of a written communication stating his/her intention not to move or within one year of date of transfer whichever comes first.
 - d) Exceptions to the repayment requirement should the employee fail to move may be made by reasonable exercise of the Company's discretion (e.g., for reasons of significant unforeseen life hardships, Kinectrics transfers, Kinectrics international assignments, etc.).
- Transportation to the new location and living expenses while in transit to the new location will be paid for the employee and family (spouse and dependent children) and any other dependents of the employee's household. A reasonable number of visits by the employee and family, to the new location to assist in the selection of a new principal residence will be paid at the discretion of Management.
- Living expenses of the employee and family during the period while household effects are in transit will be paid.
- Reasonable upkeep costs including mortgage interest on the old residence will be paid for a period of up to three months after the employee has moved to the new residence

but still retains title to the old residence due to an inability to sell. If closure of the sale is imminent, the period may be extended by up to six weeks.

- Time off with pay to a maximum of one day's base earnings if the day of the move falls on a normally scheduled working day.
- Employees may elect, subject to the negotiations of their availability through Business Unit Mid-Term Agreements (Article 7), to receive lump sum payments in lieu of the following:
 - ◆ temporary living expenses;
 - ◆ reimbursement for costs associated with return to residence headquarters;
 - ◆ benefits and expenses associated with house hunting trips;
 - ◆ temporary storage, etc.

52.3.4 Spousal Assistance

An employee will be reimbursed for his/her spouse's job search expenses, supported by receipts, up to a maximum of \$750.

52.3.5 Rental Assistance

An employee who transfers to a higher cost rental area and who rents comparable rental accommodation will be provided with rental assistance by Kinectrics as follows. The extent of this assistance will be the lesser of:

- a) the monthly rent in the old location multiplied by Kinectrics rental differential;

or

- b) the amount of the monthly increase in rent.

An employee who rents in the former location and purchases in the new location will be eligible for the equivalent of rental assistance as will the employee who conversely owns a home in the former location and rents in the new location.

Rental assistance will be provided for a five-year period, based on 100% assistance in the first year and decreasing by 10% annually over the next four years.

This assistance will cease if the employee transfers to a new work location, terminates his/her employment with Kinectrics, ceases to rent, retires or dies.

52.3.6 Rental Management Program

Upon request, Kinectrics will arrange for a rental management firm to rent an employee's house when he/she is expected to return within five years and will pay the costs associated with this arrangement if it is in Kinectrics' financial interests to do so.

52.3.7 Miscellaneous Expenses

Employees will be reimbursed for miscellaneous expenses associated with the move up to the limit of one month's salary based on normal scheduled hours of work. These expenditures are intended to cover items such as:

- cost of rental search assistance;
- costs incurred as a result of the move such as, cleaning, painting and decorating costs; adaptation, removal, installation or replacement of house furnishings and appliances;
- costs for connecting water, natural gas, and electricity to a new house if charged to the employee as purchaser.

Employees will not be reimbursed for capital expenditures which tend to increase the market value of a house, major house repairs or renovations.

52.4 Second Related Move

If a suitable residence is not available at time of transfer, an employee may rent temporary premises for up to one year. Under these circumstances, Kinectrics will reimburse the employee for costs incurred in accordance with all Sections of this Agreement for either one of the two moves. For the other move, only costs of transportation, moving household effects, and legal fees incurred will be paid.

52.5 On Retirement

52.5.1 (reserved)

52.5.2 If an employee is requested to undertake a change in work headquarters involving a change in principal residence, and is age 55 or older on the date of transfer, consideration shall be given to the reimbursement of some or all of the moving expenses of that individual upon eventual retirement from Kinectrics. The extent and terms of the assistance to be provided upon retirement will be determined at the time of transfer.

52.5.3 Only moving expenses within the Province of Ontario or to the nearest exit point from the Province will be eligible for consideration.

53 (Reserve)

54 (Reserve)

55 COMPENSATION WHEN ASSIGNED TO TEMPORARY WORK HEADQUARTERS

55.1 Intent

- a) When there is an assignment to a Temporary Work Headquarters, the employee and his/her supervisor must have a mutual understanding of the terms of the assignment prior to its commencement using the following provisions.

- b) Employees assigned to a Temporary Work Headquarters should not be separated from their families for exceptionally long periods of time due to work requirements and should be compensated for all reasonable out-of-pocket expenses and travel costs.
- c) When an employee is assigned to a Temporary Work Headquarters, the employee will normally remain at the Temporary Work Headquarters. If there is mutual agreement between the supervisor and employee to commute daily, then the employee may do so.
- d) Employees will be reimbursed for all reasonable out-of-pocket expenses associated with being assigned to the Temporary Work Headquarters.
- e) Employees will be reimbursed for any additional travel costs beyond their normal travel costs to their Regular Work Headquarters.
- f) Travel time on the first trip to, and on the last trip from, the Temporary Work Headquarters shall be either during normal scheduled hours or compensated in accordance with Article 58 (Travel Time) if outside normal scheduled hours.
- g) Selections for Temporary Work Headquarters assignments should not be made on the basis of travel cost considerations.

55.2 Definitions

"Regular Work Headquarters": The location to which the employee normally reports in order to receive work assignments or to perform regular duties.

"Temporary Work Headquarters": The location to which an employee is directed in order to carry out assigned duties away from Regular Work Headquarters.

"Periodic Return": The return to the employee's principal residence once every two weeks.

55.3 Compensation When Remaining at Temporary Work Headquarters (TWHQ)

- a) When the employee resides at the TWHQ and does not commute, the employee shall be reimbursed for all reasonable out-of-pocket expenses incurred while at the TWHQ.
- b) An employee who resides at the TWHQ will be allowed a periodic return once every two weeks.

The employee shall be reimbursed for travel costs associated with the periodic return for the distance between his/her principal residence and his/her TWHQ, less normal travelling costs. Travel time associated with periodic return, outside normal scheduled hours and in excess of one hour each way, shall also be compensated. Compensation will be either in equivalent time off, or in pay, at straight time rates. Time spent in obtaining a meal will not be compensated.

- c) On intermediate weekends, if the cost of remaining at the TWHQ would be less than the cost of a return trip, the employee may claim actual travel costs up to the cost of remaining at the TWHQ. If the cost of remaining at the TWHQ is greater than the cost of a return trip, the employee may be reimbursed for all travel costs incurred for a return trip on that weekend.
- d) For employees who reside in rental or leased accommodation at the TWHQ, cost of travel on intermediate weekends will be based on the lesser of a per diem rate based on the daily costs of normally used local hotel/motel accommodation (meals included) or actual travel costs (less normal travelling costs).

e) Travel time will not be paid for return trips to home on intermediate weekends.

55.4 If the temporary assignment appears to cause the employee to reside separately from his/her family for a long duration, and for long distances, i.e., more than 100 kilometers, the supervisor may permit the employee to rent accommodation for his/her family near the TWHQ. In this situation, the employee will be reimbursed for all reasonable out-of-pocket costs, including the difference in rent paid out in the temporary location and any rent received from the principal residence.

55.5 Compensation for Daily Commuting To, and From, Temporary Work Headquarters

a) When an employee and supervisor have mutually agreed that the employee may commute to the TWHQ on a daily basis, the employee shall be compensated for his/her travel time in accordance with the provisions of Article 58 ("Travel Time").

The use of a Kinectrics vehicle will be one of the commuting options considered.

If a Kinectrics vehicle is not used, the employee shall be compensated for his/her travel costs (i.e., public transportation costs or cents per kilometer, whichever, in the Supervisor's opinion, is the most reasonable considering the travel time and transportation expenses involved) in addition to his/her travel time.

The total amount of reimbursement for the employee's travel time and travel costs will be up to a maximum of the expenses that would have been incurred if the employee were to remain at the Temporary Work Headquarters (lodging and meals). In determining this maximum, consideration will also be given to the expenses that would have been incurred if the employee had used a Kinectrics vehicle.

b) When an employee commutes daily, he/she is required to be at the Temporary Work Headquarters at normal starting time and remain until normal quitting time.

Note: Where the planned duration of the assignment at a Temporary Work Headquarters is greater than one year, the employee will be eligible for full relocation assistance.

55.6 Exception

This Article does not apply to employees who on a daily or short-term basis may be required to work at a number of different work headquarters. In these cases, local management will determine the appropriate compensation treatment, but such compensation will not be less than that applicable to other employees under this Article.

55.7 Kinectrics agrees to establish a fund of \$10,000.00 in each year of the collective agreement to provide additional support to individuals required to be absent from home for more than 10 consecutive days in any given calendar year. The parties will define the specific details of the program.

PART XII - TIME WORKED OUTSIDE NORMAL HOURS

56 ON-CALL SERVICE

The following on-call service provisions shall apply:

56.1 Definition

On-call service is the requirement to be available outside normal work hours to meet unusual conditions, satisfy needs for assistance or direction, and return to work within a reasonable time, as specified by the supervisor. During the period of assignment, the staff member must be capable of responding. Normally, employees are not expected to be on call for a continuous, long-term period.

56.2 Payment

56.2.1 Compensation for on-call service is applicable in the following cases:

- a) there is a regular need for it (e.g. weekly, monthly, annually) and;
- b) the supervisor formally notifies the employee of the assignment.

56.2.2 The on-call service payment for any 16-hour period outside normal work hours is one half (1/2) hour of P1 pay at the reference point.

56.2.3 The on-call service payment for any 24-hour period outside normal work hours (i.e., Saturday, Sundays, statutory holidays and granted days) is one (1) hour of P1 pay at the reference point.

56.2.4 The maximum on-call service payment for a normal work week is five (5) hours of P1 pay at the reference point.

56.2.5 The on-call service payments specified above will apply only to the time periods as specified.

57 OVERTIME

Effective April 2, 2002 overtime hours up to 2 hours per day and up to 44 hour per week will be paid at straight time rates. (except for work on Saturday, Sunday or statutory holidays). This provision will be deferred until October 1, 2002 for MP2 rated employees in the Finance and IT. The provisions of the Burkett award (Appendix X11) continue to apply.

The following provisions shall apply to employees when assigned to work overtime.

57.1 The method of compensation, for authorized overtime, may be money or time off at the appropriate premium rate. The employee or the supervisor may propose the method of payment,

but it is the supervisor's responsibility to approve the method of payment most compatible with the unit's needs. Prior understanding between the supervisor and employee is desirable.

57.2 Day Workers

Overtime Worked	Overtime Hours	Rate of Payment
Monday to Friday	Authorized overtime beyond normal scheduled hours worked in the day to a maximum of two hours in a given day and to a cumulative maximum of six and one-half hours in a given week (Thursday to Wednesday excluding Saturday, Sunday and statutory holidays).	Straight time (T)
Monday to Friday	Authorized overtime beyond 2 hours beyond normal scheduled hours worked in the day or beyond a cumulative six and one-half hours in a given week (Thursday to Wednesday excluding Saturday, Sunday and statutory holidays).	Time and one half (T-1/2)
Saturday	Authorized overtime.	Time and one-half (T-1/2)
Sunday	Authorized overtime.	Two times (2T)
Statutory Holiday	Authorized overtime.	Monday to Friday: Two times (2T) for all unscheduled hours plus a Statutory Holiday credit. Saturday: Two times (2T) for all unscheduled hours worked.

57.3 Shift Workers

Overtime Worked	Overtime Hours	Rate of Payment
Scheduled Work Days	Authorized overtime beyond normal scheduled hours worked in the day.	Monday to Saturday: Time and one half (T-1/2) Sundays and Statutory Holidays: Two times (2T)
Scheduled Days Off	Authorized overtime on a normally scheduled day off.	Monday to Saturday: Time and one-half (T-1/2). Sunday: Two times (2T). Statutory Holidays (Monday to Friday): Two times (2T) plus a Statutory Holiday credit for hours worked up to normal hours for the day. Statutory Holiday (Saturday): Two times (2T).

57.4 For OSS staff required to work overtime and supervise staff receiving a higher overtime rate than that paid under Sections 57.2 and 57.3 above, the treatment shall be as follows: OSS staff receive two times their base hourly rate for all work, as described above, performed outside the first four clock hours after normal quitting time, Monday to Friday, and for all such work performed on Saturday.

57.5 In addition to employees covered under Subsection 57.4, employees who are directly involved in the operation, maintenance or construction of production, transmission or distribution facilities (exclusive of head office staff) and who directly supervise or work beside PWU employees will be compensated with the equivalent to PWU overtime premiums for all overtime worked, including the minimum payments received by PWU staff for both emergency and scheduled overtime. Employees work beside PWU employees if, as a regular part of their job, they are required to work with PWU staff on essentially the same job, under the same general conditions, and their presence at site for the overtime in question is necessary for task progress.

Employees may be designated as eligible under the above on an ongoing basis or on an assignment by assignment basis at the discretion of Kinectrics.

57.6 Recording Overtime

Management shall record assigned and paid overtime and will report the same to The Society every 6 months.

58 TRAVEL TIME

The following provisions shall apply to employees who are required to travel on business for Kinectrics–

58.1 General

Most traveling time outside of normal hours is an inherent part of many jobs, for which no additional compensation is normally made. Exceptional circumstances will be reviewed on a case by case basis in accordance with Article 58.2.

58.2 Excessive Travel

a) It is recognized that in some situations travel may be excessive. In these cases, the preference is for the supervisor and the employee to arrive at a mutual agreement as to what constitutes “excessive” and what method of compensation is most appropriate. This determination shall be based on the following considerations:

- The amount of travel time that is required (hours per day, week and month)
- The choice of travel options
- The cost of travel choice/options
- The time above and beyond the employee’s normal travel time between home and normal work headquarters
- The purpose of the travel
- The extent to which travel costs are “billable”
- The extent of disruption to personal schedules or family activities
- The desire to compensate for travel time with time off
- Internal relativity with other employees

Where there is no mutual agreement, all travel time outside regular working hours in excess of 2 hours in one day shall be compensated at straight time.

b) When an assignment requires departure from the employee’s home the night before, or on a regular day off, time spent in travel will be compensated at straight time.

58.3 Emergency Overtime Work

Non-Prearranged Overtime Work: Travel time will be paid at the appropriate overtime rates for any work outside and in addition to normally scheduled hours for which there has been no pre-arrangement and an extra trip is required. Notification for prearranged overtime must be given at least 24 hours in advance of the start of such work.

58.4 Attendance at Seminars, Conventions, Etc.

a) When an employee attends a convention, seminar, training course, or similar function at his/her own request and does not arrive at the destination or depart from it until after normal work hours, no additional time allowance will be paid, i.e., this travel time will be considered as part of the employee's contribution to attendance at a mutually benefiting function of this nature.

b) Where Kinectrics directs an employee to attend a convention, seminar, training course, or similar function, travel time will be compensated at straight time.

58.5 Flexibility

Variations to the provisions of this Article made by agreement between the supervisor and the employee are permitted, subject to VP/GM approval.

59 SHIFT WORK

59.1 Definitions

Shift: All scheduled hours of a shift are considered to occur in the calendar day that the shift ends.

Scheduled Work: The hours of work assigned as per the shift schedule. Scheduled work cannot include overtime.

Positive/Negative Time Balances: Total hours accumulated in a time bank less the product of the normal scheduled hours of work for the position times the number of weeks since the time bank was previously balanced to zero. The result may be positive or negative.

59.2 Shift Workers

Consultation with The Society will occur prior to implementation of any future change to scheduled hours. Hours of Work will not be changed as a result of this Article.

Some jobs are shift work jobs. Management reserves the right to put incumbents in these jobs on shift.

The job evaluation plan used to evaluate M&P jobs will be used as the vehicle to determine the relative worth of M&P shift positions within the shift family of jobs, and to establish appropriate relativity between positions in this family and other non-shift M&P positions.

The requirement to obtain and maintain a license(s) to hold a shift position shall be identified in the job document (description and specification).

The number of personnel provided per shift position shall be such that no regularly scheduled overtime will be required. Due to the nature of Kinectrics' operations, it may be necessary for employees on shift to work some overtime.

Management shall retain the right to place employees in shift positions for training and development purposes provided that the implications of possible classification changes on completion of the shift development phase are fully identified to the incumbent before the shift position is accepted.

Management shall provide an opportunity for input from employees prior to establishing shift schedules.

Management will use reasonable efforts to provide a minimum of seven (7) days' notice for shift workers when their hours of work, as shown on the regular schedule, are to be changed, except in the case of a forced unit outage or for reasons of equipment failure or safety. Management will use reasonable efforts in revising the regular schedule so as to provide the following minimum hours off between shifts:

- a) Shift change notices between 12-hour shifts will provide at least 12 hours off.

- b) Shift change notices from a 12 hour shift to an eight hour shift will provide at least 12 hours off.
- c) Shift change notices from an eight hour shift to a 12 hour shift will provide at least 15 hours off.
- d) Shift change notices between eight hour shifts will provide at least 15 hours off.

59.3 Shift Allowances

a) Shift Premiums

- Shift work on Saturdays and Sundays: 47.5% of the P1 salary band reference point rate per hour worked.
- Shift work on statutory holidays: 95% of the P1 salary band reference point rate per hour worked.

The statutory holiday shift premium shall be paid on an actual hourly-as-worked basis.

b) Shift Differentials

- For work on an 8-hour afternoon shift (16:00 – 24:00 hours) - \$0.70 per hour worked
- For work on an 8-hour night shift (00:00 – 08:00 hours) - \$0.95 per hour worked
- For work on a 12-hour night shift only - \$1.10 per hour worked.

59.4 (reserved)

59.5 Ten Hour Shifts

Kinectrics may assign employees covered by this Article to 10-hour shifts, without a vote. The following conditions shall apply:

a) Notice

Management will use reasonable efforts in revising the regular schedule so as to provide the following minimum hours off between shifts:

- i) Shift change notices between 10-hour shifts will provide at least 12 hours off.
- ii) Shift change notices between a 10-hour shift to a 12-hour shift or vice versa, will provide at least 12 hours off.
- iii) Shift changes notices from a 10-hour shift to an 8-hour shift or vice versa will provide at least 15 hours off.

b) Shift Differential

- First shift – 06:00 – 18:00 hours - no shift differential
- Second shift – 14:00 – 02:00 hours - \$0.80 differential per hour worked

c) Shift Premium

- Shift work on Saturdays and Sundays – 47.5% of the P1 salary band reference point rate per hour worked.
- Shift work on statutory holidays - 95% of the P1 salary band reference point rate per hour worked.
- The statutory holiday shift premium shall be paid on an actual hourly-as-worked basis.

d) Special Circumstances

Collective Agreement provisions for time off shall apply except as modified for the following Special Circumstances;

On 10-hour day/shifts the following items will be credited for pay purposes on an hour-for-hour basis:

- i)** Vacation
 - ii)** Floating Holidays
 - iii)** Sick Leave
 - iv)** Leave of Absence/Unpaid Time Off
 - v)** Travel Time
 - vi)** Medical and Dental Consultation - Periods of less than four hours shall not be deducted from sick leave credits.
- a)** In the application of the above-noted items (i) (ii) and (iii), a “days” entitlement will mean eight hours, i.e. a 10-hour day/shift will constitute one day and two hours deducted from credits.
 - b)** When an employee is scheduled to work a 10-hour day/shift and one of the under-noted conditions occurs, a “day” will be considered to be 10 hours.
 - i)** Jury duty and attendance at court
 - ii)** Funerals
 - iii)** Moving Day
 - iv)** Time Charges for Attendance at Delegates’ Council and meetings of The Society’s Board of Directors.

59.6 Periodic Shifts for Non-Shift Workers

- 1)** Periodic shifts for non-shift employees shall be allowed to mirror shifts created under PWU "periodic shift" agreements in force at the time of settlement, when The Society employee(s) provides direct supervision or technical support (including inspection/testing) alongside such PWU-represented employees for:
 - a)** field settings
 - b)** laboratory settings.

- 2) In the circumstances described in paragraph 1, above, an employee shall be assigned to periodic shifts for a maximum of 60 working days per fiscal year in the aggregate under applicable shift provisions of the Collective Agreement including normal shift differentials and premiums.
- 3) This Article does not alter existing local Agreements in force at the time of settlement, including Agreements reached pursuant to Article 72, and modifications of the provisions of paragraphs 1 and 2 are negotiable as local Agreements pursuant to Article 7.
- 4) The JSMC may review the application and operation of this Article prior to the end of the Collective Agreement.

60 (reserved)

61 COMPENSATION AND WORKING CONDITIONS - 12-HOUR SHIFT SCHEDULE

The following provisions apply to employees who work a 12-hour shift schedule.

61.1 General Provisions

- 61.1.1 The 12-hour shift schedule will average the regular scheduled hours per week for employees and will indicate the days and hours of work (shift) for each employee. Payment will be determined in accordance with this Article and as outlined elsewhere in Article 59 ("Shift Work (M&P & OSS)").
- 61.1.2 The implementation of 12-hour shift work will be on the understanding that its application will not result in any appreciable increase in cost to Kinectrics.
- 61.1.3 Kinectrics or The Society Board of Directors shall have the right to terminate 12-hour shift work. Written notice must be provided by the Company to The Society President or vice versa.
 - a) If the notice is two months prior to the end of the current schedule, 12-hour shift work will terminate at the end of the current schedule. Reason(s) for termination will be provided by the respective party.
 - b) The 12-hour shift schedule may be cancelled immediately by Kinectrics should any of the following be adversely affected: safe operation of plant; health of shift workers; public safety.

Appendix I to this Article provides further information about the 12-hour shift monitoring criteria for Kinectrics.
 - c) When employees have exercised the right to opt out of time-balanced 12-hour shift work, no new 12-hour shift work may be introduced for those employees without the mutual agreement of local management and the local Society Unit Director.
- 61.1.4 All policies and agreements which normally apply to employees will continue to apply unless specifically stated otherwise in this Article.

61.2 Shift Differential

A shift differential of \$1.10 per hour worked will be paid to 12-hour shift employees for each night shift hour worked, in accordance with Article 59.3 (“Shift Work (M&P & OSS Staff”).

61.3 Shift Premium

Hourly shift allowances shall be paid to Society-represented shift workers, for hours worked as follows:

Shift work on Saturdays and Sundays	47.5% of the P1 salary band reference point rate per hour worked.
Shift work on statutory holidays	95% of the P1 salary band reference point per hour worked.

The statutory holiday shift premium shall be paid on an actual hourly-as-worked basis.

61.4 Overtime

61.4.1 Authorized overtime beyond 12 hours of work on scheduled workdays Monday to Saturday inclusive and all hours worked on scheduled days off Monday to Saturday inclusive shall be compensated in accordance with the overtime provisions of this Agreement.

61.4.2 Authorized overtime beyond 12 hours of work on scheduled workdays which are Sundays or statutory holidays and all hours worked on scheduled days off which are Sundays or statutory holidays shall be compensated in accordance with the overtime provisions of this Agreement.

61.5 On-Call

On-call service payments will not be applied to those employees on the Minimum Availability Requirement (MAR) list (see Section 61.8).

61.6 Special Conditions

61.6.1 The following items will be credited for pay purposes on an hour-for-hour basis:

- a) Vacation
- b) Floating Holidays
- c) Sick Leave
- d) Time Off Without Pay
- e) Travel Time
- f) Medical and Dental Consultations – Periods of less than four hours shall not be deducted from sick leave credits.

- 61.6.2** In the application of the above-noted items (a), (b) and (c), a reference under the current provisions of this Article to a “day’s” entitlement will mean eight hours. Therefore a 12-hour shift will constitute one and one-half days deducted from credits.
- 61.6.3** When an employee is scheduled to work a 12-hour shift and one of the under-noted conditions occurs, a “day” will be considered to be 12 hours.
- 61.6.4** Jury duty and attendance at court.
- 61.6.5** Funerals.
- 61.6.6** Moving Day.
- 61.6.7** Time Charges for Attendance at Delegates’ Council and meetings of The Society’s Board of Directors.
- 61.7** The basic statutory holiday and special time off provisions remain unchanged in that time off and pay entitlements will continue to be calculated on an eight-hour basis.
- 61.8 Minimum Availability Requirement (MAR) List**
- 61.8.1** In order that a sufficient number of shift employees are on duty to maintain and ensure a continuous operation at any Department utilizing 12-hour shifts, a MAR List will be prepared.
- 61.8.2** A sufficient number of employees, by job classification and qualifications, will be determined by Kinectrics. Employees will volunteer their willingness to be called in to work in this situation, by placing their name on the MAR List under the day(s) they wish to be called. If there are no volunteers, Kinectrics reserves the right to assign employees to the MAR List. Employees will not be placed on the MAR List who are scheduled to work on an adjoining shift.
- 61.8.3** An employee on the MAR List agrees to be available during the Required Availability Period (RAP), to report to work to cover short-term absence. The RAP is the period of time commencing two hours prior to each shift change and ending one hour after each shift change.
- 61.8.4** If an employee whose name is on the MAR List cannot be available for the specified day(s), the employee must arrange for a substitute acceptable to Kinectrics, whose name then would be added to the MAR List.
- 61.8.5** Volunteering or being assigned to the MAR List for RAP periods does not entitle the person to any compensation, i.e., on-call pay, etc., nor does it guarantee that overtime will result.
- 61.8.6** In the event that an employee is called to work from the MAR List, he/she will be entitled to overtime premium rates (outlined in Section 61.4) for all hours worked.
- 61.9** Time-balanced 12-hour shift work will be introduced in a Kinectrics Department when the following conditions are met:
- 61.9.1** More than fifty percent (50%) of employees who vote in that Department must vote in favour of 12-hour shift work.

- 61.9.2** More than fifty percent (50%) of all eligible shift workers who vote in that Department must vote in favour of the 12-hour shift work.
- 61.9.3** The vote will be determined by a secret ballot scrutinized jointly by appointees of Kinectrics and The Society Board of Directors.
- 61.9.4** Employees eligible to vote are those employees normally assigned to shift and may include Shift Supervisors, Shift Supervisors in Training, Shift Operating Supervisors, Shift Maintenance Supervisors and Shift Mechanical/Service Maintenance TMS/TS.
- 61.9.5** Although the content, preparation, costing and administration of shift schedules is the sole responsibility of Kinectrics, the preference of the majority of shift workers in a station/department/plant for a particular basic type of schedule will be considered. Such preferences must be made known to Kinectrics four months in advance of the starting date of the new schedule. Master Schedule Guidelines are attached as Appendix II.
- 61.9.6** Supernumerary Shifts while working on the 12-hour shift schedule will be 0800 – 1600.
- 61.9.7** Three supernumeraries can be exchanged for working two 12-hour regular days off. Supernumeraries can be shift changed to shift crews on a 3:2 supers to shift crew basis.
- 61.9.8** When a regular shift commences before midnight and continues after midnight, all hours during the continuous shift shall, for pay and time balance purposes, be recorded and treated as if they occurred during the calendar day in which the shift ends.
- Exception: The statutory holiday shift premium shall be paid on an actual hourly-as-worked basis.
- 61.9.9** Shift workers with a plus or minus four hours time balance assigned to day work or shift for an indeterminate period of time may be required to take off or work a four-hour period respectively, but no payments, premium or otherwise, will apply to such time worked as an extension of a normal eight-hour day to resolve a minus time balance.
- 61.9.10** For the day on which an election occurs and up to three days before and after, all employees on a 12-hour schedule will be changed to an eight-hour schedule unless joint agreement is reached to do otherwise.
- 61.10** Twelve-hour shift work may be introduced in other locations when the following conditions are met:
- 61.10.1** If local management determines that a 12-hour shift work arrangement is appropriate, a vote will be held in the affected work unit(s).
- 61.10.2** More than 50% of those eligible to vote in the work unit(s) must vote in favour of 12-hour shift work.
- 61.10.3** The vote will be determined by a secret ballot scrutinized by the appointees of Kinectrics and The Society.

APPENDIX I**12-Hour Shift Monitoring Criteria**

Non-Public Safety
Employee Health
Employee Safety
Employee Attitude
Attrition
Overtime Availability
Insufficient Notice for Shift Change
Operating Error
Productivity
Shift Turnover
Cost

APPENDIX II**Master Schedule Guidelines**

- 1.0 All work groups must follow the same schedule.
- 2.0 An excessive number of 12-hour shifts cannot be worked in sequence. Three would be the maximum for nights; four would be the maximum for days.
- 3.0 At least 48 hours off will immediately follow each sequence of shifts. At least two regular days off will be schedule in each week.
- 4.0 Time balances should cycle between +36, with an additional +4 hours as an exception.
- 5.0 Other specific rules in Section 61.9 of the Article should also be noted.

Note:

1. Supernumerary shifts will be worked between the hours of 08:00 and 16:00. These shifts will be spread evenly throughout the year except for July and August. Supernumerary shifts will only be scheduled in July and August if required for outage schedules.
2. For hours actually worked by an individual the following implementation rules apply:

- 2.1 Maximum of 3 night shifts in a row, except for MAR list needs.
- 2.2 A minimum of 48 hours off per pay period, except for MAR list needs.

62 SHIFT TURNOVER

62.1 A shift turnover allowance will be paid to employees who have been authorized to perform shift turnovers, based on the criteria in Sections 62.2 and 62.3.

62.2 Only one person will be paid for each shift turnover, either the incoming or the outgoing shift, but not both.

62.3 Rights to overtime are waived in favour of the above allowance when performing normal shift turnovers. The exception to this is in cases where the turnover is 30 minutes or longer due to unusual circumstances. In such cases all time beyond normal working hours will be compensated according to the overtime provisions of this Agreement in place of the allowance.

63 (reserved)

PART XIII - WORKING CONDITIONS

64 ADVERSE IMPACT/CHANGE OF EMPLOYER

64.1 Scope

This Article will apply to all employees except temporary employees, and takes precedence over other provisions of this Collective Agreement with regard to vacancies and job placements unless otherwise specified. Article 34 describes the entitlements for temporary employees. Employees on leave (e.g. LTD) or on foreign assignments will be neither advantaged nor disadvantaged upon return from the leave.

64.1.1 Preference for Regular Employees

Surplus regular employees will be retained in preference to temporary employees under the following conditions:

- within the same Unit of Application;
- where the regular employees are qualified to perform the work and are able to perform the job within a reasonable period of time given the length of the assignment;
- where the work is normally performed by Society-represented employees.

Therefore, when there are both regular and temporary employees within the same Unit of Application and a surplus arises, the surplus regular employees will be retained over the temporary employees, if the conditions above are satisfied.

In situations where there are surplus regular employees, they will be used in preference to temporary employees, if a temporary requirement arises and if the above conditions are satisfied.

64.1.2 Grievability/Arbitrability

Employees may use the grievance/arbitration procedure to appeal decisions of the joint teams referred to in this Article if they believe they have been treated unfairly. JRPT decisions and processes are grievable. It is expected that the parties will support their decisions and recommendations. This is not intended to prevent the parties from jointly agreeing to change their decisions and recommendations. The recommendations and decisions by other Joint Redeployment Planning Teams and other Joint Reasonable Offer Teams are without prejudice and cannot be used as precedents in grievance arbitration. Any agreements reached by the JSMC within the scope of Article 64 are neither grievable nor arbitrable.

64.2 Preamble and Principles of Operation

It is intended that the parties will make their best efforts to interpret, apply and administer the provisions of this Article to reflect a balance among the principles set out below and throughout this Article.

Employment continuity is an element in sustaining a work climate that supports a high level of employee commitment, performance and job satisfaction. The following principles reflect our underlying values and beliefs and provide the direction on which this Article is founded:

- 64.2.1** Career change should be expected and viewed positively.
- 64.2.2** Individuals are responsible for their own career decisions and should be involved in developing options affecting their careers.
- 64.2.3** Kinectrics and The Society recognize the value of retaining, utilizing and enhancing the asset of employee skills and abilities.
- 64.2.4** Employment continuity issues will be discussed openly and employees and their representatives should be involved in these discussions as early as possible.
- 64.2.5** Employees will be provided with access to opportunities for learning and development and will take a proactive role in their development to prepare for the future.
- 64.2.6** It is in the best interests of both our customers and our employees for Kinectrics to be a viable and healthy business entity.
- 64.2.7** Employment continuity policies must reflect a balance between the fundamental interests of Kinectrics and its employees.
- 64.2.8** Employees will be treated fairly and with respect and dignity.
- 64.2.9** Kinectrics and The Society recognize that there will be competing individual interests and will structure redeployment strategies which will minimize the occurrence of that competition and its negative impact.
- 64.2.10** A commitment to effective short and long range planning is critical to employment continuity.
- 64.2.11** For a JRPT to operate effectively and efficiently, it is important that it be provided with a pre-determined organizational structure and adequate/appropriate resourcing.

64.3 Definitions

- 64.3.1** "BASIC SEARCH/NOTICE PERIOD" shall mean a period of 24 weeks for employees hired prior to April 2, 2002 and one month for employees hired after that date.
- 64.3.2** "CONSENSUS" shall mean an agreement on a given issue that all parties to the agreement can live with and publicly support.
- 64.3.3** "DECLARED SURPLUS" shall mean that the employee has insufficient seniority and/or qualifications to be matched to an ongoing position that is deemed to be a reasonable offer in his/her unit of application.
- 64.3.4** "EMPLOYMENT CONTINUITY" shall mean the obligation on Kinectrics' part to provide opportunities and options to maintain productive and rewarding employment within Kinectrics and in the event that such opportunity is not available, to provide fair and reasonable employment adjustment and terms and

conditions for departure. It is an obligation on the part of the employee, The Society and Kinectrics to actively participate in the redeployment process.

64.3.5 "INCUMBENCY" is a concept that a JRPT may use as a part of its redeployment process. The JRPT may identify an employee as an incumbent only if the position meets the following criteria:

substantially unchanged duties and responsibilities⁵;
unchanged hours of work;
unchanged salary grade.

64.3.6 "LATERAL POSITION" shall be as defined under Article 66.1 a) "Lateral Transfer"

64.3.7 "PROMOTION" shall be as defined under Article 66.1.

64.3.8 "QUALIFIED" shall mean having the qualifications and experience required to perform the job within a reasonable period of time, normally not expected to exceed six months.

64.3.9 "SENIORITY" shall mean all prior service with Ontario Hydro, OPG and Kinectrics regardless of breaks in employment, employee category and/or bargaining unit/ representational status. Regular employees who currently work reduced hours or have done so in the past, will have such service calculated as if it were full-time. In the event that a contractor is determined to be dependent, service shall be counted from the date of a declaration of dependent contractor application to the OLRB or the date of joint agreement between Kinectrics and The Society regarding contractor status.

64.3.10 "SERVICE" for the purpose of calculating severance shall mean the employee's Established Commencement Date (ECD) and does not include any external experience credits. Employees who have received severance pay under this Article shall not be entitled to the service used to calculate previous severance pay in any future employment with Kinectrics.

64.3.11 For employees hired prior to April 2, 2002, "SERVICE BASED SEARCH/NOTICE PERIOD" shall mean a search/notice period based on the surplus employee's Service Recognition Date (SRD) plus External Experience Value (EEV)

For employees hired after April 2, 2002 with 5 years or more service, "SERVICE BASED SEARCH/NOTICE PERIOD" shall mean a period of 2 months. "SERVICE BASED SEARCH/NOTICE PERIOD" does not apply to employees hired after April 2, 2002 with less than 5 years service.

64.4 Notification and Involvement of The Society

64.4.1 Principle of Prior Involvement

Prior to making final decisions on significant organizational or operational changes that have an adverse impact on the employment continuity of Society-

⁵The operational meaning as determined by the JRPT.

represented employees, Kinectrics will establish a team in a timely manner which will include representatives appointed by The Society. The team will examine how the organizational or operational change will be implemented and will strive to develop mutually acceptable recommendations in a timely manner for the appropriate level of Management based on this examination.

64.4.2 Application

This Article will apply where there is an adverse impact or change of employer as defined below.

64.4.2.1 Adverse Impact

In the event that a business decision has an adverse impact on the employment continuity of Society represented staff, The Society will be notified as soon as possible.

An adverse impact may arise due to organizational and operational changes that include technological changes, workload changes, and business process re-engineering, company closure and all other circumstances where the numbers of Society represented employees are reduced and/or positions with incumbents are either eliminated or significantly changed (e.g. a change to job duties and/or skills/qualifications and/or rate as covered in the job document).

64.4.2.2 Change of Employer

- (i) This Article shall apply to any sale, lease, transfer or any other transaction between the Company and any other entity, by virtue of which the ownership or control over any part of the Company's business or assets becomes held by such other entity and some or all of the Company's employees become employees of a new employer as part of the commercial transaction.
- (ii) The company recognizes the importance of securing for employees an opportunity for continuing employment with a new employer and is committed to securing such opportunity for employees in a business or asset to be decontrolled.

In addition to Article 11, the Company further agrees that it shall provide in writing to The Society at the earliest possible time prior to the transaction, but in any event at least sixty days before the transaction closure, all available information relating to the new employer that is relevant to employees to the extent that circumstances reasonably permit. The Society agrees that confidentiality will be maintained.

64.4.2.3 Company Closure

- i. This Article shall apply to determine the notice and severance payments due and payable to each employee on the last scheduled payment of wages preceding closure of the company.
- ii. The company recognizes the importance of providing employees with as much notice as possible where closure is scheduled to take place and as such the company agrees at its discretion to provide employees with reasonable time off after such announcement to secure future employment.
- iii. The company agrees that it shall provide in writing, to the Society, at the earliest possible time prior to the closure, but in any event at least sixty (60) days before the scheduled closure, all available information relating to the closure of the company. The Society agrees that confidentiality will be maintained as required.

64.4.3 Involvement

The Society will be involved in all decisions respecting how Society represented employees are treated with respect to this Article.

There are three levels of involvement. They are as follows:

a) Joint Consultation

Kinectrics and The Society will discuss the issue and attempt to reach a jointly acceptable course of action.

Failing an agreement, Kinectrics will make the final decision.

b) Joint Recommendation

Kinectrics and The Society will attempt to reach consensus on an issue which will form the basis of a recommendation to senior management.

In the event a consensus is not reached, outstanding issues will be submitted by either party to a standing arbitrator.

c) Joint Decision

Kinectrics and The Society are obliged to reach an agreement on the issue.

64.4.4 Voluntary Surplus

In circumstances where Management is aware that job loss may occur, Management in its discretion may agree to make a voluntary termination option to an employee(s) in the affected department. In such cases, the following sequence shall apply:

- 1) Management will make available a voluntary separation option to employees eligible for an undiscounted pension with a retirement allowance of 52 weeks.

- 2) Other employees who voluntarily terminate, will be entitled to their own entitlement for search notice and severance, plus an additional week of severance for each completed year of service, to a maximum additional payment of 26 weeks' pay. The combined total of the employee severance entitlement, plus the additional week under this Article cannot exceed 78 weeks.

64.5 Set Up Joint Redeployment and Planning Team

Kinectrics shall decide the organizational structure required.

Kinectrics and The Society will appoint an equal number of representatives to the Joint Redeployment and Planning Team. This team will develop a redeployment plan which minimizes to the extent possible, the effect on and number of employees to be declared surplus, consistent with the need to carry out Kinectrics' work and be responsible for overseeing its implementation. The team is also responsible for communications to affected staff. The Joint Redeployment and Planning Team will develop its recommendations/decisions by consensus using problem solving techniques.

Senior Management shall meet to discuss with the Joint Redeployment and Planning Team the number and type of positions that will no longer be required.

64.6 Joint Planning - Responsibilities of the JRPT

- a) The Joint Redeployment and Planning Team will prepare a report including decisions with respect to:
 - (i) The Unit of Application for identification of surplus staff;
 - (ii) The name of the standing arbitrator and outline of arbitration process;
 - (iii) The process and strategies used for redeploying staff within the Unit of Application;
 - (iv) The preparation of seniority lists and identification of surplus staff;
 - (v) Identification of separation incentives for the purpose of minimizing involuntary terminations.
 - (vi) Determining the time table for surplus employees to leave the company that is reasonable under the circumstances.
- b) Respond to questions and grievances related to its process and decisions.
- c) Ensure that purchases services contracts are reviewed by Kinectrics throughout the redeployment process.
- d) Appoint JROT members.

64.6.1 Unit of Application

64.6.1.1 Definitions

Unit of Application shall mean the organizational unit in which seniority and the identification of surplus staff shall be administered.

- 64.6.1.2** For the purposes of Article 64.6.5 the two Units of Application will be Operations (Businesses) and the Centre (balance of Kinectrics).

64.6.2 Process for Staff Changes - Mix and Match

The Joint Redeployment and Planning Team will develop the mix and match procedures to fill positions in the new organizational structure from employees within the Unit of Application. The intent is to sort employees within the Unit of Application among the jobs in the new organization on the basis of qualifications and seniority. In the event there are no qualified employees from the Unit of Application, the positions will be advertised in accordance with Article 65.

JRPTs are expected to keep accurate records of the reasons for deeming employees not qualified. Upon request, the employee will be provided with the written reasons for being deemed not qualified.

64.6.2.1 Mix and Match Rules

- 1) No promotions, i.e., only laterals or demotions are permitted in a mix and match process. (Note: Exceptions are described in 64.6.2.1 (11) and 64.6.3).
- 2) Applies within the affected Unit of Application.
- 3) The process must be open and participatory and involve individual employees in planning and an agreed-upon form of posting within the Unit of Application.
- 4) In the event there are more qualified candidates than positions available in the new organization, then the most senior of the qualified candidates will be selected to fill the positions.
- 5) If a job offer is found to be unreasonable by the Joint Reasonable Offer Team, then the JROT will re-examine the match. If no reasonable job is available, then the employee will be declared surplus with full entitlements.
- 6) Employees who accept a lower-rated position or who experience a reduction in hours of work as a direct result of Mix and Match will be entitled to the provisions of 64.9 "Salary Maintenance".

7) Pregnancy Leave and Paid Parental Leave

The employee should be treated as though he/she is at work.

8) Other Leaves/Absences

- If the return date is known and it will occur during the Mix and Match (or shortly thereafter), the JRPT should normally include the employee in the Mix and Match.

- If the employee's anticipated return date is not shortly after the conclusion of the Mix and Match, he/she would not normally be included in the Mix and Match. His/her employment continuity rights would be exercised upon his/her return.
- Where an employee is not included in the Mix and Match, the JRPT needs to determine whether the position held by that employee prior to the start of the leave/absence will be included in the Mix and Match.

The JRPT should consider each circumstance on a case-by-case basis, considering such things as the employee's availability to participate.

9) Out-of-Province Assignments

Refer to 6.4 "Employment Continuity during Temporary Out-of-Province Assignments".

10) Temporary Assignments/Rotations

Normally, employees will exercise the redeployment rights applicable to their regular positions. Exceptions:

There will be a local joint review with respect to the duration of an assignment where it is greater than two years and is outside The Society's jurisdiction.

At the outset of the assignment, the employee will be advised of his/her rights with respect to Employment Continuity as described below:

- For assignments of two years or less, the employee will return to The Society's jurisdiction for redeployment.
- For any portion of an assignment beyond two years, the employee will remain in the jurisdiction of the assignment position for the purpose of exercising redeployment rights.

Employees whose regular positions are outside of The Society's jurisdiction but who have been acting in positions within The Society's jurisdiction for at least two years continuously *and* who can demonstrate a severe disadvantage by returning to their regular position will be allowed to exercise redeployment rights within The Society's jurisdiction. These situations will be reviewed on a case-by-case basis by Kinectrics and The Society.

11) Employees Previously Demoted via Article 64

An employee previously demoted through the application of Article 64 is eligible for consideration at up to his/her previous higher level during a subsequent Mix and Match subject to the following:

- The subsequent Mix and Match (i.e., upon approval of the report) must occur within two years of the date that the employee reported to the lower-rated position.
- Displacement of another employee at a level higher than their current level is not permitted.

12) Promotion-in-Place Programs (PIP)

- a) Employees in a PIP will be retained in their PIP (should it continue to exist) based on seniority, subject to item (d) below.
- b) Employees in non-PIP positions or in other PIPs will be considered for PIP positions subject to the following:
 - i) for lateral or lower-rated levels of the PIP only;
 - ii) must be minimally qualified at the entry level of the PIP;
 - iii) able to achieve the terminal level of the PIP;
 - iv) placement is based on seniority.
- c) Employees in a PIP position will be considered for non-PIP positions for which they are qualified, subject to the following:
 - i) considered for lateral or lower-rated positions;
 - ii) placement is based on seniority.
- d) Kinectrics may determine a minimum number of employees qualified at the terminal level of the PIP at an appropriate work unit level (e.g., Business, Department, Section).

64.6.2.2 Available Options if Employee Refuses a Job Offer

The following options will be made available to an employee who rejects an offer that is upheld by the Joint Reasonable Offer Team (refer to 64.8.2) as reasonable. The affected employee must, within 48 hours of being advised of the decision, choose between the options made available by the Joint Redeployment and Planning Team. The options are:

- a) Accept job offer; or
- b) Confirm refusal and terminate. In a Change of Employer situation, employees will terminate in accordance with 64.6.4 (iv) or 64.6.4 (ix).

Exception: Employees who have been demoted as a result of the direct application of Article 64 and who, in a subsequent mix and match, face a demotion again due to the direct application of Article 64 will be allowed to choose between accepting the demotion or being declared surplus with full entitlements in 64.6.5 (iv) 8. They will not be required to submit to the JROT process.

64.6.2.3 Refusal of an Incumbent Position

Where an employee has been declared to be an incumbent to a position by the JRPT, he/she will not be entitled to file a challenge with the JROT in relation to the incumbent position. If the employee does not accept a match to his/her incumbent position, he/she may be deemed by Management to have voluntarily terminated his/her employment with Kinectrics.

64.6.3 Identification of Surplus Employees

The Joint Redeployment and Planning Team will compare the seniority of employees performing work which requires substantially the same qualifications and experience. In addition the team will compare the qualifications and experience of displaced employees with the qualifications and experience required by lateral or lower rated positions in the Unit of Application and retain the most senior at that level in descending order. Through this process the Joint Redeployment and Planning Team shall decide by consensus which employees within the Unit of Application have greater seniority and shall be retained to fill the ongoing positions and which employees have least seniority and shall be declared surplus subject to (a) and (b) below.

Seniority rights apply to lateral and lower rated positions but are not applicable to higher rated positions. The exception to this can occur where there are essentially no lateral or demotional positions with respect to which an employee can exercise his/her Employment Continuity rights and where the JRPT believes there are reasonable opportunities for promotion. The JRPT will identify the individual employee(s) or categories of employees facing these circumstances and the positions or categories of positions that represent promotional opportunities.

Employees who are not supervisors shall not exercise their seniority and displace supervisory employees with respect to supervisory positions unless they have supervisory qualifications. Employees who are not Department Managers shall not exercise their seniority and displace Department Manager employees with respect to Department Manager positions unless they have Department Manager qualifications.

Employees on a developmental salary scale who have not yet reached 70% of the P1 band will not normally have their seniority considered with employees on the

P1 band. The Joint Redeployment and Planning Team may decide on exceptions when developmental employees have achieved at least 67% of the P1 band and have greater seniority than entry level employees on the P1 salary band or where the developmental salary steps are being used as a salary bridge for Kinectrics employees selected to entry level P1 positions.

Employees from outside of the bargaining unit shall not displace Society-represented employees.

a) Viability of the Work Unit

If the ability of the organizational unit to adequately perform its functions is placed in jeopardy by the application of seniority, the Joint Redeployment and Planning Team may decide to protect sufficient lesser service employees to restore the viability of the organizational unit. If the team is unable to reach consensus, then Senior Management will decide. In situations where junior staff are protected by the implementation of this Subsection, and where the Unit of Application is smaller than a Bargaining Unit, greater service employees who cannot be placed as a result of such protection shall have the right to have their seniority applied across the Bargaining Unit.

b) Employment Equity

If employment equity programs will be seriously set back, the Joint Redeployment and Planning Team may by consensus agree to protect sufficient lesser service employees in order to prevent such a set back from happening and extend the same provisions as set out in (a) above. This provision is not intended to further or enhance employment equity initiatives. Where the team has not reached consensus on the need to protect lesser service employees because of employment equity concerns, then the normal rules for identifying surplus employees on the basis of seniority will apply as outlined above in Subsection 64.6.3.

64.6.4 Sequence of Events

Effective on the date the Company officially announces an intent to conduct a transaction in accordance with Article 64.4.2.2(i), the following will apply:

- (i) Until such time as staff positions and numbers to be transferred to the new employer are provided to The Society, employees may apply to vacancies in accordance with the collective agreement. All applications from employees in the affected businesses or assets for laterals and demotions will be processed and considered unless the move would seriously jeopardize the viability of the work unit. Applications for promotions will not be blocked under any circumstances. Disputes arising out of the blocking of applications will be dealt with via an expedited process.
- (ii) Commencing on the date that the affected staff, positions and numbers to be transferred to the new employer are provided to The Society, displacements into and selections into or out of the businesses or assets affected will cease.

- (iii) The Company will make Article 64.4.4 (Voluntary surplus) as applied to 64.7 available to employees in businesses or assets where the number of employees exceeds the new employer's needs. With the agreement of The Society, Management may offer other voluntary separation incentives such as focused pension incentives, retirement bridges, etc.
- (iv) The Company will make available a voluntary separation option to employees eligible for an undiscounted pension with a retirement allowance of 52 weeks.
- (v) Employees affected by the change of employer will be asked to state in writing their intention to accept continuing employment with the new employer.
- (vi) Employees who indicate their willingness to accept continuing employment with the new employer but where there are fewer positions available than willing employees, will be placed through an expedited mix and match process in accordance with 64.6.5 Part (iv) Steps 1, 2 and 3.
- (vii) Employees who indicate their willingness to accept continuing employment and for whom a position is available will transfer to the new employer.
- (viii) Employees who have indicated their willingness to accept continuing employment with the new employer and for whom there is no position available will be treated in accordance with 64.6.5 Part (iv) Steps 4, 5, 6, 7, 8 & 9.
- (ix) Employees who indicate that they are not willing to continue employment with the new employer will be entitled to severance of two weeks per year of service, not to exceed 26 weeks. Employees may elect to take such severance as a lump sum amount, or in weekly amounts, during which time they will have recall rights to the company. Weekly payments will cease on the date an employee is recalled. All employees in this sub-section (ix) will also be entitled to the following:
 - (a) Coverage under Kinectrics' Health and Dental Plan for a period of six (6) months from the date of termination of employment or until the commencement of alternate employment whichever occurs first;
 - (b) Reimbursement for tuition fees and other associated expenses up to a maximum of \$5,000.00 upon production of receipts from an approved educational program within 12 months of his/her termination;
 - (c) Reimbursement of outplacement services up to a maximum value of two weeks salary (e.g. Outplacement counseling, legal or financial counseling, external job search expenses.), upon production of receipts.
- (x) Management may, in consultation with The Society, offer the voluntary severance package under Article 64.4.4 (Voluntary surplus) as applied to 64.7 to an employee to avoid a displacement.

64.6.5 Adverse Impact Situations

This provision applies to employees in Kinectrics organizational units, which experience an adverse impact. Such employees will be subject to an expedited JRPT process as follows.

- (i) Where the number of employees exceeds Kinectrics' needs, the Company will make Article 64.4.4 (Voluntary surplus) as applied to 64.7 available to employees. With the agreement of The Society, Management may offer other voluntary separation incentives such as focused pension incentives, retirement bridges, etc.
- (ii) The mix and match process will take no longer than 4 weeks. Prior to the beginning of the 4 week period, Management will provide the JRPT the following information:
 - Details on the new organizational structure at a detail level that will indicate the classification, location, number of positions in the new organization;
 - A seniority list by pay grade and occupation code;
 - Identification in writing of the qualifications and selection criteria for positions without incumbents, for the affected work group.
- (iii) The following process is intended to be completed in four weeks. A standing arbitrator will be appointed at the beginning of each process to sit at the end of two weeks and the end of the four week period for the following purposes:
 - The first hearing will be used to resolve any outstanding items arising out of the process
 - The second hearing will be used to determine one of two options.
 1. The process will continue jointly for a defined period of time with a revisitation of the matter by the arbitrator; or
 2. Management will continue the process unilaterally.
- (iv) The mix and match process will involve the following steps with a viability check after each step:
 1. Incumbent matching
 2. Matching to lateral vacancies in the same location (Volunteer/Force)
 3. Volunteering for location change and/or a demotion.

Note: Steps 1, 2 and 3 require organizational charts only within the work group. Step 1-3 only apply to the changed organization.

 4. Matching to lateral vacancies in another location in the Bargaining Unit (Volunteer/Force).

5. Displacement on the basis of seniority and qualifications to the most junior lateral first in the Unit of Application
6. Matching to demotion vacancies descending within salary grades in the Bargaining Unit (Volunteer/Force)
7. Displacement on the basis of seniority and qualifications to the most junior demotion (descending within salary grades) in the Unit of Application

Note: Steps 4, 5, 6 & 7 do not require organizational charts.

8. If unable to do any of the above, the employee will be terminated. The employee will be paid the cash equivalent of Basic Search Notice + 100% Service Based Search Notice + Severance (as outlined in 64.7). Such employees will also be entitled to the following:

- (i) Coverage under Kinectrics' Health and Dental Plan for a period of six (6) months from the date of termination of employment or until the commencement of alternate employment whichever occurs first;
- (ii) Reimbursement for tuition fees and other associated expenses up to a maximum of \$5,000.00 upon production of receipts from an approved educational program within 12 months of his/her termination;
- (iii) Reimbursement of outplacement services up to a maximum value of two weeks salary (e.g. Outplacement counseling, legal or financial counseling, external job search expenses), upon production of receipts.

They will have the option to take this payment in weekly installments during which time they will have recall options in 64.11.

9. Employees who refuse a placement in the above process will be considered to have resigned from their employment.

64.6.6

If, within eighteen months of the transfer, the new employer reduces the number of employees and the transferred employee is declared surplus and terminated the employee(s) laid off will be entitled to a one time lump sum payment of one week per year of service with Kinectrics and the new employer. The obligation to pay the laid off employee is contingent upon the employee being severed from employment without recall rights with the new employer.

The additional payment of one week per year of service will not apply where the permanent layoff is due to:

- Strike
- Lockout
- Accident or catastrophic event

- Force Majeure/natural disaster
- Temporary Plant shutdown

The obligation to make the payment of one week per year of service will not apply if any employee has successfully challenged the layoff for any reason and has filed a grievance successfully seeking reinstatement.

Employees, who are affected by Article 64.6.5 in a Change of Employer situation where the new employer is not a competitor of Kinectrics, may have recall rights in Kinectrics for 26 weeks in addition to the cash payment of one week per year of service. Employees recalled within the 26 weeks must pay back the balance of any cash payments based on their service and the date of recall (e.g. a 20 year employee who is recalled at the 5 week mark would pay back 15 weeks).

64.6.6.1 Declared Surplus

Employees declared surplus will receive written notice. The written notice shall contain:

- The cause of the surplus.
- A reference to this Article.
- The total severance entitlement.
- The anticipated date the employee will vacate his/her position.

64.6.7 Voluntary Surplus

An employee from the affected unit of application who would not otherwise be surplus may volunteer to be declared surplus, subject to the following:

- a) The withdrawal of surplus status will be offered in seniority order to those surplus employees who are qualified to perform the duties and responsibilities of the position of the employee who is volunteering.
- b) The surplus employee will not be considered for a promotion, but may be considered for a promotion-in-place position.
- c) This must result in the withdrawal of surplus status from the surplus employee.
- d) The employee who is volunteering to be surplus will assume the surplus entitlements of the surplus employee who has his/her surplus status removed. A JRPT may recommend that different entitlements be made available to employees volunteering to be surplus.
- e) The exchange of employees arising out of the application of these provisions is subject to the approval of Kinectrics. The decision to approve (or disapprove) will be on the basis of further disruption to the work of the affected work unit.

64.7 Search Notice

Search/notice includes both working and/or non working notice.

64.7.1 Calculations

For employees hired prior to April 2, 2002, all full-time and reduced-hours employees who are declared surplus will have a search/notice period calculated as follows:

- no less than a 24 week basic search/notice period;
- plus
- service-based search notice period equal to the sum of:
 - two (2) weeks per year of service for the first five years of service, and
 - one (1) week per year of service for service greater than five years, and
 - employees with relevant previous experience will receive additional service-based job search credits based upon their highest salary grade within one year of hiring in accordance with the following:

Percentage of Salary Band Hired Into	Credit
74%– 78.99% P1 ⁶	2 weeks
79% - 83.99% P1 ⁷	4 weeks
84% - 89.99% P1	6 weeks
90% - 95.99% P1	8 weeks
96% or more in Band P1	10 weeks
Any position on Band P2 or Band L	12 weeks

- For reduced hours employees, the service-based search/notice period will be calculated as if all service had been worked full-time.

The total search/notice period will not exceed 60 weeks.

For employees hired after April 2, 2002, all full-time and reduced-hours employees who are declared surplus will have a search/notice period calculated as follows:

- no less than one months basic search/notice period;
- plus
- service-based search notice period equal to two months for employees with 5 years or more service

NOTE: EEV does not apply when calculating notice/severance entitlement for employees hired after April 2, 2002.

⁶ Relevant work experience of one year or more is required to receive this credit.

⁷ Relevant work experience of two years or more is required to receive this credit.

64.7.2 Severance, Lump-Sum Payments and Voluntary Resignation

64.7.2.1 Severance

For employees hired prior to April 2, 2002, severance pay for the purpose of this Article will be calculated, for employees with less than 20 years' service, at a rate of 2 weeks for each year of service at the termination of employment date. Employees with a minimum of 20 years of service shall receive severance pay of 3 weeks per year of service at the termination of employment date to a maximum of 78 weeks. It will be calculated at the weekly rate for base hours of work for the full-time position (refer to Section 71.2) to the nearest whole month (30 days). Credit will be given on a prorated basis for any service which exceeds a whole year to the nearest whole month (30 days).

The maximum amount of severance is 78 weeks.

For employees hired after April 2, 2002, severance pay will be calculated at a rate of 3 weeks for each year of service at the termination of employment.

Severance pay is paid only when employment has terminated.

Persons receiving severance pay will not be considered employees for the purpose of any benefit, service accumulation nor for any other purpose from the day of termination except for recall as per Section 64.11.

64.7.2.2 Lump Sum Payments and Voluntary Resignation

Surplus employees will be entitled to the residual search/notice period and severance entitlement in the form of a lump sum payment in accordance with the following:

One hundred percent (100%) of any unused portion of their basic search notice period *plus* 50% of their service based search notice period *plus* 100% of their severance pay entitlement.

64.7.2.3 Previous Severance and Lump Sum Payment

Surplus employees who have received a payment under a predecessor Article 64 or Agreement S3 will have their severance calculated on the basis of continuous service since the last time severance was paid.

64.8 Job Offers

64.8.1 Acceptance/Rejection of Job Offers

An employee will have up to 7 calendar days to accept or refuse an offer of a position.

64.8.2 Reasonable Offer Challenge Process

A Joint Reasonable Offer Team (JROT) will be established for each Unit of Application established under this Article.

This team will resolve employees' appeals arising from offers made during the mix and match process.

The team will meet and make a decision within three (3) working days of receipt of the appeal. The decision will become part of the JRPT final report.

It will take into consideration items such as job level, geographical location, responsibilities, status, health, family, legal precedents, community standards and past practices.

The team will be made up of two employees representing Kinectrics and two employees representing The Society. The members of the team must be different than those on the Joint Redeployment and Planning Team. The team's membership composition should avoid conflict of interest.

The employee is responsible for presenting his/her own case.

64.8.3 Legal Notice of Termination of Employment

It is agreed that the compensation for basic search/notice period and the service based search/notice period are sufficient and full notice as per the requirements of the relevant legislation. This Article is the Adjustment Plan as required under the Ontario Labour Relations Act.

64.9 Salary Maintenance

64.9.1 If the employee accepts a position at the same salary level, it will be at the same salary and performance level subject to later performance reviews.

64.9.2 If an employee accepts placement in a lower rated position his/her current base salary dollars will be frozen until the employee's current pay entitlement as determined from the salary grade and performance standing exceeds the frozen level. This salary treatment must be conveyed in writing when the offer is made.

Exception:

An employee who is within three years of eligibility for an undiscounted pension will be entitled to any negotiated economic increases for the period of time prior to qualifying for the undiscounted pension. In the event that the employee does not retire upon qualifying for an undiscounted pension, his/her base salary dollars will be frozen at that time. (This would include any economic increases occurring during the period of time prior to qualifying for an undiscounted pension.) At this point, the normal salary maintenance provisions will apply.

64.9.3 Premiums will be calculated on the basis of the performance standing assessed for the lateral or lower rated job.

64.10 Reduction in Hours of Work

(Applicable to Employees paid from Salary Schedules with base 37.5-hour work week)

64.10.1 Principles

- Pay should reflect hours worked.
- Pay should reflect the job performed.

64.10.2 Where employees move to positions where the normal weekly hours are less than in their former positions, the following will apply:

- a) The Society and Kinectrics will attempt to reach a local agreement on a transition which would allow the affected employees to work additional hours above the 37.5 hour base for an extended period of time with staged reductions.
- b) Local agreements will continue to apply to the affected employees without change.

64.10.3 Failing agreement in accordance with Clause 64.10.2, the following treatment will apply:

The employee's working hours and salary will be frozen for a six month period at which point they will be reduced on a pro-rated basis by 2.5 hours. They will be further reduced by increments of 2.5 hours every six months thereafter until such time as the hours of work are the same as that of the new position.

64.11 (Reserved)

64.12 Notice and Severance for employees hired prior to April 2, 2002

64.12.1 Employees hired prior to April 2, 2002, can use up to 12 months of their notice and severance entitlement to attain any of the following pension milestones:

age 55

age 65

Rule of 82

25 years continuous service

The time period required to achieve pension milestones will be non-working unless mutually agreed otherwise. All other benefit entitlements will stop at the end of the statutory notice period unless otherwise agreed upon.

64.12.2 Notwithstanding the intent in Article 64.6.5 (iii) to complete the termination process in 4 weeks, Kinectrics will determine an employee's last day of work based on business needs on the proviso that the anticipated last day of work will be contained in the written notice to the employee as required in Article 64.6.6.1. The written notice will be delivered to the employee as soon as is practicable after the termination decision has been made.

64.12.3 If the terminated employee so requests, a lump sum notice and severance payment will be split over two taxation years if allowed by legislation.

- 64.12.4** A terminated employee will be entitled to use the time equivalent of their notice and severance payment up to 12 months as additional pensionable credited service (non-worked) and receive the corresponding pensionable earnings.
- 64.12.5** A terminated employee will be entitled to use the time equivalent of their notice and severance payment up to 12 months as additional pensionable continuous service (non-worked) for the purpose of continuous service used in calculating pension eligibility.
- 64.12.6** All of the above changes that require revisions to the Pension Plan are subject to the appropriate pension plan amendments and regulatory approval if necessary.

65 VACANCIES (RELIEF, ROTATIONS AND SELECTIONS)

65.1 Intent

To provide open, fair access to career opportunities and enable Kinectrics to optimize staffing requirements over time.

65.2 Definitions

"Relief/Rotations" assignments are short assignments where an individual is assigned duties outside their normal job duties.

"Relief" assignments will mean short-term assignments (normally up to 3 months) where an individual is appointed to act temporarily in an ongoing position or which is expected to become an ongoing position. In some cases, the individual may not be required to perform all of the duties and responsibilities of the position.

"Rotations" will mean assignments normally greater than 3 months but not exceeding 2 years in duration in positions which are not expected to be ongoing.

65.3 Advance Planning

Prior to filling a position with a relief or rotational assignment, Management will meet with the local Society representative to discuss the nature of the requirement (e.g., relief, rotation, vacancy) its expected duration, the selection process and whether there is an expectation that the work assignment will result in an ongoing position. For this purpose, the parties will refer to published organization charts on the corporate intranet site.

65.4 Relief

65.4.1 Relief is used to cover (a) short-term absences for vacation, sickness, relief absences, etc., (b) short-term bridging periods for selection or rotation, and (c) short-term emergency situations.

65.4.2 The process for selecting the employee to fill the relief assignment should be easy and quick and provide a fair opportunity to employees in the work unit to perform relief.

65.4.3 Relief assignments will not extend beyond three (3) months without consent of The Society Unit Director. In any event, relief assignments shall not continue beyond twelve (12) months.

65.4.4 Relief assignments will not be used continuously to avoid advertising either a rotation or an ongoing position.

65.4.5 Pay treatment while on relief will be in accordance with Article 66.

65.5 Rotations Within the Bargaining Unit

(This Article does not apply to rotations outside the unit.)

Rotations are used to accomplish work for situations that occur between short-term relief and ongoing positions. At the completion of the rotation, the employee will return to his/her original position or a comparable position normally within the sending unit, except in the circumstances where the employee is surplus (see Article 64).

65.5.1 Principles

Job rotations serve many purposes such as:

- a) to provide development opportunities to employees consistent with their career objectives;
- b) to allow Management to meet temporary work programs and work load requirements;
- c) to manage work performance or to test skills and capabilities where it is believed that an employee's skills and capabilities may be better utilized in another position;
- d) to broaden the experience of employees so that they may better perform their regular jobs;
- e) to provide employees with the opportunity to develop new skills for career advancement or to enhance career options in the case of anticipated redeployment or technological change which could result in skill redundancy or obsolescence;
- f) to meet Kinectrics' employment equity objectives;
- g) to provide Management with flexibility in resourcing regular positions as a result of employees being provided rotational opportunities and temporary relief assignments.

65.5.2 Rotations which are expected to last six (6) months or longer in duration will be posted unless there is agreement with The Society. The scope of the posting will be determined by the receiving unit and may be within the Department, Division/Business Unit or Kinectrics-wide.

Unless there is mutual agreement, the rotation will not continue beyond two years except where the position is formally identified as an ongoing training position.

A job rotation posting should include basic information such as the position name and location, salary level, a description of required duties, starting date and proposed duration of the rotation.

65.5.3 The optimal selection process is one in which the employee's interest in the job rotation opportunity, the sending unit's ability to release the employee and the receiving unit's interest in the employee coincide. Rotations will be voluntary.

The selection process should include the use of formal selection criteria and interviews will be the responsibility of the receiving unit.

- 65.5.4** Employees selected for rotation will be provided with a letter in advance of the rotation stating the nature, terms and conditions of the assignment, including rotation duration and details of the performance appraisal process. These terms and conditions should be mutually acceptable.
- 65.5.5** An employee, other than those who are surplus, who accepts a job rotation will be given a guarantee by the sending unit that he/she can return to his/her original position, if available, or to a comparable position normally with the sending unit.
- 65.5.6** Terms and working conditions while on a job rotation will comply with all applicable Articles in the Collective Agreement concerning pay treatment, overtime, performance pay plan and appraisal process, moving expenses, travel expenses and related Kinectrics policies.
- 65.5.7** Employees should not be restricted from applying to advertised vacancies or from being subsequently released from the rotational assignment if selected where the employee is surplus or the vacancy represents a promotion.
- 65.5.8** Performance feedback is an essential ingredient in any rotational assignment and should be provided during and upon completion of the rotation. A rotation should not normally have a negative effect on an employee's performance pay standing.

65.6 Selections for Assignments Other Than Relief or Rotations

- 65.6.1** All vacancies for assignments which do not fall into the category of relief or rotations shall be advertised Kinectrics-wide unless there is Agreement with The Society Unit Director or the following conditions apply:
 - a) during implementation of Article 64;
 - b) laterals or demotions in the case of sickness; employees with disabilities or special needs; employees returning from rotations, LTD, leaves of absence, foreign assignments, secondments/assignments outside Kinectrics;
 - c) performance management that takes place following consultation with The Society;
 - d) ongoing exceptions in specified organizational units where there has been joint agreement of the JSMC;
 - e) "promotions" within a promotion-in-place plan or a proposal which has the joint agreement of the JSMC in accordance with Subsection 33.3.1. Vacancies for positions in a promotion-in-place plan will be advertised in a manner which informs employees that the position is included in a promotion-in-place plan and that where the best candidate does not satisfy the qualifications or experience required for the end position the employee may be offered the position at a lower rate and be promoted in place.

Employees in categories (a) to (e) in subsection 65.6.3 will be considered at all levels of the PIP prior to those employees in categories (f) to (h) and subject to unit viability. Unit viability which would alter this consideration will be discussed in advance of advertising the PIP.

Exceptions to provide for the advertising of the position at a lower rate than the end position will be permitted by joint agreement between The Society Unit Director and the Business Unit Leader based upon a balanced consideration of:

- future work planning needs
- providing developmental opportunities for lower-rated staff outside of the promotion-in-place plan
- current work requirements
- unit viability and the need to have sufficient number of staff in the end positions.

In such cases, the vacancy notice will state that the position is part of a PIP Plan and surplus employees will be considered for placement at a lateral level.

- f) a regular position currently held by an employee where a job review has resulted in a change in salary schedule and/or salary grade;
- g) to fill vacancies with the same occupation code within six (6) months of the ongoing posting, in which case Management may select from the previous list of candidates, after checking that surplus employees have not become available for consideration since the vacancy was last advertised;
- h) to meet legislative requirements.

65.6.2 All applications which represent a promotion must be processed.

When an application to an advertised vacancy represents a lateral or demotion to a non-surplus employee, the following will apply:

- a) Applications from employees with less than one year's service in their current position will be processed and considered if the employee's supervisor agrees.
- b) Applications from employees with one to three years' service in their current position will be processed and considered if, in the opinion of the current supervisor and the hiring supervisor, the move on balance would be in the best interest of Kinectrics and the employee.
- c) Applications from employees with over three years' service in their current position will normally be processed and considered unless the move would seriously jeopardize the viability of the work unit.

65.6.3 Selection Priority for Vacancies

If there is more than one qualified applicant for a vacancy within The Society's jurisdiction, the following priority sequence shall apply to both the interview and the job offer process:

- a) Surplus Society-represented applicants for whom the vacancy represents a lateral or demotion including surplus employees on the Developmental Salary Schedule who

have progressed to at least Step 5 and who were mixed and matched with Band P1 employees.

- b) Surplus employees paid from the Developmental Salary Schedule who were not mixed and matched with employees on Band P1. and who have greater seniority than Surplus Applicants on Band P1 will have priority consideration for P1-88 and lower rated vacancies before the applications from all other individuals other than those in (a) above.
- c) Surplus applicants from positions in the business organization corresponding to The Society's bargaining unit that are excluded from The Society (i.e. Management Function) and for whom the vacancy represents a lateral or demotion.
- d) Society-represented employees and applicants from a business unit that has invoked Article 64 and a JRPT has not completed its mix and match for whom the vacancy represents a lateral or demotion.
- e) Selection on a "best qualified" applicant basis from among regular Society-represented applicants.
- f) Selection on a "best qualified" applicant basis from among all other regular applicants from Kinectrics and temporary Society-represented employee applicants from Kinectrics.
- g) External to Kinectrics.

Assessment of the suitability of a surplus employee for a lateral or lower level placement opportunity will include education, experience, personal contribution factors and potential for training to perform the job requirements within a reasonable period of time (e.g. up to six (6) months). A surplus employee who is placed and who requires additional training to perform the job requirements with assistance to obtain the necessary training and development to perform the new job requirements. Kinectrics will restructure the cost of retraining so it mitigates the disincentive in the redeployment of surplus staff.

A determination that none of the applicants in category (a) is qualified or qualifiable with a reasonable period of time is required before considering the applicants from the next category. The same is true with respect to categories (b), (c), (d), and (e).

See subsection 65.6.1 for priority consideration of applicants to promotion in place plan vacancies.

Kinectrics agrees to grant priority to Society-represented employees in the business organization corresponding to The Society's bargaining unit who are surplus and to those who fall within subsection 65.6.3(e) who apply for positions excluded from all union jurisdictions and for whom the vacancy represents a lateral or demotion, after the consideration of surplus applicants in the business organization corresponding to The Society's bargaining unit who are excluded from all unions for whom the vacancy represents a lateral or demotion and prior to consideration of all other applicants.

- 65.6.4** In determining who is the best qualified candidate for positions, in each category of subsection 65.6.3, the primary basis for the selection of employees is their assessed capability to perform the necessary work. The selection criteria would normally include but not be limited to the following:

- a) requirements including skill, knowledge, education, experience, transferable/generic skills such as analytical skills, communications skills, project management skills, consulting skills, self-management skills, accountability, responsibility, etc.;
- b) the candidate's past track record and what she/he brings to the position;
- c) the candidate's potential to develop competence for more senior positions;
- d) the need to meet legislative requirements;
- e) the need to balance the overall requirements of the work unit.

65.6.5 Employee selection measures which are used as aids in selection decisions shall be job related and be used in a manner that is fair and equitable to the individuals being assessed. Individuals will be entitled to prior knowledge of the selection criteria and be entitled to information with respect to their performance in the selection process upon request.

65.6.6 Some flexibility should be exercised in accepting late applications to advertised vacancies after the closing date in order to permit employees a fair opportunity to continue employment yet still allowing the Business Unit to resource expeditiously.

Where the closing date is FIRM, it must be stated clearly in the vacancy posting that late applications will not be considered.

- a) Surplus and non surplus employees are normally expected to have made application to a vacancy by the closing date.
- b) It is recognized that in some instances, there will be applications filed after the official closing date. In these cases, unless the closing date is FIRM, late applications must be filed with the advertising location NOT later than the date that the "short list" of applicants is finalized for formal consideration.
 - The term "Short List" refers to the first list of applicants who Management plans to interview for a vacancy.
- c) Employees who have applied for vacancies and are later declared surplus have until the "short list" date to notify the advertising location of the change in their status.

65.6.7 Applicants to advertised vacancies are to be advised of the status of the vacancy (and of their applications) within a reasonable period of time for each successive step they qualify for.

65.6.8 When outstanding vacancies remain unfilled for longer than six months, employees in the work unit concerned should be advised of the reason for not filling such vacancies.

65.6.9 All positions on salary schedules 91, 94, 95 which are excluded under the Recognition Clause and first-level ESR vacancies including rotational opportunities expected to last longer than six months will be posted on appropriate bulletin boards (and through electronic means where possible).

65.6.10 Release of Employees Selected to a Vacancy

Intent:

- (a) Kinectrics will strive to facilitate the expeditious release of employees who are selected to a vacancy.
- (b) Normally, employees should be released within 90 days of the vacancy selection. In the event that a release date greater than 90 days appears likely, Management will discuss the reasons for the delay and a release date with The Society.

66 SALARY TREATMENT FOR PROMOTIONS, PROGRESSIONS, TEMPORARY ASSIGNMENTS, LATERAL TRANSFERS AND DEMOTIONS

66.1 Definitions

“Benchmark Job Profile”:

A Benchmark Job Profile is a job document that provides a clear description of the essential characteristics and major duties of one or more jobs of a similar nature. Benchmark Job Profiles have been evaluated and rated under Plan K (in points) and linked to a specific rate of pay. The rate of pay associated with a particular Benchmark Job Profile is negotiated between Kinectrics and the Society. The terms “Benchmark” or “Benchmark Job” when used in this Collective Agreement shall have the same meaning as “Benchmark Job Profile”.

It is recognized that incumbents of specific jobs in Kinectrics will be performing at a range of levels above and below any particular benchmark within a band.

“Progression”:

Change in job level that occurs when an employee moves to a higher level within the same salary band, as determined by the individual’s performance and band benchmark levels.

"Promotion":

This occurs when an employee is appointed to a position in which the demands and responsibilities are greater than in the employee's current job and the Benchmark for the new position is rated at least one benchmark level higher on the same salary band, or if the new position is on a higher-rated salary band than the employee’s current job.

"Higher-Rated" Job:

A job paid from:

- a) the same salary band and with a Benchmark rated at least one level higher than the employee's current job; or
- b) a higher-rated salary band.

"Lateral Transfer":

This occurs when an employee is appointed to a job paid from the same salary band and that falls under the same Benchmark as the employee's current job.

"Demotion":

This occurs when an employee is appointed to a position on any band in which the demands and responsibilities are at least one benchmark level lower less than in the employee's current job.

66.2 Promotion

66.2.1 It is normally expected that an employee will receive a salary increase upon promotion to compensate for the greater demands and responsibilities of the new, or revised job.

66.2.2 A promoted employee will be placed at the performance standing which reflects a reasonable expectation of his/her performance in the new or revised job.

66.2.3 Any salary increase received by an employee upon promotion should not be less than any approved, but not yet implemented, performance pay recommendation.

66.3 Reclassification as a Result of a Job Re-evaluation

This Article shall not apply to jobs that are subject to a progression-in-place (PIP) as set out at Article 33.

66.3.1 Reclassification may occur under several circumstances:

- a) when the evaluated job corresponds to a higher benchmark with no change in the employee's actual job duties/responsibilities;
- b) when the employee has been and will continue to perform additional job duties/responsibilities which correspond to a job profile that has a higher benchmark than his/her current profile;
- c) when additional job duties/responsibilities are to be added to the job so that the job corresponds to a higher benchmark.

Reclassification as a result of (a) or (b) above will result in the employee being placed in the same relative salary position to the new Job Profile benchmark as the employee had been in relation to their last Job Profile benchmark.

Reclassification as a result of (c) above will be considered as a promotion. However, at the next performance appraisal the employee will be eligible to be placed in the same relative salary position to the new Job Profile benchmark as the employee had been in relation to their last Job Profile Benchmark as before the reclassification.

66.3.2 Short-term increases in the employee's actual job duties/responsibilities do not require reclassification but may be subject to the relief provisions of this Collective Agreement.

66.3.3 Retroactive payments, if any, that result from reclassification either because of a Management or employee-initiated job review will be limited to a maximum of one year prior to the date of the job review request. The employee must have performed the

relevant duties and responsibilities which resulted in the reclassification during this period in order to qualify for retroactivity.

- 66.3.4** Retroactivity which results from a reclassification decision will be paid within 60 calendar days of the decisions (i.e., if no dispute, date of Management decision to implement; if dispute goes to JJRT and no further, date of JJRT decision; if dispute goes to grievance, date of Step 2 decision or Joint Job Challenge Resolution Committee decision).

66.4 Temporary Assignment in a Higher-Rated Job

- 66.4.1** After fifteen (15) cumulative working days performing in a job corresponding to a high-rated benchmark during a calendar year, an employee shall receive:

- a) a minimum of a 3% salary increase when assigned to work in a position that corresponds to a higher-rated benchmark on the same salary band;
- b) a minimum of a 5% salary increase when assigned to work in a position under a Job Profile that corresponds to a higher benchmark on a higher-rated salary band.

To be eligible for these payments:

- a) the position must be filled to satisfy operating requirements; and
- b) the employee must perform all or most of the normal job duties of the position as expected during the course of the assignment.

Where a temporary assignment to a position corresponding to a higher-rated benchmark is discretionary and optional for the employee, pay treatment is also discretionary. Discretionary means that the temporary assignment is not required to be filled to satisfy operating requirements, in the opinion of Kinectrics, and represents a developmental opportunity.

66.5 Lateral Transfer

Normally, an employee who is appointed to a lateral position should receive no increase in current pay.

66.6 Demotions

An employee who voluntarily accepts placement in a lower rated position will have his/her current base salary dollars frozen until the employee's current pay entitlement as determined by the salary grade and performance standing exceeds the frozen level. An employee may apply to The Society in advance of submitting a job application and/or acceptance of a job offer for an exemption from this provision. Exceptions that occur as a result of performance management (Clause 65.6.1 (c)) require advance consultation with The Society.

67 CONTRACT WORKERS

67.1 Intent

1. Nothing in this Article limits the general recognition of The Society's jurisdiction as defined at Article 2.1 of this Collective Agreement. It is the Company's intent to use Society represented staff (regular/temporary) to perform most of its work where they are able to perform it well and effectively.

Furthermore, the company will strive to provide regular staff with stability of employment. The retirement or voluntary termination of regular employees will normally initiate the posting of a regular vacancy where business conditions warrant.

2. Contractors defined:
 - a) Contract workers are not Kinectrics employees
 - b) Contract workers, are persons who are contracted directly by Kinectrics to perform the work;
or
 - c) Persons who are employed by another person/corporation.

Contract workers are resources required for work assignments which are not ongoing and/or where there are no available qualified regular employees, specialized equipment or capability to perform the work.

67.2 Process

1. Contractor work assignments are not expected to go beyond 18 months, but may be extended up to a maximum period of 36 months with The Society's agreement. The impact on employment continuity of current employees should be an important consideration in the decision to use Contract Workers. No regular or temporary employee will be terminated as a result of using a Contract Worker.
2. In planning how work gets done beyond the standard work week capacity of the existing regular workforce, management will consider the following staffing options in descending order:
 - New regular hires (Articles 3.2 and 65)
 - New regular special-rated employees (Article 3.4)
 - Retaining existing regular staff (LOU #4 Item 4)
 - Regular staff overtime (Article 57)
 - Temporary employees (Articles 3.3 and 34)
 - Contract Workers (this New Article 67)
 - Commercial arrangement (e.g. partnership)
 - Other

67.3 Society Notification

1. Kinectrics will discuss the circumstances with the local Society representative prior to using Contract Workers. The Society will be informed of the job skill needs, the expected job duties and the expected duration of the assignment. The following criteria may indicate the appropriateness of the resourcing option selected:
 - Work is part time
 - Work is not expected to continue beyond 18 months
 - Appropriate regular staff unavailable for or unwilling to perform sustained, significant amounts of overtime
 - Expertise or equipment unavailable in-house or only needed part time
 - Significant cost saving
 - Capability is not within Kinectrics' defined business
 - Strategic commercial alliance
 - Other
2. Assignment extensions beyond 18 months require the agreement of the Society. If the work assignment is known to extend beyond 18 months at the outset, agreement from the Society will be obtained at that point.

3. The Society will receive monthly Contract Worker Reports in Excel format on the utilization of contract workers at the Department or equivalent work unit level, listing hours worked by individual worker. This report shall contain columns for the following information:
- Business
 - Department
 - Worker Name
 - Contracted Through (company name)
 - Kinectrics Contact Name
 - Total Hours Worked This Month
 - Hours on Bruce Power Contracts included in Total
 - Hours on OPG Contracts included in Total
 - Project Title

To facilitate building a picture of contract worker utilization over an annual period, all workers names on the report for the first month of the annual period shall remain, in the same order, on all subsequent monthly reports. Additional worker names shall just be added to below the previous month's names, and so on for the full year.

4. If the utilization of Contract workers exceeds ten percent (10%) of the total regular Society available hours in any quarter ("the trigger"), Kinectrics will pay the Society an amount in lieu of union dues equal to two times the Society weekly dues per 37.5 hours worked in excess of the trigger.
5. To allow for fair and smooth transition of contract workers to regular or temporary employees the parties agree that the threshold contained in Item 4 above will be 12.5% for a transition period from January 1, 2008 to December 31, 2008.
6. Kinectrics shall not normally contract work to former Kinectrics employees who terminate their employment with a severance package from Kinectrics in accordance with Article 21 or 64. Kinectrics shall discuss the need to enter into such contracts with The Society prior to contracting with former Kinectrics employees.

68 HOURS OF WORK

68.1 The M&P Salary Schedule (91) applies to 37.5 hours of work per week.

68.2 to 68.5 (reserved)

68.6 The OSS Salary Schedule (95) applies to 37.5 hours of work per week.

68.7 The M&P Development Schedule (94) applies to 37.5 hours of work per week.

68.8 (reserved)

68.9 Reduction of Hours of Work

Where Management reduces the standard hours of work for a position, the following will apply:

- a) The Society and Kinectrics will attempt to reach a local agreement in advance of the change on a transition which would allow the affected employees to work additional hours above the 37.5 hour base for an extended period of time with staged reductions.
- b) Failing agreement in accordance with (a), the following treatment will apply:
 - i) Where an employee is within 3 years of eligibility for an undiscounted pension, the employee's normal hours of work will not be reduced for 3 years, or until such time the employee is eligible for an undiscounted pension if earlier, and the employee will continue to receive economic pay adjustments. If the employee does not retire upon qualifying for an undiscounted pension, then their hours of work and base rate will be immediately reduced to the hours and rate of the position.
 - ii) For other employees than those in category (i), the employee's working hours and salary will be frozen for a six month period at which point they will be reduced on a pro-rated basis by 2.5 hours. They will be further reduced by increments of 2.5 hours every six months thereafter until such time as the hours of work are the same as that of the new position.

68.10 Kinectrics will comply with legislative requirements regarding hours of work.

69 (reserved)

70 ALTERNATE HOURS OF WORK ARRANGEMENTS

70.1 Principles

- 70.1.1** That any alternative arrangements will positively affect our customers. That cost, quality, service and value are key to our success.
- 70.1.2** That work is best achieved when individuals manage their own time and accept the accountability and the responsibility for the results.
- 70.1.3** That processes for negotiating and establishing hours of work arrangements will be uniform across Kinectrics, and accessible to all. The processes will be designed to ensure equitable treatment. However the results of applying the processes may differ from location to location and unit to unit.
- 70.1.4** That decisions should be made at the most appropriate level that is closest to the work being done.
- 70.1.5** That individual concerns will be factored into group proposals and wherever possible, participation in changed hours of work will be on a voluntary basis.

70.2 Application

The procedure described in this Article applies to all forms of alternate hours of work arrangements.

70.3 Definitions

"STANDARD HOURS OF WORK" are to be worked to provide coverage for the business hours. For people assigned to day work, the standard hours of work shall not begin before 7:00 a.m. nor end after 6:00 p.m. They are:

- for 37.5 hour/week staff - 7.5 hours per day, Monday through Friday.

In the absence of any other agreed upon arrangements these are the hours which will be worked. In situations where there is need for 24 hour and/or 7 day/week coverage the hours of work will be a matter of local arrangement.

"NORMAL HOURS OF WORK" are either the standard hours of work or another arrangement as agreed upon using this process.

"STANDARD BUSINESS HOURS" are determined by the needs of the business and the customers.

"NORMAL BUSINESS HOURS" are either the standard business hours or another arrangement as agreed upon using this process. The normal business hours are just a variation on the standard business hours. They would normally arise from a change in customer needs.

FLOW CHART OF THE PROCESS

Normal hours of work/business hours



Identify need for change



Communicate need



Develop options



Analysis



Decision



Negotiations/Approvals



Implementation



Monitoring

70.4 Overtime

Hours worked in excess of the normal hours of work will be considered to be overtime except where there has been agreement between the supervisor and the employee for the employee to work in excess of normal hours to make up time.

The pay treatment for Saturday and Sunday will form part of the Agreement which establishes the normal hours of work.

70.5 Process

70.5.1 Identify Need for Change

Identification of the desire for change can come from Management, an individual or a group. A request to change business hours would normally come from Management whereas a request to change working hours would normally come from an individual or group. Where a change to the hours of work for a group is being considered, The Society will be informed and involved in the discussions.

70.5.2 Communicate Need for Change

A request for a change should be communicated to the other party in order that deliberations can begin. Requests will be actively considered by the other party within a reasonable period of time. The process will be joint (Society and Management) and will use a collaborative approach in which the needs and interests of the parties are discussed in an open and honest manner and decisions are made by consensus.

70.5.3 Develop Options

A list of options will be jointly developed and agreed upon. As a minimum, the following criteria will be considered when analyzing the options:

- customer needs
- business needs
- maximum/minimum number of hours that can be worked daily
- overtime/premium provisions
- employee needs
- health and safety considerations
- legal and contractual considerations

70.5.4 Analysis

All options should be analyzed using appropriate tools and measures. The analysis should include a discussion of the options considered, their relative merits and the rationale for the recommendation.

70.5.5 Decision

All decisions will be reached by consensus. If consensus is not achieved then the existing "normal" hours remain in effect.

Consensus means everyone can live with and publicly support the outcome.

70.5.6 Negotiations/Approvals

Negotiations and/or approvals should occur at the appropriate level closest to the situation. The Company will determine the appropriate level of Management approval and in all cases the Management approval must be outside of the bargaining unit. If necessary, Mid-Term Agreements will be established between Management and The Society to document normal hours of work or normal business hours.

All parties to negotiations under Article 70 should negotiate with the support of principals who will ultimately approve negotiated conditions.

70.5.7 Implementation

Implementation will be on a trial basis initially for an agreed upon length of time and with appropriate cancellation provisions. Criteria for success/failure must be established.

70.5.8 Monitor

The trial will be monitored and evaluated against the criteria. The accountable manager is responsible for monitoring the arrangement.

Following a successful trial period the hours (business hours of work) used in the trial period will become the new normal hours.

Monitoring of key indicators will continue to ensure that the arrangement remains viable.

In the event that the viability ceases to be realized, as determined by either party, the hours of work will revert to the previous "normal" hours unless the parties can jointly find another mutually acceptable alternative. When either party is making a determination about viability it must consider the previously established criteria for success/failure.

71 REDUCED HOURS OF WORK (RHOW) ARRANGEMENTS

71.1 Principles

71.1.1 Employees working RHOW are regular employees and have equal access to all Kinectrics policies and agreements (e.g. employment continuity).

71.1.2 The RHOW arrangement must be mutually beneficial and acceptable to both the employee(s) and to Kinectrics.

71.1.3 The benefit entitlement will be prorated, wherever possible and appropriate.

71.2 Definitions

A "REDUCED HOURS OF WORK (RHOW) AGREEMENT" is a formal arrangement which individual employees can enter into with Management to perform work over a period of time by working less than the base hours for a full-time position. A RHOW agreement could apply to one individual or two or more in a job sharing arrangement.

"WORK UNIT" is an organizational grouping of employees and may be as small as a crew or as large as a Business Unit.

"BASE HOURS" are used to establish the rate for a full-time position; such as 35, 37.5, or 40 hours per week.

"NORMAL (SCHEDULED REDUCED) HOURS" are the agreed upon reduced hours of work, which are less than the base hours, and form the basis for prorating benefits.

71.3 Guidelines

In determining if a RHOW arrangement is acceptable, the following factors will be considered:

Productivity levels will be maintained or improved. There should be identification of how this change will potentially affect the productivity of the work unit (including assumptions and rationale used to assess the impact), and identification of the proposed method for follow-up and measurement of productivity impact(s) resulting from the change.

The need to maintain staff capability on an ongoing basis is to be taken into account. Identification of the staff capabilities required by the work unit to maintain effective operations, and how the reduced hours of work arrangement will accommodate or improve this capability should occur.

The appropriate level of service to both external customers and internal customers/clients should be provided. There should be identification of the customers/clients of the work unit and the service provided by the work unit to these customers/clients, and anticipation of the impact of the reduced hours of work arrangement on the service provided.

Effective work flow among work units will be maintained. Other work units impacted by the change, and the anticipated impact of the reduced hours of work arrangement on the work flow among the work units should be identified.

Requirements for supervision must be taken into account. Potential issues relating to supervision (e.g., span of hours), and how the work unit plans to deal with these issues should be determined.

The change to reduced hours should be agreeable to both Management and the employee(s) involved. A written Reduced Hours of Work Agreement must be signed to confirm that this matter has been agreed upon by the parties involved.

71.4 General Conditions - Reduced Hours Arrangements

71.4.1 Advertised Vacancies, Performance Pay, and Employment Continuity

Employees who are on Reduced Hours are regular employees and will be treated accordingly. Therefore, they will be: (a) eligible to apply and be considered for advertised vacancies; (b) given annual performance reviews; (c) where applicable, participate in the Performance Pay process; and (d) have access to the Employment Continuity Article.

71.4.2 Established Commencement Date (ECD)

ECD will be manually adjusted at the beginning of each year, to reflect the normal (scheduled reduced) hours worked in the previous year while on Reduced Hours, or at such intervals as may be necessary, to reflect the equivalent full years worked. ECD will not be adjusted for sick leave purposes.

71.4.3 Vacation Credit Date (VCD)

The VCD will not be adjusted. It will reflect calendar years. This date affects vacation bonus entitlement for all eligible staff and includes all Kinectrics service regardless of breaks. It may be different from the ECD.

71.4.4 Service Recognition Date (SRD)

For recognition of 5, 15, 25, and 40 years of service with Kinectrics, the SRD will not be adjusted.

71.4.5 Wages

Reduced hours employees will be paid for normal (scheduled reduced) hours worked, based on the hourly rate for their base hours. Wages will be prorated based on the proportion of the normal (scheduled reduced) hours of work compared to the base hours of the work unit or the appropriate full-time position.

Example: Base Hours = 35 per week.

Base Salary = \$700.00 per week.

Normal (Scheduled Reduced) Hours = 21 per week.

Normal (Scheduled Reduced) Hours Salary = $\$700.00 \times 21/35 = \420.00 per week.

71.4.6 Pension Plan

71.4.6.1 Pension Plan Membership

New employees working reduced hours must apply for membership in the Pension Plan after completing 24 months of continuous service, subject to the following conditions:

- accumulated earnings, including overtime, must equal 35% of the Year's Maximum Pensionable Earnings (YMPE);

and/or

- all accumulated hours, including overtime, must equal 700 (scheduled reduced) hours in each of the two previous calendar years.

71.4.6.2 Pension Plan Deductions

Once qualified as above, Pension Plan deductions for Regular Reduced Hours employees will be based on base earnings for the position and then pro-rated in proportion to the ratio of normal (scheduled reduced) hours to base hours.

Example:	Base rate (earnings)	\$45,000
	Base hours	35
	Normal hours	20
	YMPE for year	\$32,000

Calculate 4% of the base earnings up to the first \$32,000 ($4/100 \times \$32,000 = \$1,280$)

Calculate 6% of the portion of base earnings exceeding the first \$32,000 ($\$45,000 - \$32,000 = \$12,800$) ($6/100 \times \$12,800 = \768)

Calculate proportional Pension Plan contributions ($\$1,280 + \$768 = \$2,048$)
 $(20/35 \times \$2,048 = \$1,170.29)$.

Calendar service will be used to determine eligibility for retirement and death benefits (currently for pension purposes as Eligible Service or Continuous Employment).

Service credit to define the years of Pension Plan membership (years of membership in the Pension Plan) for pension calculation purposes (currently defined by the Effective Date on Pension and Insurance) is prorated. See pension calculation example below.

The Service Credit starts from the date of joining the Pension Plan.

Service for termination benefits is to be credited on a calendar basis starting with the date of hire and is not prorated.

71.4.6.3 Pension Calculation

The following is an example of how the pension of an employee in a Reduced Hours of Work arrangement would be calculated. Assume an employee has the following years of employment: 20 years full-time, followed by 5 years of 50% part-time, and then 10 years full-time.

For pension eligibility purposes the employee has 35 years' service, i.e. $20 + 5 + 10$ to calculate the amount of pension to be received the part-time years are pro-rated.

$20 + 5/2 + 10 = 32.5$ years pensionable service
 $30 + 5/2 \times 2\% = 65\%$ pension.

If the reduced hours years were the last five years, i.e. 30 years full-time + 5 last years at 50% part-time, the part-time earnings would be annualized as follows, assuming the part-time earnings are \$25,000 or 50% of the yearly rate of \$50,000 for the last three years of employment.

The calculation is as follows:

$(30 + 5/2) \times 2\% = 65\%$ pension
 annualized pension is $\$50,000 \times 65\% = \$32,500/\text{year}$.

71.4.7 Life Insurance

Coverage is dependent upon being a member of the Pension & Insurance Plan. The basic insurance (2 times salary) plus any additional term insurance will be prorated in accordance with the prorating of wages above.

71.4.8 Health and Dental Benefits

Employees will have the option of receiving full benefit coverage for semi-private hospital, extended health benefits, and/or dental benefits, by using payroll deduction to reimburse Kinectrics the cost consistent with the appropriate pro-ration. For example:

If an employee works 21 hours per week, he/she would be subsidized for 21/35 or 60% of the costs and he/she would pay the remaining 40%. If an employee chooses not to pay the remaining prorated percentage, there will be no coverage.

71.4.9 Sick Leave

Restoration of sick leave credits for days used will be in accordance with the Sick Leave Plan provisions.

Sick leave should accumulate at the regular times (January 1 or July 1). While ECD is adjusted for other purposes, sick leave accumulation and restoration dates should remain unchanged.

Annual sick leave credits will be prorated, based on normal hours worked.

Example

100% Entitlement Accumulation

- Employee works 21 hours per week $21/35 \times 8 \text{ days} = 4.8 \text{ days}$, rounded to 5 days.

75% Entitlement Accumulation

- Employee works 21 hours per week $21/35 \times 15 = 9 \text{ days}$.

Rounding should be to the nearest half day. Time Reporting for vacation, sickness, accident and overtime, etc. will be the same as for any other regular employee.

71.4.10 Long Term Disability (LTD)

LTD is dependent upon being a member of the Pension & Insurance Plan and benefits will be based on the employee's normal (scheduled reduced) earnings, excluding overtime and allowances.

71.4.11 Accident Insurance

Employees are eligible for 100% benefit.

71.4.12 Statutory Holidays

Both the entitlement to statutory holidays and the payment for the statutory holidays will be prorated. The following table illustrates the entitlement:

Days Worked Per Week	Number of Days Entitled to Per Year
1	2
2	4
3	8
4	8
5	10

The pay on a statutory holiday will be equal to the pay for the average daily hours of the RHOW employee. For example:

An employee works 4 days per week @ 5 hours per day. In accordance with the entitlement table above the employee is entitled to 8 statutory holidays per year. Payment for each statutory holiday will be for 5 hours since that is the average of the 4 days per week the employee works.

71.4.13 Floating Holidays

These will be prorated in the same manner as statutory holidays, i.e. both the entitlement and the payment on the days will be prorated. For example, an employee who works 3 days per week and 7 hours on each day worked will receive:

$$3/5 \times 3 \text{ days} = 1.8 \text{ rounded to nearest half day} = 2 \text{ days}$$

the payment for each day will be for at 7 hours since that is the average hours per day the employee works.

71.4.14 Vacation

- A. Less than 1 year - 4% of accumulated wages.
- B. For one year, or more:

Vacation entitlement will be based on calendar years (i.e. VCD). The entitlement in any given year will be prorated based on the average number of days worked per week and the actual payment for those days will be based on the average number of hours worked per day.

Example - (a)

A regular full-time employee who commences RHOW on January 1 and who otherwise would be entitled to 20 days' vacation, contracts to work 3 days per week at 7 hours per day (21 hours per week), for the full vacation year, while the remainder of the work unit works 35. The vacation entitlement will then be:

$$20 \times 3/5 = 12 \text{ scheduled days off.}$$

The payment on each of the 12 days would be for 7 hours pay since that is the average number of hours the employee works per day. Therefore the total pay will be 12 days @ 7 hours pay = 84 hours pay.

Example (b)

An employee who works 5 days per week but works only 4 hours per day.

$$20 \times 5/5 = 20 \text{ scheduled days off}$$

The payment for each day would be for 4 hours since that is the average number of hours the employee works per day. Therefore the total pay will be 20 days x 4 hours pay = 80 hours pay.

71.4.15 Overtime

The normal lieu time provisions will apply. Overtime will be paid at appropriate rates for:

- hours worked beyond the base full-time hours on a day (unless additional hours are part of the RHOW arrangement);
- hours worked beyond the base full-time hours in a week;
- hours worked on a Saturday, Sunday or statutory holiday that is not a normally scheduled day.

71.4.16 Pregnancy/Parental Leave

Employees will be eligible for pregnancy/parental benefits. Coverage will be based on normal (scheduled reduced) earnings and normal (scheduled reduced) hours.

71.4.17 Unemployment Insurance Contributions

This is based on gross earnings (which includes overtime premiums, shift differential, etc.).

71.4.18 Canada Pension Plan (CPP)

CPP contributions are based on gross earnings.

71.4.19 Workers' Compensation Benefits

Entitled to 90% of normal weekly net earnings, plus a supplementary grant (total is 100% of normal weekly net earnings).

71.5 Termination of the RHOW Agreement

The initial period of a RHOW arrangement will be considered to be a trial period. The length of the trial period is to be determined by the parties but will not normally be longer than 1 year. If problems are encountered during this period, the employee(s) and the supervisor will attempt to find a solution(s). In the event that these efforts are not successful the RHOW arrangement can be cancelled by either party with 30 days' notice.

After the trial period, situations may arise where the RHOW is no longer working or the workload has increased or decreased. In such situations alternate arrangements can be tried. These could include offering additional hours/days (if there is some) to the RHOW employee, or advertising another RHOW arrangement to make up any difference.

In situations where the workload increases, the employee working the reduced hours will have the first option of working the additional hours. The employee could choose not to work the additional hours. If satisfactory alternative arrangements are not found, Article 64 will be applied.

An employee who wishes to terminate the arrangement has the same rights to vacancies as full-time employees. If unsuccessful in obtaining another position or in negotiating a new arrangement with Management, and the employee terminates the arrangements, the employee will be considered to have resigned from Kinectrics.

(SAMPLE) REDUCED HOURS OF WORK AGREEMENT

To: _____ Department: _____

Effective date: _____

Type of Arrangement: Individual Job Sharing Temporary Work

The following information is pertinent to your Reduced Hours of Work Agreement with Kinectrics.

1. Hours of work:

_____ days (_____ hours) per week, _____ hours per day.

2. Salary:

Weekly salary will be \$ _____ per week based on scheduled reduced hours of per week at _____ % of Salary Band _____.

3. Health and Dental Benefits:

Indicate, by circling the appropriate "yes" or "no", whether or not you are exercising the option of receiving full benefit coverage for semi-private hospital coverage, extended health benefits, and/or dental benefits, using payroll deductions to reimburse Kinectrics for the cost consistent with the appropriate proration. Should you elect health and/or dental benefits, the monthly cost will be as follows:

Elected Coverage:

Semi-private hospital coverage _____% \$_____ Yes / No

Extended Health Benefits _____% \$_____ Yes / No

Dental Benefits _____% \$_____ Yes / No

4. All other terms and conditions will be in accordance with the Article on Reduced Hours of Work for Society Represented staff.

The trial period will be for _____ months. The parties agree that the Agreement can be terminated with one month's notice during this trial period in the event the arrangement is unsuccessful.

If you agree with the conditions set out above, please sign one copy of this Agreement for your Personnel File. Also, please indicate if you wish to be covered by any, or all, of the above health and dental benefits.

Manager: _____ Employee: _____

Date signed: _____ Date Signed: _____

cc: *Human Resources office Society Unit Director*

71.6 Responsibilities

The Employee(s):

The employee(s) should discuss his/her interest in a Reduced Hours of Work Agreement with the manager/supervisor. An employee who wishes to work Reduced Hours should prepare a proposal for doing so. The proposal should include a current job description and ways in which the job requirements could be met under a Reduced Hours of Work Agreement. It should include suggestions for methods of communication among Regular staff members, their managers/supervisor, customers and clients with whom the job interfaces, as per the Guidelines (Section 71.3).

The Manager/Supervisor:

The Manager/Supervisor is responsible for determining if a Reduced Hours of Work Agreement is appropriate and in certain instances may initiate action to implement such an arrangement. The Manager/Supervisor will discuss the possibility of a Reduced Hours of Work Agreement with interested employees to assist them in establishing appropriate arrangements. The Manager/Supervisor will identify issues specific to the job which need to be addressed, inform employees of their entitlements and approve the proposed Reduced Hours of Work Agreement after the appropriate review.

The Manager/Supervisor is responsible for ensuring that the productivity in the work unit does not deteriorate as the result of a Reduced Hours of Work Agreement. If productivity is seen to decline, the supervisor should work with the incumbent(s) to identify ways to improve the situation.

72 PEAK DEMAND HOURS ARRANGEMENTS

72.1 Intent – Peak Demand Hours

The intent of this Article is to establish a framework of treatment of employees who by the nature of their jobs, are likely required to work Peak Demand Hours that are more than their normal work week and/or hours different from their normal hours during peak work load periods of the year, and less than the total hours in a normal work week during other parts of the year.

The guidelines for the application of this Article are contained in Appendix XI.

Once it has been decided to apply this Article within a business unit, Management will meet with The Society to jointly agree on the formation of a joint team. The application of this Article will be done by local joint teams which will determine how best to apply these guidelines in their particular situation. The local teams are not required to rigidly adhere to the guidelines in Appendix XI and may revise them as they deem appropriate.

Any disputes concerning the application or implementation of Article 72 or Appendix XI shall be referred to the JSMC for resolution. Any resolution by the JSMC shall be final and binding but if the JSMC is unable to resolve the issues, either party might refer the item to “interest” arbitration for resolution.

73 WORK SHARING

- 73.1** “Work sharing” occurs when sufficient members of a work unit agree to work fewer hours for reduced compensation in order to accommodate a temporary reduction in work load and to help maintain employment continuity in the event of an adverse impact situation under Article 64 - Employment Continuity.
- 73.2** Work sharing is a temporary arrangement. A work sharing arrangement will normally not exceed one year in duration but can be extended by mutual agreement. Beyond a period of one year, a work share arrangement will normally be governed by the terms and conditions of Article 71 - Reduced Hours of Work (RHOW) Arrangements.
- 73.3** The Society will be involved in the discussion and negotiation of the work sharing arrangement.
- 73.4** The size of the work unit involved in the work share will be the subject of joint agreement between Kinectrics and The Society. The agreement of the employees participating in the work sharing arrangement must be obtained prior to implementation. A sufficient number of employees in the work unit must participate in order to make the work share a viable working arrangement.
- 73.5** Either party to a work sharing arrangement will have the right to terminate it with 30 days’ written notice. Following termination of a work sharing arrangement, the previous hours of work arrangement will be reinstated. Reduction in the number of employees in a work sharing arrangement through attrition, promotion, etc. will result in a joint review in order to ascertain the continued viability of the work share.
- 73.6** Employees participating in a work sharing arrangement remain regular employees.
- 73.7** Reduction in hours of work pursuant to a work sharing arrangement will not exceed 20% of regular hours and will be matched by an equivalent reduction in salary for a maximum of one year.
- 73.8** Employees participating in a work sharing arrangement will retain full benefits coverage during the term of the work sharing arrangement up to a maximum period of one year.
- 73.9** Pension, life insurance and LTD coverage will continue to be calculated against regular base earnings during the term of a work sharing arrangement up to a maximum period of one year.
- 73.10** Employees will continue to participate in the performance pay process while participating in a work sharing arrangement.
- 73.11** Employees will not be declared surplus while participating in a work sharing arrangement. This section will be suspended during the operation of Article 64.

74 ASSIGNMENT OF NON-BARGAINING UNIT WORK DURING A STRIKE/LOCKOUT

Normally, Kinectrics shall not assign an employee to perform non-bargaining unit work unless this work is essential work. It is agreed that the following provisions govern the assignment of essential work, ordinarily performed by employees in another bargaining unit, to Society-represented employees in the event that the members of that bargaining unit are in a lawful strike/lockout situation.

- 74.1** If a job/function is not performed, it is considered “essential work” if it would result in:
- a) a dangerous or unsafe situation for employees or the public;

- b) a threat to the environment;
 - c) damage to equipment, systems or property;
 - d) the violation of licenses, regulations or other statutory requirements as applicable in (a), (b) and (c) above;
 - e) activities going undone which are required to support employees who are performing essential work in accordance with (a), (b), (c) and (d) above;
 - f) such other condition or concern as may be reasonable in the circumstances.
- 74.2** The process for identifying and assigning work will be a joint process involving a Management representative(s) and The Society Unit Director/designate(s) of the Business Unit. As a part of this process, an employee will advise the Management Representative(s) and The Society Unit Director/ designate(s) in a timely manner as to whether he/she will accept the tentative work assignment. Due consideration will be given to family or extenuating personal circumstances raised by an individual employee prior to assigning essential work.
- 74.3** In the event that The Society claims that an activity is not “essential”, it may make a claim before George Adams as facilitator/arbitrator, who shall make a ruling on an expedited basis.
- 74.4** Kinectrics may assign work involuntarily to Society-represented staff if no MF/ESR or qualified Society volunteers are available. There is no obligation to assign MF/ESR before seeking a Society volunteer.
- 74.5** Any proposed shift schedules which may be worked by Society-represented employees during assignment to non-bargaining unit work shall be reviewed by the appropriate Society Unit Director/designate prior to the official issuance of the shift schedule.
- 74.6** Employees assigned to essential work will have the appropriate skills and training to perform the duties.
- 74.7** The terms and conditions of compensation for performing essential work are described in the Letter of Understanding (LOU#1) entitled “Compensation and Working Conditions - Essential Duty Assignments” dated June 27, 1994.

75 TELEWORKING

75.1 Definition of Teleworking:

Telework refers to a Kinectrics employee who:

- Is working out of an office in his/her home;
- Does not normally have another office at Kinectrics;
- Is not working at home on an occasional or casual basis.

75.2 Collective Agreement Standards:

Where Kinectrics determines that teleworking may be implemented, the following provisions will apply:

- a) The arrangement will be mutually agreed upon and will be documented prior to commencement of teleworking;

- b) The terms and conditions of the Collective Agreement will apply except where modified by agreement among Kinectrics, The Society and the employee;
- c) Teleworkers will not be required to meet with customers or other Kinectrics employees in their home;
- d) Teleworking arrangements will be voluntary, and are subject to cancellation as locally agreed;
- e) Teleworking will not change the employment status of the teleworker;
- f) Kinectrics will provide appropriate health & safety advice and guidance to the teleworker;
- g) Kinectrics will provide appropriate business and personal security advice to the teleworker;
- h) Kinectrics shall provide all furnishings/equipment it deems necessary to meet job expectations;
- i) Kinectrics will pay for additional insurance costs, if required;
- j) If the teleworking arrangement is terminated then the employee will be entitled to relocation assistance as provided in the Collective Agreement;
- k) It is agreed that The Society represents employees who fall within The Society recognition clause of the Collective Agreement and who are teleworking;
- l) Kinectrics will provide in a timely manner The Society with the names, business phone number and business address of teleworkers.

75.3 Local Agreements

Local management, the employee and The Society will agree on these items as part of a local agreement:

- performance measures
- relevant terms and conditions (e.g. travel)
- training where appropriate
- sunset (with a minimum term)
- cancellation

76 DIRECT DEPOSIT

Employees will be paid bi-weekly by means of electronic deposit. Time exceptions (e.g. overtime) will continue to have a time lag. Such time lag will only be for the period required for the effective operation of the time reporting centers and pay processes.

77 CROSSING PICKET LINES OF OTHER UNIONS

- 77.1** Employees will be required to cross picket lines of other unions in order to perform work at their regular/temporary work headquarters.
- 77.2** During such picket action, some flexibility with respect to the normal scheduled hours of work on the part of both Management and the employee is particularly desirable.
- 77.3** Normally, an employee who is prevented from arriving at work for his/her normal starting time due to such picket action will have his/her salary maintained without the requirement to make up the hours missed, subject to the following guidelines:
 - a) An employee is expected to make a reasonable attempt to arrive at work at their normal starting time.

- b) If an employee who is late for work should have been able to cross the picket line without being late, the no work - no pay principle will apply.

78, 79 (RESERVED)

80 SPECIAL CLOTHING

- 80.1** Employees are responsible for providing, at their own expense, suitable clothing for the performance of their regular duties. Subject to certain conditions, outlined below, special clothing may be obtained at the expense of Kinectrics for issue to employees.
- 80.2** Kinectrics will make bulk purchases of certain types of work clothing, for resale to employees, on the most favourable terms possible.
- 80.3** A limited number of rainproof coats and hats may be obtained and kept available at construction headquarters etc., for persons who normally work indoors, but who are occasionally required to work out of doors under adverse weather conditions.
- 80.4** Safety items that are designed exclusively for such safety purposes will be provided to employees required to perform certain types of work, at no cost to the employee.
- 80.5** All clothing issued by Kinectrics will remain the property of Kinectrics. Employees may be required to replace item(s) lost or destroyed as a result of their own carelessness.
- 80.6** Staff will be reimbursed for the cost of up to two pairs of protective footwear per year where such footwear is required by Kinectrics as follows:
- Safety boots/shoes - 50% of actual cost to a maximum of \$75/pair;
 - Electric Shock Resistant Footwear - 75% of actual cost to maximum of \$125/pair
- 80.7** Requests for special items of clothing not specifically mentioned, but which might be reasonably supplied under the conditions set out above, will be considered, each case on its own merits. Such clothing must be kept available for any employee who may require it for Kinectrics work.

81 PAYMENT FOR USE OF PERSONAL VEHICLE

- 81.1** Where an employee is authorized to use his/her personal vehicle for Company related business/travel, the rate of reimbursement will be based on the Private Transportation Component of the Canadian CPI as reported by Statistics Canada. The rate of \$0.41 per kilometre will take effect on March 1, 2001.
- 81.2** Future increases of one cent/km will occur with each additional 10% increase in the Private Transportation Index - 1986 = 100. A decline in the Index below a previously surpassed trigger point for two or more consecutive months will result in a reduction by the appropriate amount of the rate paid.

If the Kinectrics business/travel involves the hauling of household trailers, an additional \$0.09/km will be paid. For the hauling of smaller trailers (Camper, Ski-doo, boat etc.), the amount will be \$0.03/km. The above rates will apply on a province-wide basis.

- 81.3** By virtue of receiving the above kilometre rates, the employee is responsible for any expenses incurred involving his/her vehicle while on Kinectrics business. This would include such items as insurance premiums, license fees, traffic/parking violations, maintenance costs, any repairs or replacement of parts, fuel, lubricants and the like. The employee is further responsible for informing his/her insurance company that the vehicle is being used for business purposes, and for paying any additional premium that the insurance company deems fit.

82 NOTICE OF INTENT TO RETIRE/TERMINATE

Employees should provide no less than 8 weeks notice of intent to retire or terminate their employment with the company. Employees should communicate their last intended day of work in this notice. Vacation prior to retirement or termination should not be included in the minimum notice period. This is a minimum expectation and more notice allows the company to adequately plan and prepare for an employee's departure.

83 RETIREMENT BONUS

Employees who have completed 10 years or more of continuous employment shall be given, upon retirement, a cash bonus equal to one month's pay. The retirement bonus may be paid in cash or by transfer to an employee's Registered Retirement Savings Plan (RRSP), at the employee's option.

84 EXTREME WINTER WEATHER CONDITIONS

In the event of extreme winter weather conditions, employees will normally receive pay for hours worked.

84.1 Make Up Time

Employees who, due to extreme winter weather conditions, arrive late, miss work or receive approval to leave early, may seek approval to make up lost time by working back the missed hours by:

- a) using a vacation day;
- b) using a floating holiday;
- c) using a lieu day (or banked time where applicable).

84.1.1 For employees who receive approval to work back the lost time, their pay will be maintained for the number of normal scheduled daily hours lost, provided there is work available to be performed.

84.1.2 Employees will work at straight time rate of pay while working back the lost hours.

84.1.3 Time lost due to extreme weather conditions will be worked back within the pay week period. Any lost time not worked back by the end of the pay period will be deducted from the employee's pay.

84.1.4 Senior Management at the location have the discretion to maintain some or all of an employee's normal base pay if they are satisfied that every reasonable effort was made to report to work on time.

84.2 Closure

Employees included in an authorized closure will have their pay maintained for the number of hours between closure and normal quitting time.

84.3 Stranded Employees

Employees who are confined at a regular work location which is an acceptable shelter, will have their normal base pay maintained for their normal scheduled hours of work.

84.3.1 Payment for time worked in excess of normal scheduled hours will be made only if approval was given in advance for such work.

84.3.2 Employees will be reimbursed for reasonable expenses for food and shelter, and will have normal base pay maintained when stranded away from their residence headquarters while on Kinectrics business.

84.3.3 Employees working in a location where a minimum level of acceptable shelter does not exist shall be considered as still being at work until acceptable shelter can be reached.

85 EXTRAMURAL TRAINING

85.1 Professional Designations

100% of annual fees shall be reimbursed by Kinectrics where such fees are incurred by an employee to maintain professional designations or membership in scientific associations required by Kinectrics including but not limited to, designation as a professional engineer, as a C.G.A. or membership in professional associations for scientists such as physicists or chemists.

85.2 Extramural Training

85.2.1 In order to maintain, broaden and generally improve its employees' professional qualifications, skills and abilities now or in the future, Kinectrics shall provide financial support for relevant external training activities. 100% of standard registration/tuition fees and learning material costs will be reimbursed by Kinectrics for external training where:

- a) Prior to registering for a training course, the employee has obtained approval for reimbursement from his/her supervisor.
- b) External training includes computer based learning programs and training courses, conference attendance and Standards Development meetings. All external training should normally be completed outside normal working hours. Where this is not possible, the employee's supervisor shall approve time off with pay for attendance at external training subject only to the determination of the following:
 - i. work demands, and;
 - ii. a thorough discussion with the employee to review all measures available to accommodate the employee's request, including but not limited to reassigning work to other employees.
- c) In no circumstances will the external training exceed six weeks if the employee is required to be absent from work.

- d) Employees shall advise Kinectrics prior to training registration of travel costs (for transportation, accommodation and meals) that will be incurred to attend external training. Kinectrics will reimburse these costs provided they are reasonable in the circumstances.
- e) Employees will be reimbursed for up to **\$600** for self-study materials relevant to their professional training, including but not limited to, computer based learning materials and/or textbooks in any calendar year where external training has not been attended by the employee.
- f) An employee will be reimbursed for approved external training subject to:
 1. Satisfactory training course completion and a passing grade where applicable, except where the course is taken upon the request of Management.
 2. Costs will not be reimbursed if the employee has given notice of resignation prior to completion of the external training.
 3. All approved costs will be reimbursed for external training which cannot be attended or completed due to the employee being assigned duties incompatible with course completion.

85.2.2 It is agreed that the approval of the employer is required for any of the activities referred to in 85.2.1. It is also agreed that the employer shall not be required to spend in excess of **\$100,000** annually, in aggregate, on the activities referred to in 85.2.1.

85.2.3 Where the employer defrays the expenses for certain activities, such as degrees, the employer shall signify in advance that the employee will be expected to remain in the employ of the employer for at least one year after completing the activity. If the employee, in these circumstances, voluntarily leaves his or her employment within one year, the employer shall have the right to repayment of the amount expended by the employer from the employee.

86 MEAL EXPENSES

Normally, employees are expected to provide their own meals. Where there is a requirement for a meal as a result of legitimate business functions, employees will be entitled to be reimbursed for reasonable out-of-pocket expenses.

PART XIV - ADMINISTRATION

87 REPRESENTATION ON KINECTRICS COMMITTEES

The parties recognize the roles and responsibilities of appointees to committees and task forces, i.e., as a representative of Management on the one hand, and The Society, on the other. When an employee represented by The Society is appointed by Management, his/her responsibility is to Management. When he/she is appointed by The Society, his/her responsibility is to The Society. This role distinction should be made clear at the time of appointment. Notwithstanding the above, and in keeping with Subsection 2.4 (Supervisory Employees - Code of Ethics), Management will endeavour to appoint its representatives having regard to The Society's interests in effective representation.

88 GUIDELINES FOR SOCIETY REPRESENTATIVES ON BUSINESS IMPROVEMENT TEAMS

In a spirit of mutual trust and co-operation, these guidelines have been jointly developed by The Society and Management to assist the parties when there is involvement by Society-represented employees in improvement processes.

- 88.1** Society-represented employees have a legitimate role to play in the development and operation of continuous quality improvement teams at Kinectrics.
- 88.2** When employees representing The Society are to be included on a business improvement team, they will be officially appointed by the appropriate Unit Director or The Society Executive following discussions with the appropriate line managers. The Society will normally be provided with a task description or problem identification, including an estimate of the time required, as well as with selection criteria to assist in the selection of appropriate nominees for the activities at hand. The Society retains the right to make the final appointment.
- 88.3** Employees representing The Society on business improvement teams will be given the opportunity to be involved in all aspects of the team activity; i.e., joint communications, joint training and education, etc.
- 88.4** Only conclusions that have been reached by consensus will be included in the final recommendations of the team.
- 88.5** The Society Board of Directors and appropriate Management staff should be kept informed regarding implications for any JSMC Agreements between Kinectrics and The Society as the business improvement team progresses. Recommendations which impact on JSMC Agreements will only be implemented when approved by the parties.
- 88.6** If innovative practices resulting from business improvement team recommendations are tested/piloted, it is without setting precedent.
- 88.7** The Society and the Human Resources office will be advised in advance of a quality improvement team implementing any innovative work practices, compensation schemes, etc. that challenge agreements between Kinectrics and The Society. Sufficient time will be allotted for feedback before any such ideas are implemented.
- 88.8** Performance appraisals should support business improvement processes. Toward that end, participation by Society-represented employees in business improvement activities should be considered in a positive light when conducting performance appraisals providing their contribution to the business improvement team has been useful.
- 88.9** Society-represented staff will be reimbursed for reasonable costs related to participation in business improvement initiatives by Kinectrics.
- 88.10** As a last resort, any issues relating to quality improvement that cannot be resolved locally should be referred to the Joint Society-Management Committee (JSMC) for further discussion.

89 TRIPARTITE AGREEMENT ON JOINT HEALTH AND SAFETY COMMITTEES

Kinectrics and The Society agree to adhere to the Tripartite Agreement below:

TRIPARTITE AGREEMENT ON JOINT HEALTH AND SAFETY COMMITTEES

PRINCIPLES OF AGREEMENT between the employer, the Power Workers Union and The Society concerning the establishment or modification of Joint Health and Safety Committees to meet the requirements and intent of The Occupational Health and Safety Act, as amended by Bill 208.

1. SIZE AND COMPOSITION OF JOINT HEALTH AND SAFETY COMMITTEES

That the size of JHSCs will be determined through discussions and agreement between the three parties.

That the PWU and The Society shall comprise a minimum of 75% of the JHSC membership with the relative percentage of PWU and Society JHSC members being determined by these two parties based on criteria including but not limited to representation by population and historical make-up. Neither union shall have less than 25% of the total number of Committee representatives nor more than 50%. Disputes regarding numbers shall be referred to the Executive level of the PWU and Society for resolution and if agreement is not reached, to an arbitrator mutually agreed upon by the parties for binding resolution.

That Management's Committee representatives will be from outside of PWU and Society jurisdiction.

That the status, rights and treatment of all representatives on the JHSCs will be equal.

That the meetings of the JHSC will be chaired on a rotating basis by the Co-Chair of each party represented on the committee.

2. TRAINING AND CERTIFICATION

That all JHSC members will be trained and certified. Training and certification will be jointly determined and in accordance with legal requirements and the PWU and Society Authority to Stop Work Agreements, with the costs to be borne by the employer.

3. POLICY COMMITTEE (NON-LEGISLATED)

That a corporate-level Health and Safety Policy Committee shall be established to participate in the formation and evaluation of health and safety strategy and policy, to resolve policy-level issues impacting on tripartite health and safety initiatives including the Work Protection Code and Corporate Safety Rules

That the Policy Committee be comprised of an equal number of senior representatives from The Society, the PWU and Management.

That the parties will each select their respective committee members.

That the Policy Committee shall meet at least once per quarter.

That the employer shall provide the resources and training that the Policy Committee deems necessary with costs to be borne by the employer. Training development and delivery will be jointly determined.

That the Policy Committee shall receive a formal response to its input to policies/programming within 30 days.

4. ANNUAL EXPERIENCE REVIEW

That each year, upon request by any one of the parties to this Agreement, an experience review by undertaken by the parties of the benefits and difficulties of implementation of the Agreement and the impacts of organizational changes.

5. AMENDMENTS TO THE AGREEMENT

Amendments to the Agreement may be made at any time by the parties with mutual agreement in writing. If mutual agreement cannot be reached, the parties will refer to an arbitrator, mutually agreed upon by the parties, for binding resolution.

90 AUTHORITY TO STOP WORK

90.1 Definitions

"Where an Employee's health and safety is in immediate danger" (refer to 90.4.3), "immediate danger" shall mean, "conditions that pose an immediate threat to life or health, or conditions that pose an immediate threat of severe exposure to contaminants such as radioactive materials which are likely to have adverse or cumulative or delayed effects on health."

90.2 Intent

"Responsibilities and Accountability" are intended to reinforce the fact that this is a joint policy for which both parties are jointly responsible, i.e. we are in this together.

90.3 Introduction

Effectively involving employees and Employers in joint health and safety committee activities can enhance workplace health and safety. Under the Occupational Health and Safety Act, the use of Joint Health and Safety Committees (JHSC) is part of the legislative process which has been labeled as the "Internal Responsibility System" (IRS). Within this participatory management concept, the JHSC's have been given specific rights and responsibilities under the Act such that, with their involvement, the right to know, the right to participate and the right to refuse unsafe work is further enhanced.

The employer and The Society of Energy Professionals ("The Society") agree that all unsafe work must be stopped. This Article on health and safety for the authority to stop work will further enhance the activities of the JHSC's and the IRS concept.

Changes to this Article can only be made by mutual agreement of the Joint Working Committee on Health and Safety. Where no agreement can be reached, the matter will be referred to the Joint Society Management Committee (JSMC) for resolution.

90.4 Authority to Stop Work

90.4.1 Where a workplace is unsafe, a Certified Society and Management member of the local JHSC can jointly prevent the start of the work or stop the work.

90.4.2 Where there is a disagreement between the Certified Society or Certified Management member of the local JHSC that the workplace is unsafe, the issue shall be immediately presented to the local JHSC for review and resolution.

90.4.3 Where an employee's health or safety is in immediate danger, a Certified Society or Management member of the local JHSC can stop the work. After calling the work stoppage, the Certified Society or Management member must contact the respective counterpart immediately and seek to obtain joint agreement on the stoppage as soon as possible. If joint agreement cannot be reached, the issue shall be presented to the local JHSC for review and resolution.

90.4.4 In cases where the JHSC cannot resolve issues arising from 2 or 3 above, the Ministry of Labour Inspector or the Atomic Energy Control Board shall be called in for resolution.

90.5 Training/Certification

90.5.1 The Society Joint Health and Safety Working Committee shall fully participate in the development of a specialized training program for all members of the Joint Health and Safety Committees.

90.5.2 The Society Joint Health and Safety Working Committee shall fully participate in the development, putting in place, and administration of testing and re-testing standards for all members of the JHSC's.

90.5.3 The Society Joint Health and Safety Working Committee shall fully participate in the establishment of a specific Training/Certification program for members of the JHSC's.

90.5.4 The Society Joint Health and Safety Working Committee shall fully participate in the development, implementation and administration of testing and re-testing standards for accrediting JHSC members into the Certification program. Such standards shall not be less than those established by the regulatory agencies or deemed to be equivalent to the intent of the regulatory standards.

90.6 Responsibility and Accountability

There shall be a shared responsibility and accountability by The Society and Management for the actions of their Certified members of the JHSC's.

90.7 Compensation and Discipline

It is understood that employees directly or indirectly affected by the application of this Agreement will not suffer any loss of wages or disciplinary action.

90.8 Decertification

Should a Certified member fail to act in good faith, The Society Joint Health and Safety Working Committee shall review the representative's action and make appropriate decisions.

Where there is disagreement regarding the action of the Certified member, the issue shall be taken to JSMC for resolution.

90.9 Assessment

The Joint Working Committee on Health and Safety shall be responsible for assessing the effectiveness of this Agreement from time-to-time.

91 HEALTH AND SAFETY DISPUTES

- 91.1** Except for disputes involving the principles set out in the Tripartite Agreement on Joint Health and Safety Committees, all other disputes involving allegations that the employer has violated the provisions of the Occupational Health and Safety Act (OHSA) will not be subject to the provisions of the grievance/arbitration procedure except where provided for by the legislation itself. The parties will attempt to resolve such disputes at the lowest level possible. Failing resolution, the dispute may be forwarded to the Ministry of Labour for final resolution.
- 91.2** Disputes which involve interpretations about Sections of the OHSA, or any of its associated regulations will be resolved in accordance with the procedure set out in the joint agreement "Handling Legislative and Regulatory Impasses Pertaining to the Occupational Health and Safety Act and its Associated Regulations" dated December 5, 1991.

92 JOINT HEALTH AND SAFETY COMMITTEES

- 92.1** The employer will provide a Joint Policy Committee in which Society representatives are able to address the health and safety concerns of employees with Management of various levels.
- 92.2** All Society-represented employees are entitled to representation on joint health and safety committees and to associated training.
- 92.3** There are to be two levels of representation:
- Kinectrics/Board level (JSMC)
 - Corporate Health and Safety/Society working committee level (based on the following Terms of Reference)

Terms of Reference - September 27, 1989
Joint Working Committee on Health and Safety

1.0 Goal

Provide recommendations to assist the Company in the development, implementation and evaluation of Kinectrics employee health and safety policy and programs.

2.0 Personnel

Management staff as deemed necessary from time-to-time.

Chairperson of Society Health and Safety Committee and other Society members or a staff advisor to a maximum of five.

The Chair will rotate between the Management, and Chair of The Society Health and Safety Committee.

3.0 Function

Participate in the identification and resolution of problems and issues of Kinectrics significance in employee health and safety policy and practice.

Participate in the development, promotion and implementation of Kinectrics health and safety programs.

Meet the provisions of 90.5, 90.8 and 90.9.

The Committee will meet quarterly or as mutually agreed.

Kinectrics will pay the expenses related to jointly agreed projects undertaken by or on behalf of the Joint Working Committee on Health and Safety.

- 92.4** Kinectrics agrees to consult with The Society regarding new health and safety policies and procedures and regarding changes to existing health and safety policies or procedures except where provided for by the legislation itself. The Society will be given a reasonable amount of time to comment prior to implementation.

93 JOINT SOCIETY-MANAGEMENT COMMITTEE (JSMC)

Negotiations between Kinectrics and The Society shall take place through a Joint Society-Management Committee (JSMC) to which each body will appoint an equal number of representatives. Negotiations shall be conducted in good faith and both parties shall make every reasonable effort to reach agreement on matters of mutual interest as expeditiously as possible. The JSMC incorporates all joint processes other than those specifically required to be separate entities by law (e.g., joint health and safety committees). The JSMC may charter specific teams to carry out various duties or activities.

94 PROBLEM-SOLVING TEAMS

a) to d) (reserved)

e) Pension Governance and Control

The parties agree to establish a committee to have access to reasonable pension plan and pension fund information (subject to the understanding that certain confidential information will not be available, and such confidential information that is supplied will be maintained in confidence by the committee/resource persons), and to explore the feasibility and advisability of:

- i) a new governance framework;
- ii) creation of a pension plan/fund for Society members only;
- iii) obtaining information that may be relevant to succession issues;
- iv) obtaining information provided to the Board committee dealing with the Pension Plan and Fund.

The committee shall be composed of six members, three to be selected by Kinectrics and three to be selected by The Society. Each party shall have the right to have resource persons attend meetings and assist the members of the committee with their deliberations.

f), g) (reserved)

h) Collective Agreement Clean Up

The parties agree to review the wording of the collective agreement (including letters of understanding) to determine the necessary modifications to permit application of the agreement to a Kinectrics specific bargaining unit.

i) Flexible Work Pilots

The parties agree to review and develop recommended potential limited term flexible work arrangement pilot projects.

The parties agree that any recommendations provided by the joint teams would be subject to approval from the parties' respective principals.

95 PUBLICATION OF COLLECTIVE AGREEMENT

All Society-represented staff should have personal access to a copy of the Collective Agreement. The preferred method is to provide access to this Agreement via an electronic basis such as Intranet. Where there is no access to Intranet the document could be distributed via disc.

Kinectrics agrees to print sufficient copies for distribution to all elected Society representatives and to those employees without access to computer technology. The cost of printing the copies that are required (to be determined by joint agreement) will be shared on the following basis: 75% Kinectrics; 25% Society.

96 USE OF KINECTRICS COMPUTER FACILITIES

The Society may make use of the Kinectrics computer and email system to conduct its normal business and to provide service to its members. The Society can expect that such usage will be held private and Society data may be protected from access by others by taking advantage of existing password mechanisms. It is the Society's responsibility to make arrangements to utilize such mechanisms.

The Society will adhere to the current Kinectrics Policy on Use of Telephones, Faxes, Computers, E-mails and the Internet.

97 STATUS OF CERTAIN CORPORATE POLICIES AND PROCEDURES

97.1 Kinectrics will not terminate or alter the terms of the Ontario Hydro policies and procedures listed below without the agreement of The Society during the term of this Agreement. Prior to December 31, 2004, the parties will review the language of these policies and procedures for possible inclusion in the Collective Agreement.

97.2 The following Kinectrics Human Resources Policies and Procedures are subject to the grievance/arbitration provision of the Collective Agreement (Article 16).

- a) Personal Accident Benefits
- b) World Class Sports Events
- c) Educational Leave
- d) Annual Training – Reserve Forces
- e) Job Sharing, Work Sharing, Self-funded Sabbaticals

98 CODE OF CONDUCT

Where Kinectrics develops a Code of Conduct, it shall make reasonable efforts to apprise The Society and employees of the contents thereof prior to implementing the same.

99 LETTERS OF UNDERSTANDING & MID-TERM AGREEMENTS

99.1 Letters of Understanding and Mid-Term Agreements will form part of this Collective Agreement. Letters of Understanding are found in Part XVI. Mid-Term Agreements are found in Part XVII.

99.2 Letter of Understanding

99.2.1 Intent

A Letter of Understanding may serve the following purposes:

- amend or add to the current provisions of the Agreement;
- elaborate/clarify the intentions of a provision of the Collective Agreement;
- establish provisions for issues not covered by the Agreement.

99.2.2 Grievance/Arbitration

Letters of Understanding are subject to the same grievance and arbitration provisions as are other items in the Collective Agreement.

99.2.3 Approval

Letters of Understanding must bear the signatures of both the Co-Chairs of the JSMC or their designates.

99.2.4 Duration

The parties agree that, for the most part, Letters of Understanding should contain "sunset clauses". In those cases where such a clause has not been put into a Letter of Understanding, The Society and Kinectrics will at some time during Collective Agreement negotiations determine the status of each such Letter of Understanding (e.g., incorporate in to the Collective Agreement, delete it, extend it, etc.).

99.3 Mid-Term Agreements

Article 7 sets out the principles, grievance/arbitration status, approvals and duration of Mid-Term Agreements. Items which are not subject to Mid-Term Agreements at the Business Unit level may be referred by the Business Unit to the JSMC. Any Agreements approved by the JSMC through this process will be set out in a Letter of Understanding.

99.4 Note to Letters of Understanding and Mid-Term Agreements

Kinectrics and The Society have not amended all Letters of Understanding or Mid-Term Agreements to reflect the separate Collective Agreement status of Kinectrics. It is agreed, however, that the commitments, terms and conditions in these Letters of Understanding and Mid-Term Agreements will be binding on Kinectrics in the same manner as they were applied to Ontario Power Generation Nuclear, to the extent that they are applicable to Kinectrics.

100 RESERVED**101 NOTE TO PART XV - APPENDICES**

Kinectrics and The Society have not amended all the Appendices in Part XV to reflect the separate Collective Agreement status of Kinectrics. In particular, the Appendices dealing with the Voluntary Recognition Agreement and subsequent amendments are historic documents and, therefore, references to “Ontario Hydro” have been maintained. It is agreed, however, that the commitments, terms and conditions in these Appendices shall apply to Kinectrics in the same manner as they were applied to Ontario Power Generation Nuclear to the extent that they are applicable to Kinectrics.

PART XV - APPENDICES

Note: Appendices missing in sequence are not applicable to Kinectrics.

Appendix I - Re: Utilization and Advancement of Professional Engineers and Scientists

Kinectrics and The Society agree the following principles will govern the utilization and advancement of professional engineers and scientists in Kinectrics.

- 1.0 The terms "professional engineers" and "scientists" shall include the employees' categories identified in Attachment A.
- 2.0 The P1-88 Job Profile level of work shall normally be considered as a developmental stage for professional engineers and scientists performing engineering or scientific work.
- 3.0 The P1-100 Job Profile level of work shall be considered as the "normal expectancy" level for fully qualified and competent engineers, or scientists in Kinectrics. The P1-94 Job Profile may continue to be a "journeyperson" level for engineers and scientists in some areas of activity. These are listed at Appendix 1 of the Performance Pay Plan.
- 4.0 Every effort should be made to provide professional engineers and scientists with an opportunity for advancement to the P1-100 Job Profile, when they are capable of performing work at this level and such work is available.
- 5.0 Where an individual has demonstrated the willingness and capability to advance, and where advancement is impeded by lack of opportunity in the work area, every effort should be made to assist the individual in career advancement. This could include specific action steps such as training, job transfers, and rotations which will provide greater promotional opportunity.
- 6.0 Greater emphasis is required on the screening of professional staff at an early stage in their careers for both their potential capability to perform work at the P1-100 Job Profile level and their suitability for further employment in Kinectrics.

ATTACHMENT A

UTILIZATION AND ADVANCEMENT OF PROFESSIONAL ENGINEERS AND SCIENTISTS

Professional Engineers

Incumbents of jobs with 600000 or 860000 occupation codes who are:

a) Licensed to practice engineering by the Professional Engineers of Ontario (PEO)

or

b) University graduates in one of the following engineering disciplines:

Aeronautical Engineering (Aero Space, etc.)	Engineering General
Agricultural Engineering	Engineering Science (Physics)
Chemical Engineering	Geological Engineering
Civil Engineering	Mechanical Engineering
Electrical Engineering	Mining Engineering
Electrical Engineering	Metallurgy & Material Science
Electronics Engineering	Nuclear Engineering
Engineering Business (Industrial)	Water Resources Engineering

Scientists

Incumbents of jobs with 600000 or 860000 occupation codes who are university graduates in one of the Natural Sciences, the Applied Sciences, Mathematics or Computer Science and who are not classified as professional engineers.

**Appendix II - Re: Input To
Professional Engineers of The Province of Ontario (PEO) Salary Survey**

It is agreed that the method of input to the PEO Salary Survey of Employers and the analysis and use of the survey shall be in accordance with the following.

1.0 Data Input

1.1 The salary rates input to the survey shall be the rates paid for normally scheduled hours of work.

1.2 Such salaries shall be input for all Kinectrics engineers at Bachelor and/or post-graduate levels in engineering disciplines, who are engaged in engineering or scientific work (incumbents of engineering and technical jobs in bands P1, P2, and L, who are represented by The Society), including engineering trainees (engineers in developmental positions) who are registered (or eligible for registration) by the PEO.

2.0 Method of Input

2.1 Level A

Engineers whose Bachelor graduation occurred during the current or two previous calendar years, who are not incumbents of jobs classified under Job Profile P1-100 or higher.

2.2 Level B

- i)** Engineers whose Bachelor graduation occurred during the third, fourth or fifth calendar year prior to the current year, who are not incumbents of jobs classified under Job Profile P1-100 or higher.
- ii)** Engineers in jobs classified lower than Job Profile P1-88 who have sufficient years of experience to exempt them from eligibility for input to Level A.

2.3 Level C

Engineers in jobs paid at less than 95% of the P1 reference, who have sufficient years of experience to exempt them from the requirement to be input to Levels A or B.

2.4 Level D

Engineers in jobs classified under Job Profile P1-100 or P1-107.

2.5 Level E

Engineers in jobs classified under jobs in band P2 or band L.

**Appendix V - Re: List of Mediators
and Arbitrators (incomplete)**

Pursuant to Section 14.2, the parties submit the following individuals to be used as mediators/arbitrators if mutually agreed to:

Kevin Burkett
Pamela Picher
Michel Picher
Robert Howe
Anne Barrett
William Kaplan
Wesley Rayner
Donald Carter

Professor Ken Swan
George Adams
Jane Devlin
Gail Brent
Gregory Brandt
Louisa Davie
Owen Shime

**Appendix VIII - Re: Amendment to the
Voluntary Recognition Agreement (VRA)**

In light of major changes that have occurred since the Voluntary Recognition Agreement (VRA) came into effect on January 14, 1992, including significant Corporate restructuring, the parties' agreement to conduct a joint internal relativity project, and the need to clarify The Society's historical jurisdiction, The Society and Ontario Hydro agree to replace Sections 1.0 and 2.0 of the VRA with Article 2 of their Collective Agreement as amended by the Framework Agreement dated October 4, 1994.

The parties further confirm that the terms of the VRA as amended in the Collective Agreement remain applicable in all respects, including the agreed upon dispute resolution processes, to all provincially and federally regulated employees, subject only to previously agreed amendments and this amendment.

(signed by B.R. Story and C.B. Cragg - October 4, 1994)

Appendix IX - Re: Article 2 - Recognition Clause

Ontario Hydro and The Society confirm the following understanding with respect to their agreement to amend Article 2 ("Recognition Clause") of their Collective Agreement:

1. The parties agree that the Voluntary Recognition Agreement (Attachment A), subsequent amendments to the VRA and correspondence between the parties concerning jurisdictional matters will be admissible in the event of any future interpretation disputes concerning The Society's recognition clause.
2. The parties agree that the intent of these amendments is to clarify The Society's historic jurisdiction as the exclusive bargaining representative for the broad mix of professional and supervisory employees that comprise the M&P/FM&P and TMS/TS/OSS/SEI salary classifications on salary schedules 01, 02, 03, 04, 05, 06, 07, 08, 09, 13 and 18 except where such persons are performing managerial functions or are employed in a confidential capacity. As such, these amendments constitute a reconfirmation by Ontario Hydro of the commitments made by D.B. MacCarthy regarding The Society's jurisdiction in his April 18, 1994 letter to P.T. Suchanek, Registrar of the Canadian Labour Relations Board.
3. The Society acknowledges that Ontario Hydro has consented to the deletion of the following subparagraphs from the bargaining unit description on the basis of the assurance of The Society contained in paragraph 4 below:
 - those persons included on the Executive Salary Roll and above;
 - employees whose full-time duties are security work;
 - employees in the Executive Office;
 - employees in the Office of the General Counsel and Secretary including the Law Division except Corporate Official Records Analysts, Corporate Archivists and Corporate Records Centre Supervisors.
4. The Society assures Ontario Hydro that this Agreement, to delete the sub-paragraphs contained in paragraph 3 above, does not extend the previously agreed upon jurisdiction of The Society, except upon consent of the parties, beyond that jurisdiction identified in the Voluntary Recognition Agreement. However, should jurisdictional claims be made by any other bargaining agent for the classifications referred to in paragraph 3 above, The Society may assert a parallel or related claim.
5. The parties acknowledge that there are thirteen jurisdictional grievances filed by The Society pending resolution (listed in Addendum A) and that these amendments are not intended to prejudice the outcome of these disputes.
6. The parties acknowledge that the definition "associated employees" in Subsection 2.3.2 includes, but is not limited to, positions listed in Addendum B, and other similar positions created in the future.

(signed by B.R. Story and C.B. Cragg - October 4, 1994)

ATTACHMENT A

VOLUNTARY RECOGNITION AGREEMENT

This Agreement including the accompanying Framework Agreement, included as Schedule A, resolves all issues raised during proceedings at the Ontario Labour Relations Board, regarding The Society's Applications for Certification (dated November 5, 1986 and October 2, 1990) or otherwise arising as to the status of the Master Agreement as a Collective Agreement before such Board or the Courts. This Voluntary Recognition Agreement is entered pursuant to the Ontario Labour Relations Act and is acknowledged to be enforceable pursuant to that Act. The parties agree that the Memorandum of Agreement, June 19, 1991, known as the Letter of Understanding, is no longer in force or effect.

1.0 Recognition Clause

Pursuant to section 16(3) of the Ontario Labour Relations Act, Kinectrics agrees to recognize The Society as the exclusive bargaining agent for the "employees" defined as follows:

"All employees employed by Kinectrics in the Province of Ontario as supervisors, professional engineers, engineers-in-training, scientists, professional, administrative and associated employees save and except:

- a) those persons included on the Executive Salary Roll and above;
- b) employees in bargaining units for which any trade union holds bargaining rights as of the signing of this Agreement;
- c) those persons who perform managerial functions as distinct from supervisory functions. An employee is performing managerial functions if:
 - i) she/he performs managerial functions such as hiring, promotion, performance increase, discharge, etc. over other employees in the bargaining unit and;
 - she/he is required to spend the majority of his/her time performing managerial duties and;
 - she/he supervises at least seven (7) employees (directly or indirectly) on a regular and continuous basis.
 - ii) she/he supervises employees who are excluded from The Society under (c) (i), (d), (e) or (f);
- d) employees who are primarily employed in a confidential capacity affecting the terms and conditions of employment for Kinectrics staff;
- e) employees whose full-time duties are security work;

- f) employees who are members of a profession entitled to practice in Ontario and who are employed in a professional capacity where the Ontario Labour Relations Act excludes such persons from coming under the Act by virtue of their profession.”

2.0 Clarity Notes

For the purposes of clarity, the bargaining unit set out above:

2.1 Includes:

- a) All regular, probationary, part-time and temporary employees whose functions are included in the classifications paid from Salary Schedules 91, , 94, and 95, .
- b) All employees paid from Salary Schedule 13 (Nurses), Salary Schedule 03 (System Control Operators) and Salary Schedule 06 (Helicopter Operator Supervisors), except employees excluded by virtue of 1.0 of this Agreement, will be entitled to vote to determine if they wish to be represented by The Society. If the majority of eligible employees voting on any schedule vote in favour of being represented by The Society, eligible employees on that schedule will be represented by The Society. The vote will be conducted by The Society and Ontario Hydro by secret ballot.

2.2 Excludes employees in accordance with 1.0 (c) above as follows:

- a) M&P (Schedule 01) - in salary classification MP4 (or higher) rated by the Plan A Point System of Job Evaluation January 1988 (“Plan A”), or its equivalent, carrying “Nature of Supervision” Degree 4 (or higher) or its equivalent and “Numbers Supervised” Degree 3 (or higher) or its equivalent who normally supervise other Society represented employees.
- b) FM&P (Schedule 02) - who normally supervise other FM&P employees and who normally supervise at least seven (7) employees directly or indirectly.
- c) TMS and TS (Schedules 08 and 07) - who normally supervise other TMS or TS positions and who normally supervise at least seven (7) employees directly or indirectly.
- d) OSS (Schedule 05) - who normally supervise other OSS positions and who normally supervise at least seven (7) employees directly or indirectly.
- e) Supervising Electrical Inspectors (Schedule 09) - who normally supervise other SEI positions and who normally supervise at least seven (7) employees directly or indirectly.
- f) Area Managers.

- 2.3** Excludes employees in accordance with 1.0 (d) above as follows:
- a) Employees paid from Salary Schedule 01 rated under Plan A as having "Staff Responsibility" Degree 4 (or higher) or its equivalent and MP6 employees as having "Staff Responsibility" Degree 3 (or higher) or its equivalent.
 - b) Employees in the Executive Office.
 - c) Employees in the Office of the General Counsel and Secretary including the Law Division except Corporate Official Records Analysts.
 - d) Positions currently listed in Agreement RS-1 dated October 11, 1990.
 - e) Human Resource trainee positions on Schedule 04.

3.0 The grievance and arbitration procedure may be used to challenge any unreasonable, arbitrary or bad faith action taken by Ontario Hydro which results in the exclusion of any employee or position from the bargaining unit.

4.0 Arbitration

4.1 Future contract negotiations disputes shall be resolved by binding arbitration in accordance with Section 38 of the Ontario Labour Relations Act and the negotiating process for resolving such disputes shall be set out in full in the Collective Agreement.

The dispute resolution process shall be mediation-arbitration using the same individual as both the mediator and arbitrator.

The mediator-arbitrator shall consider the following issues as relevant to the determination of the award on monetary issues:

- a) a balanced assessment of internal relativities, general economic conditions, external relativities;
- b) Ontario Hydro's need to retain, motivate and recruit qualified staff;
- c) the cost of changes and their impact on total compensation;
- d) the financial soundness of Ontario Hydro and its ability to pay.

A mediator-arbitrator shall have the power to settle or decide such matters as are referred to mediation-arbitration in any way he/she deems fair and reasonable based on the evidence presented by representatives of Ontario Hydro or The Society in light of the criteria in items (a) to (d) and his/her decision shall be final and binding.

4.2 The parties will hereby undertake to develop appropriate internal comparisons, an external community for comparison and criteria for measuring total compensation by no later than September 1, 1992 and failing such agreement either party may refer the

outstanding differences to an arbitrator for a final and binding decision. This undertaking and its referral to arbitration shall be enforceable under the Arbitrations Act.

5.0 No Strike/No Lockout

The Collective Agreement will recognize that The Society, employees within the scope of the bargaining unit, and the Company are pledged to the effective and efficient operation of Ontario Hydro and that they pledge themselves, individually and collectively, to refrain from taking part in strikes, lockouts or sympathy strikes and other interference with work or production as long as the terms and conditions in section 4.0 continue.

6.0 Supervisory Employees

For the purposes of section 9.0, the parties agree that Supervisory positions are those that are not excluded under section 1.0 above and that satisfy the following criteria:

- a) Employees on Salary Schedule 01 who have under Plan A "Nature of Supervision" Degree 3 (or higher) or its equivalent;
- b) Employees on Schedules 07, 08, 02, 05 and 09 on condition they normally supervise other employees.

7.0 Enforcement

The primary method of enforcement of this Agreement shall be pursuant to the grievance and arbitration provision of the parties' Collective Agreement. However, should the Collective Agreement not be in operation or applicable to the dispute, either party shall have the right to refer to final and binding arbitration any differences between the parties arising from the interpretation, application, administration or alleged violation of this Voluntary Recognition Agreement, including any question as to whether a matter is arbitrable.

The arbitrator shall have all of the powers of an arbitrator pursuant to section 44 of the Ontario Labour Relations Act or the Arbitrations Act as the case may be.

Subject to the conditions of this Agreement, if a mediator or arbitrator is not appointed within 30 days of a matter being referred to mediation and/or arbitration, either The Society or Ontario Hydro shall have the right to refer the matter to the Minister of Labour or the Chief Justice of the Ontario Court of Justice and the Minister or Chief Justice shall appoint a mediator and/or arbitrator.

8.0 Selection of Mediators and Arbitrators

Mediators and arbitrators shall be selected from a list of mutually acceptable persons which are to be set out in the Collective Agreement and the costs of using them will be shared equally by Ontario Hydro and The Society.

9.0 Duration

The Agreement shall come into effect on the date of ratification and shall remain in effect thereafter except for section 4.0 and 5.0 which may be terminated by written notice by either party not less than six months prior to the expiry of the Collective Agreement in operation on January 1, **2001** or any subsequent Collective Agreement. In the event that The Society provides notice of termination of sections 4.0 and 5.0, Ontario Hydro may require that the supervisors defined in this Agreement form a separate bargaining unit for which The Society shall be recognized as the bargaining agent and for which there shall be a separate Collective Agreement. In addition, The Society shall continue to be recognized as the bargaining agent for non-supervisory staff defined in this Voluntary Recognition Agreement. Disputes on the identification of supervisors shall be submitted to a mutually-acceptable arbitrator for settlement. If the parties fail to agree to appoint an arbitrator, either party may refer the matter to the Minister of Labour or the Chief Justice who shall appoint an arbitrator. If Ontario Hydro provides notice of termination of sections 4.0 and 5.0, it shall continue to recognize The Society as representing all employees in one bargaining unit per this Voluntary Recognition Agreement and ensuing Collective Agreements.

In the event that either party desires to amend this Agreement on or after January 1, **2001**, it must notify the other party in writing not less than six months prior to the expiry of the Collective Agreement in effect on January 1, **2001** or thereafter six months prior to the expiration of any subsequent Collective Agreement. In such circumstances the parties will have the right, if either party so chooses, to appoint a mutually-agreeable mediator for the purpose of reaching a settlement of the issues and where there is mutual agreement the mediator shall arbitrate outstanding matters in dispute.

Notwithstanding the above, the parties may mutually agree to amend this Agreement at any time.

10.0 Federal Jurisdiction

In the event that nuclear workers are found to be covered under the Canada Labour Code and The Society applies to represent these employees, Ontario Hydro will not oppose certification for any employee represented by The Society under this Agreement.

11.0 Ratification

The Society Executive recommends acceptance of this Agreement to its members and the Agreement shall become effective upon the date of ratification. Persons eligible to vote will include all employees who will be represented by The Society under this Voluntary Recognition Agreement. The vote will be conducted by secret ballot.

12.0 Effective upon the date of ratification or as soon as reasonably practical, Ontario Hydro undertakes to make available to those employees excluded under 1.0(c) and 1.0(d) an enhanced Redress Procedure for Management Function staff, which includes the right to representation of their choice, and as a final step in the process, to binding arbitration by an external third party acceptable to the employee and to Ontario Hydro.

- 13.0** Until the terms of a first Collective Agreement are reached, Ontario Hydro agrees to adhere to the terms and conditions of employment found in the existing Master Agreement, Subsidiary Agreements and Memoranda of Understanding with respect to the agreed upon bargaining unit. Applicable sections of the Manual of Human Resources Policies and Procedures will act as a supplement to the aforementioned joint documents.
- 14.0** Effective the first month following the date of ratification, Ontario Hydro shall deduct dues from each employee in the unit and remit this amount to The Society forthwith.

This Agreement was arrived at with the assistance of and under the auspices of George Adams as mediator.

[signed by C. Cragg for W. Hirst (Society) and W.S. O'Neill (Ontario Hydro), November 13, 1991.]

Schedule A**Memorandum of Understanding
for a Framework Agreement**

Ontario Hydro and The Society of Ontario Hydro Professional and Administrative Employees agree as part of the Voluntary Recognition Agreement to be found by the following principles and practices and agree that the negotiation and operation of all Collective Agreements ensuing from the Voluntary Recognition Agreement will be in accordance with this memorandum unless otherwise mutually agreed.

1.0 Society Interests vs. Corporate Interests

The object of this Agreement is to promote harmonious relations between employer and employees consistent with the preamble of the Ontario Labour Relations Act and in recognition of the need for the successful accomplishment of the public purposes for which Ontario Hydro has been established as set forth in the Power Corporation Act and enunciated in the Corporate Direction.

The objective of the parties is to facilitate the peaceful adjustment of salaries and benefits, working conditions, issues of fair treatment, all disputes and grievances, and to prevent inefficiencies and avoidable expenses and to reduce unnecessary delays.

Ontario Hydro's mission is to contribute to the enhancement of the quality of life of the people of Ontario by serving their energy needs. The Society's mission is to strive to ensure the best rewards, career opportunities and working conditions for its members. The Society recognizes a responsibility for providing an essential service to the people of Ontario and in working towards the continued viability and continuity of Ontario Hydro as the provincial electrical utility. Both parties recognize the fundamental importance of service to the Company's customers.

The parties recognize that situations may arise where their missions, objectives, or actions come into conflict. These conflicts may impact on the bargaining unit and particularly on supervisory employees represented by The Society. The parties agree that supervisors will be able to participate fully as members and perform supervisory responsibilities without fear of reprisal or recrimination by either party.

Provided nothing in this Framework Agreement is intended to interfere with the exercise of lawful economic sanctions by any member of the bargaining unit or bargaining units as the case may be or by The Society itself should either party to the Agreement elect to terminate sections 4.0 and 5.0 of the Voluntary Recognition Agreement.

2.0 Collective Agreement

The Collective Agreement between the parties will include sections 1.0, 2.0, 3.0, 4.0, 5.0, 6.0, 8.0 of the Voluntary Recognition Agreement, in addition to section 1.0 of Schedule A and the principles set out in sections 3.0 to 7.0 as noted below.

3.0 Supervisory Employees - Code of Ethics

Ontario Hydro agrees to include supervisory employees in the bargaining unit on the condition that the parties recognize that supervisory employees will continue to exercise key functions in the control and operation of Ontario Hydro. As members of Ontario Hydro's managerial staff, supervisors use judgment to express and make operative the decisions of Management. They are responsible for fostering a healthy work environment. The parties recognize the responsibility of supervisors to discharge their supervisory duties in good faith. The Society and Ontario Hydro will identify, minimize and/or avoid the conflicts/perceived conflicts of interest that may arise concerning the relationship between supervisors, The Society and Ontario Hydro.

It is recognized that supervisory employees may be disciplined for failure to act in good faith as a representative of Management and fulfilling their responsibilities including abuse of supervisory position and breach of trust.

3.1 Grievance Procedure

The Collective Agreement will have a grievance procedure which will recognize:

- access by either party for disputes arising from the administration of the Collective Agreement and from the application of section 1.0. If such disputes proceed to arbitration, the arbitrator will consider the principles contained in section 1.0;
- the role of supervisors in resolving disputes before they reach the formal procedure;
- that The Society agrees not to discriminate against supervisors who represent Management in Society grievances;
- that The Society will exclude supervisors directly involved in a particular grievance from the decisions on the referral of the grievance through the formal process;
- that supervisors will not act on behalf of The Society in matters associated with a particular grievance where the grievance has been lodged by another member(s) who reports to the particular supervisor.

4.0 Representation on Corporate Committees

The Collective Agreement will recognize the roles and responsibilities of appointees to committees and task forces, i.e., as a representative of Management on the one hand, and The Society, on the other. When an employee represented by The Society is appointed by Management, his/her responsibility is to Management. When he/she is appointed by The Society, his/her responsibility is to The Society. This role distinction should be made clear at the time of appointment. Notwithstanding the above, and in keeping with section 3.0, Management will endeavour to appoint its representatives having regard to The Society's interests in effective representation.

5.0 Selection of Supervisors

The Collective Agreement will incorporate the existing practices for selecting the “best qualified candidate” in filling supervisory positions.

6.0 Membership in The Society

The Society agrees to permit members to withdraw membership in The Society.

7.0 Dues Deduction (Rand Formula)

The Collective Agreement will provide for Society dues, as prescribed by the Constitution, or an equivalent amount, to be deducted monthly (or more frequently if agreed) by Ontario Hydro by compulsory payroll deductions from all Society-represented employees and to be forwarded to The Society on their behalf with a list of appropriate employee information.

The Society confirms it will respect the provision of section 47 of the Ontario Labour Relations Act with respect to bona fide religious convictions or beliefs.

Appendix XI - Re: Peak Demand Hour Arrangements

The following are definitions and guidelines for the implementation of peak demand hour arrangements.

Definitions

Normal Work Week: For purposes of this Article, a normal work week will mean the total of the standard hours normally worked during a pay period, outside of the peak work load periods.

Normal Hours: Normal hours worked outside of a peak work load period (as per Article 70).

Peak Work Load Period(s): One or more periods during the year in which the expected magnitude or nature of the work to be performed reasonably requires employees to work more than their normal work week, and/or hours different from their normal hours. Peak work load periods may be the result of a need to minimize equipment downtime, or other factors which are expected to occur during the quarter.

Peak Demand Workers: Employees who are likely required to work more than their normal work week, and/or hours different from their normal hours during peak work load periods, and less than their normal work week during other periods of the year.

Intent

- a) Peak demand workers may be required to work normal hours, or scheduled hours on a work and/or shift schedule which are different from their normal hours, and which, in total, may exceed their normal work week during peak work load periods. Scheduled hours worked in excess of the normal work week will be "banked" and taken as time off (consistent with the conditions outlined in this Appendix), during periods of the year when the work load may not require all of the normal hours available.
- b) Work and/or shift schedules, and all other administrative matters regarding the hours of work for peak demand workers will be determined within the business unit, subject to the conditions contained in this Appendix.
- c) The design of work and/or shift schedules and other hours of work arrangements will give consideration of the requirement to perform work in the most effective, efficient and safe manner.
- d) The design of work and/or shift schedules and other hours of work arrangement will give consideration of the need to maintain good working relationships within the affected group and the relativity to other employees not covered by this Appendix.

Conditions

- a) The peak work load periods will be declared prior to the start of the quarter for the entire quarter. The declared peak work load periods for the quarter will not be less than two weeks' cumulative duration (or normal conditions for the employee will apply). The declared peak work load periods will not exceed 26 weeks of the year cumulative

duration. For purposes of this Appendix, the quarter may be any designated fiscal quarter which will not be changed for the work group once established.

- b) Peak demand workers may be assigned to normal hours, work and/or shift schedules that average more than the normal work week during the declared peak work load periods. Other articles in this Collective Agreement regarding shift work, hours of work, and standard hours do not apply during declared peak work load periods, except:
- Articles 59.3, 60.4, 61.2 and 61.3 regarding shift allowance for work schedules on weekends, and nights; and
 - special conditions for 12 hour shifts as per Article 61.6.
- c) Management will strive to provide at least three days' notice of an assignment to a work or shift schedule that requires work outside of normal hours during the declared peak work load periods. However, any hours worked outside of normal hours without at least two days' notice will not be considered scheduled work for purposes of this Appendix.
- d) Work performed outside of scheduled hours is overtime and will be compensated at the appropriate overtime rate(s).
- e) During the declared peak work load periods, an amount equal to the number of scheduled hours worked each week in excess of the normal work week will be "banked". The banked time will be taken as time off at straight time during times of the year outside of the declared peak work load periods, subject to meeting work requirements. When possible, the time off will be scheduled by mutual agreement between the employee and Management. If work requirements have prevented an employee from taking his/her "banked" time off, the time remaining will be compensated as follows: for positive balances in the time bank remaining at the end of the year, the employee will receive payment at time and one-half for 50% of the hours and double-time for the balance.
- f) An employee's base wages will be maintained throughout the year, regardless of the number of scheduled hours worked per week during the declared peak work load periods, or hours taken off at straight time from the time balance "bank" during other periods of the year.
- g) The design of work and/or shift schedules used during the declared peak work load periods will be flexible to meet work requirements and consistent with the limitations of the appropriate legislation. Specific rules to be adopted for the design of work and/or shift schedules for peak demand workers may include:
1. The length of a scheduled shift or extended work day cannot exceed 12 hours.
 2. No more than 48 hours of work may be scheduled (i.e., exclusive of overtime) in a week.

3. The start of a scheduled shift or work period must be at least 24 hours following the start of the previous scheduled shift or work period.
4. At least eight hours of time off will be provided between work periods including overtime.
5. Although the content, preparation, costing and administration of work and/or shift schedules is the sole responsibility of the Company, the preference of the majority of peak demand workers to be assigned in the affected work group will be considered in designing the work and/or shift schedule.
6. Every attempt will be made to assign employees from those in the appropriate work group, to a work and/or shift schedule under this Appendix, on a voluntary basis. However, in the absence of sufficient qualified volunteers, the Company may assign specific individuals to perform the work.

Appendix XII - Guidelines for Applying Burkett Overtime Award

As a result of continuing questions concerning the Burkett overtime award, The Society and Ontario Hydro have agreed to issue these guidelines to assist local representatives in interpreting this award.

Employees found eligible for compensation under this award are entitled to receive compensation equivalent to PWU overtime premiums for all overtime worked, retroactive to January 1, 1993. This entitlement applies to all PWU overtime premiums, including double-time Saturdays, double-time for all work performed outside of their first four clock hours after normal quitting time Monday to Friday inclusive and minimum payments for emergency and scheduled overtime. It does not apply to travel time outside of normal scheduled hours.

To determine compensation eligibility under this award:

First, determine which employees are eligible to receive the PWU equivalent overtime premium. A list of eligible employees should be developed locally using the statement of intent in Part A and the employee eligibility guidelines set out in Part B. Local Society representatives should be involved in developing the list of eligible employees to minimize the possibility of disputes.

Second, decide whether an employee deemed eligible in step one will be compensated with PWU equivalent overtime premiums on an ongoing or on an assignment-by-assignment basis. This decision is Management's prerogative. If the decision is made to compensate on an assignment-by-assignment basis, the guidelines set out in the statement of intent in Part A and the guidelines in Parts C and D should be followed to determine when an eligible Society-represented employee qualifies to receive the applicable PWU equivalent overtime premium. Local Society representatives should be involved in the development of local adaptations of these guidelines to ensure fair and consistent employee treatment and to minimize disputes.

Part A - Intent of the Award

The intent of the award is to correct the internal "relativity rub" that arises when Society-represented staff are required to directly supervise or work beside PWU-represented employees performing overtime work in a field environment or facility while receiving less providential overtime provisions than these employees. It is not intended to address internal relativity problems other than those that specifically arise when members of both employee groups work overtime.

Part B - Conditions of Employee Eligibility

1. The following conditions must be satisfied before an employee is eligible to receive award compensation:
 - a) an employee must work in a field environment/facility ("field condition");
 - and

- b) he/she must directly supervise or work beside PWU-represented employees (=“interface condition”).
2. To meet the “field condition”, an employee must be “directly involved in the operations, maintenance or construction of production, transmission, or distribution facilities”.
 3. “Head office” refer to non-production, non-transmission or non-distribution facilities and, as of January 1,1993, includes the following locations: 700 University, 393 University, Murray Street, College Park, Place Nouveau and the Atrium. When performing overtime work at these locations, employee do not meet the “field condition”. Local Society and Management representatives should assess whether or not employees, when performing overtime work at other locations, meet the “field condition” on a case-by-case basis, by examining the nature of the employee’s work in light of the statement of intent in Part A and the guidelines contained in this section. In the event of disagreements, the matter should be referred to the JSMC.
 4. Employees whose regular work headquarters are “field” locations (i.e., those *not* included under guideline #2 above) and who train PWU-represented staff meet the “field condition”. Employees who satisfy this condition include those who work at the Orangeville C&D Centre and the Nuclear and Thermal training centres.
 5. Employees whose overtime work at their regular work headquarters does not meet the “field condition” (e.g., head office staff) shall be deemed to meet this condition for overtime work performed at “field” locations when they directly supervise or work beside employees involved in the operation, maintenance or construction of production, transmission or distribution facilities (e.g., research, telecommunications or information systems work performed at stations).
 6. Employees “work beside” PWU-represented staff if they work at the same time as PWU-represented staff on the same projects/task assignments and this is a normal feature of their work and necessary to carry out their job responsibilities (e.g., P&C Engineers). To determine employee eligibility in this regard, the nature of The Society-represented employee’s job responsibilities, rather than the frequency of his/her actual contact with PWU-represented staff, should be the primary consideration.

Part C - Conditions That Trigger Award Compensation

(Management has the discretion to compensate employees who are deemed eligible under Part B above with the equivalent to PWU overtime premiums on an ongoing or on an assignment-by-assignment basis. If Management chooses to compensate on an ongoing basis, the sole condition that must be satisfied for award compensation to trigger is the eligible employee’s performance of overtime work. If Management chooses to compensate on an assignment-by-assignment basis, then the guidelines below apply. NB. An individual guidelines does not stand alone: all conditions set out in this Part must be satisfied before an eligible employee qualifies for award compensation.)

1. Both The Society-represented employee and the PWU-represented employee whom he/she supervises or works beside must be on overtime. Example: if a Society-represented employee who normally works days Monday to Friday works on a Saturday with a PWU-represented employee who is working on his/her normal scheduled shift

(and does not work beyond the scheduled hours), The Society-represented employee does not qualify for award compensation.

2. Award compensation applies to the period of time when The Society-represented employee is “rubbed” by an unfavourable overtime premium differential. Example: if a Society-represented employee who normally works days Monday to Friday works on a Saturday from 7:00 am to 3:00 pm with a PWU-represented shift employee (for whom the Saturday is a scheduled work day) whose shift ends at 7:00 am but who continues to work (on overtime) until 3:00 pm, The Society-represented employee qualifies for double-time from 11:00 am until 3:00 pm, i.e., when the PWU-represented employee received double-time for overtime work.
3. The presence of a Society-represented employee for the overtime in question must be necessary for the work to progress (i.e., if the employee was not there, then the task could not proceed). In most cases, this condition is met if the other conditions set out in the Part are also satisfied.
4. A direct supervisory or “working beside” interface must exist between Society-represented and PWU-represented employees during the overtime in question. The mere presence of a PWU-represented employee on overtime at the same location and at the same time as a Society-represented employee is working overtime does not trigger the award. Example: if a number of eligible Society-represented supervisors work overtime at the same time as PWU-represented employee works overtime, only the supervisor to whom the PWU-represented employee reports during the overtime in question qualifies for award compensation.

Part D - Clarifications

1. Even if only one PWU-represented employee is on overtime for a particular assignment, and the other (PWU-represented) members of his/her crew or task group are not, assuming the other conditions are met, The Society-represented employee on overtime with him/her qualifies for award compensation.
2. Normal shift turnover work of less than 30 minutes does not qualify for coverage under this award, but rather is compensated in accordance with Article 62 (“Shift Turnover”) in the Collective Agreement. Shift turnover work of 30 minutes or longer performed outside of normal working hours, however, as well as work other than shift turnover work an employee is required to perform prior to normal starting time are eligible for compensation under this award provided that: a) the employee directly supervises or works beside a PWU-represented employee; and b) both are on overtime; and c) an overtime premium rub exists.

(dated February 28, 1994)

Appendix XIII - Clarification Notes for Article 74

Purpose of These Notes:

- to clarify the contractual language in Article 74 to reflect the intent of the parties during negotiations
- to permit clarifications to be understood for use during the contingency planning process.
- these notes do not alter or amend Article 74 but should be added to the Article.

Clarifications:

1. Section 74.2

- a) Should the parties, as outlined, be unable to come to joint agreement on whether work is essential, then a decision will be made by a jointly agreed to third party. This person may be internal or external to Ontario Hydro, and will make a decision within 6 hours of the dispute referral by either party. Decisions made by the third party will be binding for the purposes of work assignment. This decision may be subject to the grievance process at a later date.

The third party will be *George Adams*.

- b) It was the intent of this Section that requests to employees to accept essential work assignments will contain as much information about the assignment as possible, such as work location, training schedules, etc. It is expected that Management will request work assignments as close to employee home locations as possible.

Section 74.2 and 74.4

Within these Sections, the assignment of work occurs when an employee accepts Management's request for an essential work assignment and any training, if required. All agreements and legislative conditions with respect to work refusal on the grounds of health and safety, etc., continue to apply under this Article.

Section 74.4

One possible situation under this Section may be when there are outstanding essential work assignments once the pool of available and qualified ESR and MF staff has been exhausted and Society-represented employees' acceptances have been received. In this emergency situation, Management will assign essential work to Society-represented employees who either have or will obtain the appropriate skills and training. This clarification was necessary because both parties recognize the legal obligations of Ontario Hydro to ensure essential work is carried out. Management will also take into account personal circumstances before assigning work under this particular emergency situation. Normal Management rights apply to these work assignments.

Signed December 21, 1995:

Mario Germani
President
The Society

Eric Preston
Asst. Vice President
Labour Relations

**Revised Template for Letter Requesting a
Society-Represented Employee to
Accept an Essential Work Assignment**

Employee Name

Date

Request to Perform Essential Work

The Business Unit Name and Society Unit Director have now completed their assessment of work required to maintain essential services should the Power Workers' Union (PWU) withdraw the services of its members following expiry of the current Collective Agreement.

Based on your background and experience, Kinectrics is asking you to perform essential work as follows:

Location: _____

Position: _____

The exact commencement date of this assignment is dependent on the outcome of negotiations between the PWU and Kinectrics.

The training, if required, for this position will be provided as follows:

Location: _____

Time: _____

Please complete the form below and return this letter to your supervisor within 1 week from the date of the request.

You will be contacted by Contingency Planning Contact or their designate, who will provide you with information about the assignment, compensation, working conditions, expenses and any details associated with training. A copy of the relevant portions of the Kinectrics/Society Collective Agreement is attached for your reference.

R2 signature

cc Human Resources

- I accept the assignment
- I wish to request a change to this assignment
- I do not wish to volunteer for this assignment

**Template for Letter Assigning
Essential Work to
Society-Represented Employee**

Employee Name

Date

Assignment to Perform Essential Work in an Emergency

The Business Unit Name and Society Unit Director have now completed their assessment of work required to maintain essential services should the Power Workers Union (PWU) withdraw the services of its members following expiry of the current Collective Agreement.

Based on your background and experience, Kinectrics is assigning you to perform emergency essential work, due to insufficient resources, as follows:

Location: _____

Position: _____

The exact commencement date of this assignment is dependent on the outcome of negotiations between the PWU and Kinectrics.

The training, if required, for this position will be provided as follows:

Location: _____

Time: _____

If, for extenuating personal circumstances, you want to request a change to this assignment, efforts will be made to try to accommodate your request.

You will be contacted by Contingency Planning Contact or their designate, who will provide you with information about the assignment, compensation, working conditions, expenses and any details associated with training. A copy of the relevant portions of the Kinectrics/Society Collective Agreement is attached for your reference.

R2 Signature

cc Human Resources

**Appendix XIV – Side Letters
1999-2000 Negotiations**

December 3, 1998

Mr. John Wilson, President
The Society of Ontario Hydro Professional
and Administrative Employees
525 University Avenue, Suite 630,
Toronto, Ontario
M5G 2L3

Dear John:

Side Letter Re Package Agreement on Grouping 5*

This is to clarify the treatment under Article 37 of The Society Collective Agreement (Release of Society Representatives) when employees are released from their regular positions. These employees will retain the position they had subject to applicable provisions of the Collective Agreement. In addition, such employees are entitled to such reasonable training or reskilling to return to normal duties as is feasible.

In the event a Society representative is declared surplus, Society responsibilities will be factored in for the purposes of clause 64.7.1.2 (Interruption of Search/Notice Period).

Yours truly,

Steve Strome
Vice President, Labour Relations
Corporate Human Resources

* George Adams designated grouping of issues during med/arb.

December 4, 1998

Mr. John Wilson, President
The Society of Ontario Hydro Professional
and Administrative Employees
525 University Avenue, Suite 630
Toronto, Ontario
M5G 2L3

Dear Mr. Wilson:

This will confirm certain understandings reached during collective bargaining, concerning the Pension Plan:

- a) The employees represented by The Society constitute a separate class within the Ontario Hydro Pension Plan;
- b) The committee established as a result of the Memorandum of Settlement for the 1997-1998 Collective Agreement shall continue to have access to reasonable pension plan and pension fund information, which shall include reasonable information related to the allocation and transfer of pension funds from the Ontario Hydro Financial Corporation Pension Plan to a successor pension plan as contemplated by S. 100 of the Energy Competition Act. Prior to its publication, the committee will review any brochure, which provides a summary of the pension plan and any specific provisions and entitlements of The Society pension class;
- c) In the event of a division of the Ontario Hydro Pension Plan into two or more successor pension plans, the provisions of this letter are applicable in respect of each successor pension plan.
- d) The employer confirms it remains responsible in respect of all rights and benefits under Article 50 of the Collective Agreement.

Yours truly,

Steve Strome
Vice President, Labour Relations
Corporate Human Resources

PART XVI - LETTERS OF UNDERSTANDING

Note: The Letters of Understanding in this Part are those developed in OPG/Ontario Hydro that succeed to Kinectrics. Those missing in sequence are not applicable to Kinectrics.

LETTER OF UNDERSTANDING #1 Compensation and Working Conditions - Essential Duty Assignments

It is agreed that the following provisions will govern the compensation and working conditions applicable to Society-represented staff who are assigned essential service duties.

1.0 General Provisions

- 1.1 All policies and practices and terms of the Collective Agreement which normally apply to Society-represented staff will continue to apply during a strike/lock-out unless modified, replaced or set aside in accordance with this Agreement.
- 1.2 All employees, including employees not assigned to work of another bargaining unit, will continue to receive their normal pay rate, including performance standing, for their regular job.
- 1.3 For those employees who normally work shifts, all existing shift schedule arrangements, including time-balanced schedules, will be suspended from the date the work stoppage commences until the work stoppage ends. Compensation treatment will be equitable for all employees assigned to essential duties during the work stoppage.
- 1.4 All employees assigned to essential duties will be compensated based on a 35-hour workweek. As a minimum, employees will continue to receive pay equivalent to their normal base earnings. For employees whose rate is normally based on a 37.5 hour or 40 hour week, a premium of 0.5 times the hourly rate will apply after 35 hours in a week until their normal hours of work (i.e., 37.5 or 40) is reached. Overtime beyond this will be compensated at the appropriate overtime rate.

A positive time balance will be paid at the termination of the essential service assignment and a negative time balance will be written off.
- 1.5 For situations involving the crossing of picket lines, refer to Article 77 of the Collective Agreement ("Crossing Picket Lines of Other Unions").

2.0 Compensation - General

2.1 Scheduled Work on Weekdays

- 2.1.1 Employees assigned to essential work will be compensated at straight time rates for the first seven (7) hours of work. The following seven (7) hours worked shall

be compensated at time-and-one-half subject to treatment for employees normally working 37.5 or 40 hours a week as outlined in Section 1.4.

2.1.2 All hours worked in excess of fourteen (14) continuous hours shall be compensated at:

- a) double-time; or
- b) straight time plus an hour off for each hour worked in excess of fourteen (14) hours.

2.2 Scheduled Work on Saturdays, Sundays, and Statutory Holidays

2.2.1 All employees assigned to work shifts and scheduled to work on Saturdays and Sundays will receive straight time pay for the first seven hours worked as part of a normal scheduled work week.

2.2.2 All employees assigned to work shifts will receive straight time pay for the first seven hours worked on a statutory holiday as part of their normal scheduled workweek. One hour off for each hour worked up to the statutory holiday credit (seven hours) will be given at a later date acceptable to the employee and Management.

2.2.3 The appropriate shift allowances as per Article 59 ("Shift Work [M&P, OSS]") will be paid to all employees required to work shifts.

2.3 Overtime Worked on Saturdays, Sundays and Statutory Holidays

2.3.1 Employees shall be compensated at time-and-one-half for the first fourteen (14) hours worked on a Saturday.

2.3.2 Employees shall be compensated at double-time for the first fourteen (14) hours worked on a Sunday.

2.3.3 Employees shall be compensated at double-time for the first fourteen (14) hours worked on a statutory holiday. In addition, one hour off for each hour worked up to the statutory holiday credit (seven hours) will be given at a later date acceptable to the employee and Management.

2.3.4 All hours worked in excess of fourteen (14) hours on a Saturday, Sunday or statutory holiday will be compensated at:

- a) double-time; or
- b) straight time plus an hour off for each hour worked in excess of fourteen (14) hours.

2.4 Time Off in Lieu

Employees may choose to be compensated in money, paid time off, or a combination of both for overtime worked while assigned to essential work. Scheduling of time off will be subject to agreement of the regular supervisor following the end of the work stoppage.

3.0 Travel Time

All travel time except time spent in travel when called out for any emergency overtime, will be compensated at straight time. Travel time for emergency overtime will be considered as overtime.

4.0 Expenses

4.1 Reimbursement will be made for appropriate out-of-pocket expenses incurred as a result of undertaking assignments during a strike situation. As such employees should not profit from reimbursement of expenses. Appropriate expenses include, but are not limited to, travel, meals, accommodation, cancellation of vacations, increased child care, and damage or loss of private property.

4.2 Expenses incurred during a temporary assignment will be submitted to the temporary supervisor for approval.

5.0 Essential Work Rating Scale

5.1 The Essential Work Rating Scale set out in Attachment A forms part of this Letter of Understanding and will be updated by the Joint Society-Management Committee, prior to application.

ATTACHMENT A**Essential Work Rating Scale****(A) WORKING CONDITIONS**

Employees who are assigned to essential work will automatically receive credit for this factor. It is assumed the individual will be subjected to pressures, demands or unfavourable/hazardous working conditions which deviate significantly from the norms of the regular position. Employees/supervisors whose work responsibility will increase significantly as a result of a work stoppage may be assigned to special duties by their respective line management.

Payment per Day: \$30.00

(B) SHIFT ASSIGNMENT

Employees who are assigned to work a shift schedule will automatically receive credit for this factor for each day they work the shift schedule.

Payment per Day: \$30.00

(C) SPECIFIC ALLOWANCES

The following allowances are to compensate for situations where employees are required to perform essential work under specific working conditions.

An employee can receive compensation for only one of the following allowances.

24- Hour Availability

An employee who is required or elects to remain at a designated place, other than home (e.g., motel) in readiness to proceed immediately to the work location on a 24-hour basis.

Hours worked by an employee are included in this 24-hour period.

Payment per Day: \$46.00

OR

Remaining at Kinectrics Facilities on 24-Hour Basis

An employee is required to remain/live at the work location for a 24-hour period.

Payment per Day: \$120.00

On-Call Service

An employee is permitted to remain at home following his/her scheduled work but is required to be available to work outside normal working hours.

(Reference: Article 56 - "On-Call Service")

Note: Employees who are required to live at the work location on a continuing 24-hour basis and will be paid for only those hours worked plus the applicable allowances.

LETTER OF UNDERSTANDING
#2 Re: Peak Work Hours Arrangements

This will confirm the understanding reached at negotiations with respect to Article 72 Peak Demand Work Arrangements and Appendix XI.

Article 72 contemplates that a joint team will develop a design for the Peak Demand Hours Arrangement in local areas using Appendix XI as a guideline. The local joint teams will also devise an implementation plan for the arrangement. That plan could involve the staffing arrangement with volunteers on a test basis. The volunteers would have to volunteer for a full 12 month cycle. The fact that an individual did not volunteer will not negatively reflect on his/her performance evaluation. The results of that test application could be reviewed by the local joint team. The review might result in revisions to the arrangement.

It is expected that ultimately the arrangement would become a local Mid-Term Agreement.

(signed by B.R. Story and C. B. Cragg - October 4, 1994 - Joint Society-Management Committee
[JSMC])

LETTER OF UNDERSTANDING
#4 Re: Pre-Mix and Match Surplus Declarations

Intent

To provide a fair opportunity to retain employment for those employees who are at a substantial risk of being declared surplus within the Unit of Application of those JRPTs yet to conclude their mix and match.

Process

- 1.0 Employees who are a part of a Unit of Application that has not yet concluded its mix and match and who wish to apply for corporate vacancies may request that they be granted surplus status subject to the following:
 - 1.1 Employees will submit their request to be accorded surplus status to their JRPT. The JRPT will only extend surplus status to those employees who are at real risk of being declared surplus or, subject to confirmation by the JROT, at real risk of not receiving a reasonable job offer. The JSMC will be advised of such employees.
 - 1.2 Employees who are extended surplus status by their JRPT will be provided with a surplus letter as is described in the Employment Continuity provisions.
- 2.0 The search notice period of an employee who is extended surplus status will begin upon written receipt of his/her Declared Surplus letter.
- 3.0 This surplus status will be automatically removed when the employee is selected to or placed in an ongoing position. Surplus status will also be withdrawn, at the employee’s request, if Management withdraws the vacancy notice in which the employee was seeking priority consideration. In such circumstances, the surplus status will be withdrawn from the date it was issued.
- 4.0 An employee who is provided with surplus status as described above will be entitled to the same rights as those employees who have been Declared Surplus as a result of a mix and match procedure. Such employees will also be entitled to fully participate in the mix and match process within their own Unit of Application.
- 5.0 JRPTs will have the responsibility to monitor and update a list of employees to whom they extended “at risk” surplus status.
- 6.0 This Letter of Understanding terminates on *December 31, 2000*.

for The Society

for Kinectrics

LETTER OF UNDERSTANDING
**#5 Re: Society-Management Function/
ESR Boundary Issues**

Intent

This LOU seeks to clarify employee rights during the operation of Article 64 related to positions at or near to the boundary between The Society and Management Function and provide an equitable means for employees to participate in competitions or a mix and match and follow their work where it has been transferred in or out of The Society's jurisdiction as a result of a reorganization. It is not intended to provide enhanced employment continuity rights in comparison to employees whose work has not changed jurisdiction.

The Problem

1. Position X is in the old organization and is in The Society. The duties change very little in the new organization but the change is sufficient to alter the jurisdiction of the position (e.g., the span of supervision and control is expanded and there will be more Society direct reports).

Under the current rules The Society-represented employees currently in position X will not be permitted to compete for the position in the new organization during a mix and match.

2. There is a converse of 1. Position Y is currently excluded from The Society (i.e., MF or ESR). In the new organization the position is substantially the same but the jurisdiction of the job will move to The Society's jurisdiction. Once again, the change is minimal (e.g., there is reduced supervision and fewer or no Society direct reports).
3. Position Z is being formed in the new organization. It appears that it will be excluded/included but there is uncertainty about some factors (e.g., the number of direct reports). Therefore, the jurisdiction is uncertain and may eventually change.

In this case, Management could make an arbitrary designation as excluded and The Society could challenge the designation later. If Management were to do this, then The Society-represented employees would not be able to compete for the position during a mix and match process. If the ultimate jurisdiction was within The Society, it could be that the selection process would have to be repeated.

If Management were to designate the position as included in The Society then MF and ESR would be excluded from a mix and match process. A similar result could occur, if the jurisdiction were to subsequently change.

The Solution

A joint process for identifying positions X, Y and Z will be established as follows:

1. Management will identify the X, Y and Z positions and identify the employees who could be adversely affected. The Society will have approval/veto rights. (Note: This is intended to ensure X, Y and Z positions are legitimate and not intended to increase the opportunities for MF and ESR employees or reduce the opportunities for Society represented employees to exercise their seniority rights in the mix and match process.)
2. Category X - These positions will be filled in the MF mix and match or advertised Kinectrics *wide* using the normal vacancy process if not filled in the mix and match. Society represented employees identified under paragraph 1 will be treated equally to MF employees during a mix and match but may only be selected for Position X. If the position is advertised Kinectrics *wide*, then the employee will be treated preferentially (i.e., be granted the same priority as surplus MF or ESR) for the specified position only. If the employee is not selected, then the employee can exercise all of his/her normal rights under Article 64. Where the employee is not selected for the position, The Society and the employee will be advised of the selection criteria and provided with reasons for non selection.
3. Category Y - These positions will be filled in The Society mix and match or advertised Kinectrics *wide* using the normal vacancy process if not filled in the mix and match. MF or ESR employees identified under paragraph 1 will be treated equally to Society employees during a mix and match but can only be selected providing they meet the senior qualified criteria for Position Y (i.e., such employees cannot be placed in any other position or displace Society-represented employees). If the position is advertised Kinectrics *-wide*, then the employee will be treated preferentially (i.e., be granted the same priority as surplus Society) for the specified Y position only. If the employee is not selected, then the employee will be treated similarly to other MF/ESR staff in all other respects and have no additional rights.
4. Category Z - The parties will attempt to reach consensus on the jurisdiction of the position based on all available information (which will include an organization chart showing reporting relationships, selection criteria, and description of duties) prior to the selection process. Where consensus is not reached, Management will determine the jurisdiction and The Society will have the right to grieve.
5. The rights of The Society to grieve the jurisdiction of positions are unaffected by agreements reached under this process.
6. This Letter of Understanding expires December 31, 2000.

for The Society

for Kinectrics

Date

LETTER OF UNDERSTANDING
#6 Re: Joint Selection Review Committee

The Joint Selection Review Committee (JSRC) shall serve as the final body of appeal for all complaints arising from the selection to a vacancy on a best qualified basis, pursuant to Article 65.6.4 from Society-represented staff.

Complaints shall be filed by The Society and must be received within 20 working days of the date of the selection decision. Such complaint will be heard as per the Complaint & Grievance/ Arbitration Procedure (Article 16) up to and including Step 2.

Failing resolution, The Society may refer the issue to the JSRC within ten working days. The JSRC will meet to hear the appeal as expeditiously as possible. The Committee shall consist of three members, one appointed by Kinectrics, one appointed by The Society and a third person jointly-appointed from a mutually-agreed-to list of current or former Kinectrics employees. Costs shall be equally shared between Kinectrics and The Society.

The JSRC shall hear and accept written representations from the complainant and Line Management responsible for the selection decision. If in the majority opinion of the JSRC the selection was fair, the selection decision will be upheld. If in the majority opinion of the JSRC the selection was unfair, the JSRC may order a new selection process based on any recommendations the JSRC may make.

The decision of the JSRC shall be final and binding. Decisions of the JSRC shall not be precedent-setting.

This Letter of Understanding shall expire on December 31, 2000.

for The Society

for Kinectrics

Date

LETTER OF UNDERSTANDING
#9 Re: Expediting Redeployment Grievances
and Arbitrations

The undersigned Parties agree as follows:

Complaint and Grievance Procedure

1. This Agreement applies to grievances arising from the administration of Employment Continuity provisions of the Collective Agreement (Article 64.1.2), including the redeployment process in each Unit of Application, non-selection to positions in the mix and match and non-selection of employees entitled to priority placement in the search/notice period, and to decisions of JROTs.
2. Except as specified in this Agreement, all provisions and practices established in relation to the Complaint and/Grievance/Arbitration Procedure apply to these grievances.
3. An employee's complaint must be submitted no later than 20 working days after completion of the Mix and Match, e.g. final approval of the JRPT Second Report or equivalent, the JROT decision, or the selection process that includes the decision he/she feels is unfair.
4. At Step 1 of the grievance procedure, The Society will submit complaints within the scope of this Agreement to the relevant JRPT, JROT, and/or line management through the Human Resources Department. Management and The Society will be given 10 working days to attempt to resolve the grievance. The Society's position on the grievance is not prejudiced by that of Society members of JRPTs or JROTs.
5. Failing resolution at Step 1, The Society may advance the grievance to Step 2 of the grievance procedure within a further 10 working days.
6. The Parties will appoint regular and backup members to at least one Standing Redeployment Grievance Team, which will act as a Second Step Grievance Committee according to the terms of the Collective Agreement. The Committee will meet within ten days of a grievance being filed to attempt to resolve the grievance.
7. Failing resolution at Step 2, The Society may refer the grievance to arbitration within 20 working days. The Parties will designate and retain one arbitrator for grievances under this Agreement.

Arbitration

8. The parties will review case by case the appropriateness of the following expedited arbitration process for grievances arising from the Expedited Redeployment Grievance process.
9. Mr. Joseph W. Samuels, or another arbitrator acceptable to the parties, will be retained as arbitrator for Employment Continuity grievances and he will be asked to deal with agreed-upon cases according to the terms of point 10, below. The arbitrator shall control

the proceedings and retain jurisdiction to require further submissions of fact or argument as he deems necessary to determine the matter.

10. The expedited arbitration process will require the following:
 - ◆ each grievance can be heard on one day, more than one grievance may be scheduled per day subject to the arbitrator's direction.
 - ◆ the parties will prepare and sign a Joint Statement of the facts giving rise to the dispute, the facts in dispute (to the extent practicable), and any agreement as to the issues to be decided by the arbitrator. The Joint Statement must be developed prior to scheduling the hearing date.
 - ◆ each party will present three copies of a Case Statement at the outset of the hearing. The Case Statement will state the issues to be determined, the facts on which the party relies, and a summary of the position of the party, supported by documentary exhibits and references to the Collective Agreement, jurisprudence or other authorities.
 - ◆ witnesses may be called where the arbitrator rules that there is a material factual dispute and determines which parts of the evidence sought to be called appear relevant and material to the determination of the grievance. Witnesses will be under oath and subject to examination and cross-examination.
 - ◆ oral argument will be limited to the position of the party set out in the Case Statement and the rebuttal of the other party's argument.
 - ◆ the arbitrator will determine the matter as soon as possible, with a written decision issued to the parties within ten working days of the hearing date. Failure to meet a time limitation under this process will be deemed a technicality that does not invalidate the proceedings or the award.
11. Where the parties do not agree that a case is appropriate for this procedure, it will be dealt with by the same arbitrator as a conventional referral to arbitration.

(signed by

LETTER OF UNDERSTANDING
#10 Re: Extended Health Benefits

The undersigned parties recognize and accept the fact that Kinectrics Extended Health Benefits (EHB) plan is a negotiated plan which can only be revised through negotiations. In an attempt, however, to overcome the inflexibility of this plan on a case by case basis, and on a "without prejudice" basis, the parties also recognize that there may be some situations where a business case can be made that an alternative/different treatment to that allowed by the strict wording of the plan may be mutually beneficial.

As such, the parties agree that where a business case supports such action, and where it is mutually agreeable between Kinectrics and The Society, Kinectrics and individual employees may enter into agreements signed by the employee and a Society Principal Officer or Society Staff Officer on a "without prejudice" basis, whereby, for a limited period of time, employees may waive their rights under the EHB Plan and opt for a different or alternative treatment as agreed to by the parties. It is the intention of both parties that this would be done infrequently and only in cases where special requests have been made by individual employees for a different type of coverage. It is further agreed that while employees have no negotiated right to such treatment, the JSMC Terms of Reference [i.e. (c)] would allow it to review the experience under this Letter of Understanding when considering adding or subtracting specific entitlements under the EHB Plan in keeping with the progress of medical science. It is further agreed that this Letter of Understanding would not restrict Kinectrics from considering special treatment on an individual basis in the case of serious hardship.

The individual agreements should contain the following information:

1. the duration of the arrangement;
2. current coverage under the EHB plan;
3. the option chosen;
4. where appropriate, a clear statement to the effect that the employee is aware that they are opting out of specific items of coverage under the EHB Plan in lieu of alternative or different treatment;
5. that the arrangement is being entered into on a "without prejudice" basis.

As stated earlier, this Letter of Understanding does not bestow on employees any right under the Collective Agreement to special arrangements, but merely serves to allow, on a case by case basis, where there is mutual agreement, for special requests to be accommodated without increasing the cost of, or entitlements under, the EHB Plan. As such, neither the provisions within the individual agreements or a decision by any party not to enter into such an arrangement are grievable.

This Letter of Understanding expires on December 31, 2000.

for The Society

for Kinectrics

Date

LETTER OF UNDERSTANDING
#13 Re: Surplus Staff On Rotations

Intent:

To allow surplus employees who are on rotation to extend their employment beyond the expiration of their search/notice period.

- 1.0 It is possible for employees who are on rotation to continue employment with Kinectrics beyond the expiration of their search/notice period when the expected duration of their rotational assignment goes beyond the expiry date of their search/notice period.
- 2.0 The decision to extend employment beyond the expiry of the search/notice period and the responsibility for the employee will be assumed by the receiving unit (i.e., the unit with the rotational assignment).
- 3.0 Normally, the extension will be for the expected duration of the rotational assignment. Where the line management of the receiving unit deems it necessary, a cancellation provision (minimum of 30 calendar days) can be included as one of the terms of the rotational assignment. This cancellation provision would be identified prior to the commencement of that portion of the rotation beyond the expiry of the employee's search/notice period.
- 4.0 For the period of employment, following the expiration of the search/notice period, employees will be considered per Clause 65.6.3(f) of the Collective Agreement and will not have priority consideration for corporate vacancies.
- 5.0 The extension of employment beyond the expiration of the search/notice period shall not be used for the calculation of any other entitlement (i.e., severance, notice of termination, lump sum payments and voluntary resignation) under Article 64 of the Collective Agreement.
- 6.0 With the exception of the limitations stated in sections 4.0 and 5.0 of this Letter of Understanding, employees whose employment has been extended beyond the expiration of their search/notice period will be treated as regular employees and will be covered by all of the other provisions of the Collective Agreement.

This Letter of Understanding terminates on December 31, 2000.

for The Society

for Kinectrics

Date

LETTER OF UNDERSTANDING
#15 Re: Article 20.1(b)
Performance Pay Grievance Process

1. This process applies to individual Complaints and Grievances arising under Article 20.1(b) of the Collective Agreement. Except as modified by this Agreement, the provisions of Article 16 of the Collective Agreement continue to apply.
2. Time limits for filing a Society Complaint under Article 20.1(b) expire 30 working days from the later of
 1. April 1 of the year¹ for which the pay increase is sought, or
 2. The date on which the employee should reasonably be aware of performance pay standing for the year in which the pay increase is sought.
3. At Step 1, line management and The Society advocate for each grievor should undertake a fact-finding review and attempt to resolve the Complaint, in accordance with the principles of the Performance Pay Plan.
4. The Society may advance unresolved Complaints to Step 2 as grievances in accordance with Article 16. The parties shall appoint a Step 2 Committee consisting of a Management representative and a Society representative, to review and attempt to resolve grievances based on the criteria in paragraph 3 and the submissions of line management and The Society advocate, with support from Human Resources and Society Staff. It is intended that the Committee will schedule multiple grievances to be heard at each meeting. A consensus decision of the Team shall be final and binding.
5. If the Team cannot reach consensus, The Society may advance the grievance to arbitration as per Article 16.
6. Unless otherwise agreed to, the payment of any performance increase approved under this process shall be retroactive to April 1 of the year for which the performance increase is being sought.

(signed by

Note 1: Performance Pay year is the fiscal year, April 1 to March 31.

LETTER OF UNDERSTANDING
#22 Re: Workplace Harassment and Human Rights
Complaint Process

Kinectrics and The Society agree to the following Letter of Understanding:

- (a) When a complainant or respondent to a human rights or harassment complaint files a request for representation by The Society, the parties will attempt to agree on the terms for a Step 1A before the Complaint is advanced to Step 2 of the Complaint and Grievance/Arbitration Procedure.
- (b) At Step 1A the parties will first attempt to agree on a fact-finding process that may include:
 - i. The use of neutral investigator agreeable to both parties;
 - ii. Consideration of reports from preceding investigations;
 - iii. Interviews with affected employees.

With the consent on the affected employees and the parties, mediation may be appropriate in the circumstances. Failing this, The Society may advance a grievance directly to Step 2.

- (c) The Society and Kinectrics will attempt to agree upon a list of neutral investigators for use at Step 1A where required.
- (d) Where a Step 1A process is agreed to, the parties will attempt to agree on a statement of facts based on the findings of the investigation. Failing agreement, The Society may advance a grievance directly to Step 2.
- (e) Based on the fact-finding exercise at Step 1A, Management will determine the course of action it will take and will inform The Society of its decision in a timely manner. If The Society does not agree with Management’s decision, it may advance a grievance directly to Step 2.
- (f) Where the parties agree on a statement of facts at Step 1A, it may be relied upon by either party at Step 2 and subsequent arbitration. Both parties retain the right to introduce additional facts and issues at Step 2. There will also be an attempt to consolidate at Step 2 any other grievance issues that may be related to the human rights or harassment allegations and to balance the interests of affected employees.
- (g) These provisions shall remain in effect until May 15, 2000 and continue thereafter subject to termination by either party on 90 days’ written notice.

Kinectrics

The Society

Date

LETTER OF UNDERSTANDING
AGREEMENT BETWEEN:
Kinectrics
-AND-
The Society of Energy Professionals

#30 Re: Process for Updating the Drug Formulary to December 31, 2000

A. NEW DRUGS REQUIRING A PRESCRIPTION BY LAW

1. New “generic substitutes” for “name brand drugs” already listed on the Formulary will automatically be added to the Formulary as soon as they are approved for use in Canada.
2. New “strengths/dosages/forms” for drugs listed on the Formulary will automatically be added to the Formulary as soon as they are approved for use in Canada.
3. Out-of-country drugs with the same chemical base as drugs listed on the Formulary will automatically be added to the Formulary as the need arises.
4. The Company Physician (or other employer-designated decision-maker) shall review all drugs that have been newly approved for use in Canada and advise the employer whether the drug is commonly and customarily recognized throughout the physician’s profession as appropriate in the treatment of a patient’s diagnosed sickness, injury or condition. The employer will make all reasonable efforts to make this determination as soon as possible after the drug has been approved for use in Canada. When a drug is deemed by the Company Physician (or other employer-designated decision-maker) to meet this criteria, the drug shall be added to the formulary.
5. Any drug on the Formulary that is no longer approved for use in Canada will automatically be deleted from the Formulary effective the date federal approval is withdrawn.

B. OVER-THE-COUNTER (OTC) PRODUCTS

1. A new OTC product (excluding Vitamins and Minerals) that has been approved for use in Canada, that falls into the following categories.
 - (a) for allergies
 - (b) for chronic illness

- (c) considered life sustaining
- (d) previously "requiring a prescription by law' and already on the Formulary
- (e) different strengths or repackaging of products already on the Formulary (same product/same company)
- (f) products already on the Formulary whose DINs may have changes as a result of a company takeover or reorganization shall be reviewed by the Company Physician (or other employer-designated decision-maker). The Company Physician (or other employer-designated decision-maker) will advise the employer whether" (a) the OTC product is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition; and, (b) Best Average Pricing (ie, Manufacturer's wholesale price to the carrier) is available for the product. When the OTC product is deemed by the Company Physician (or other employer-designated decision-maker) to meet this criteria, the product shall be added to the formulary.

When Best Average Pricing information is not available for an OTC product, a paper claim will be reimbursed subject to determination by the Company Physician (or other employer-designated decision-maker) that there is no reasonable alternative product on the existing formulary and that the product is commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of a patient's diagnosed sickness, injury or condition.

- 2. Vitamins and Minerals which have been approved for use in Canada and which have the same chemical base as items currently on the Formulary will be added to the Formulary effective the date Best Available Pricing information is made available to the Carrier (ie. Manufacturers' wholesale price).

C. MISCELLANEOUS.

- 1. The Company agrees to provide the following to The Society: a full and complete copy of the list of new drugs approved for use in Canada, as received from the Carrier (usually monthly); a list of (prescription and OTC) items added to the Formulary (including, where applicable, what country it applies to); and, upon written request from The Society, a written rationale for not including a drug on the formulary.

2. Notification of the employer's decision to not add a drug to the Formulary, and any ensuing discussion with respect to the employer's rationale for not doing so:

Shall not be deemed to trigger timelines under article 16 of the Collective Agreement

Shall be without prejudice to The Society's position with respect to whether the drug meets the "reasonable and Customary" standard; and, Shall not prejudice The Society's entitlement, or the entitlement of any Society-represented employee(s), to grieve the employer's decision at a later date.

3. The Company agrees to provide The Society with an electronic copy of the complete Drug Formulary on a quarterly basis (calendar year).
4. The Company agrees to install, and update on a quarterly basis, the complete Drug Formulary on the Intranet.

**LETTER OF UNDERSTANDING
#31 Re: Letters of Understanding
and other Agreements in Force for the
2001 Collective Agreement**

The parties agree that the Letters of Understanding, including this one, and the Agreements listed below are in force until December 31, 2001.

#109: Pension Plan Administration - (March 6, 2000)

#82: Transfer of Nurses to Plan A - (May 24, 2000)

#87: Addendum to LOU re: OPT Initiative - (July 26, 2000)

#86: OPT Initiative (July 6, 2000)

OPGN MoS: Change of Employer/Decontrol and Renewal Collective Agreements (July 6, 2000)

Unpublished Letters of Understanding and other Agreements

Addendum to Memorandum of Understanding Re: Pension Transition Issues (June 21, 2000)*

* Given that this MOU has not been found for review by the parties, it is agreed that it remains undecided whether it is to be retained in the current collective agreement (2001).

LETTER OF UNDERSTANDING
#82 Re: Transfer of Nurses to Plan A (Nuclear)

The purpose of this LOU is to modify the collective agreement so that the Plan A job evaluation plan applies to all Society represented nursing jobs. The parties specifically agree as follows:

1. This LOU applies to all Society represented nursing jobs. Specifically, but not limiting the generality of the foregoing, this LOU applies to the Occupational Health Nurse and Occupational Health Nurse – Supervisor positions.
2. The positions identified in paragraph 1 shall be transferred from salary Schedule 13 to salary Schedule 91 and shall be evaluated in accordance with the Plan A job evaluation plan. The parties confirm that any retroactive pay treatment, arising out of a job challenge to the initial grade determined under Plan A, shall be limited to a maximum of one year prior to the date of the job review request. The employee must have performed the relevant duties and responsibilities during this period in order to qualify for retroactivity. Retroactivity entitlements will not be effected by the fact that the payments related to time periods prior to signing of this agreement.
3. Article 31 of the collective agreement is hereby amended in accordance with the provisions of this LOU.

Kinectrics Inc.

The Society

Date

Edit History: July 4, 2000

June 5, 2000

LETTER OF UNDERSTANDING**#4 Re: Market-Driven Compensation Changes**

Without prejudice or precedent concerning any other matter, in order to facilitate the Employer's competitive success in the labour marketplace, the undersign parties agree as follows:

1. The Employer may in its discretion pay salary rates above those in Salary Schedule 94, Bands P1, P2 and L in Article 23.1 of the Collective Agreement, subject to paragraph 5 below.
2. The Employer may in its discretion pay bonuses to attract new hires, retain an employee or to compensate an employee for foregone opportunities/income, subject to paragraphs 3, 4 and 5 below.
3. The Society must agree, on a generic, not case by case, basis to all conditions associated with acceptance by an employee of these bonuses (e.g. commitment to remain with the Employer for a specified duration). The Employer shall provide the Society, in writing, with all the relevant data associated with such agreements, including the final agreements, all of which will be kept in confidence by the Society Local Vice President and Society Office.
4. For employees who have reached Rule of 82, incentive payments paid under this Letter of Understanding are pensionable up to 3% of base salary. All people receiving bonuses under this paragraph, where appropriate, will be classified as OSPE Level F for purposes of benchmarking for mediation/arbitration in accordance with Appendix II.
5. Payments made in accordance with paragraphs 1 and 2 above may not be made in an arbitrary, capricious, unreasonable or discriminatory manner.
6. This Letter of Understanding expires on December 31, 2010.

LETTER OF UNDERSTANDING

#6 Re: Work In Excess Of 48 Hours Per Week

WHEREAS the parties wish employees covered by the parties' collective agreement to work extra hours as contemplated in the collective agreement and which are allowed by the *ESA, 2000* through agreements by the parties;

AND WHEREAS the parties understand that the Director of Employment Standards is required to approve agreements between employers and bargaining agents to permit employees to work more than 48 hours in a week;

THEREFORE, in accordance with the *ESA, 2000*, the parties hereby agree to the following with respect to the hours of work of employees covered by the parties' collective agreement:

1. In accordance with s. 17(2) of the *ESA, 2000*, the Society consents to employees working extra hours beyond their daily normal hours of work, to a maximum of 13 hours.
2. Also in accordance with s. 17(2) of the *ESA, 2000*, the Society consents to employees working extra hours beyond 48 hours in a work week, to a maximum of 60 hours.
3. Nothing in this agreement shall be construed to interfere with the Corporation's right to rely on s. 18(2) or s. 19 of the *ESA, 2000* in appropriate circumstances.
4. This letter of understanding will come into effect the date it is signed by both parties and shall form part of the collective agreement between parties.
5. This agreement cannot be revoked prior to the expiry of the collective agreement, except for by mutual agreement of both parties in writing.

LETTER OF UNDERSTANDING

#7 Re: Transition of Contract Workers to Regular Employees

Without prejudice and without establish a precedent in any other matter the parties agree as follows:

1. The Society and the employer will review all existing contracts with contract workers for the purposes of determining their suitability as full or part time employees in the following categories:
 - a. Temporary Employees as defined in Article 3.3
 - b. Regular Special Rated employees as defined in Article 3.4
 - c. Regular employees as defined in Article 3.2
2. Where practical, such contracts will be immediately converted to one of the above categories. In circumstances where immediate conversion is impractical then an appropriate transition date (no later than December 31, 2008) will be set for conversion to one of the above categories. It is understood that this will not be practical in all situations and existing contracts may remain in place.
3. Except by mutual agreement, this letter of understanding expires on December 31, 2008.

LETTER OF UNDERSTANDING
#8 Re: Outage Inspection Workers

The parties agree to meet during the term of the collective agreement to discuss and implement a process for designating outage inspection 12-hour shift workers. The framework for this process is as follows:

When Kinectrics requires 12-hour shift workers for outage inspection work it shall first offer the work on a voluntary basis to available qualified regular employees who were hired before January 1, 2011. Such employees will be compensated for shift work in accordance with Articles 59 through 62 of the collective agreement.

If more workers are required to meet outage inspection work requirements, Kinectrics may hire employees who are designated as outage inspection 12-hour shift workers, subject to the following conditions:

Collective Agreement to Apply

All policies and agreements which normally apply to employees will continue to apply unless specifically stated otherwise in this LOU. Specifically, the Burkett overtime award shall apply.

Shift Premium

Shift premiums shall be paid to 12-hour outage inspection shift workers, for hours worked as follows:

Scheduled hours Monday – Friday	\$1.50 per hour shift premium
Scheduled hours on Saturday and Sunday	Time and one half (T-1/2)

LETTER OF UNDERSTANDING

#9 Re: Transition Provisions for Former Candesco Employees

RE: Terms and conditions of work for Society-represented Kinectrics employees on the side of the business that was formerly the Candesco Corporation (“Candesco”) following the integration of Candesco’s operations into Kinectrics on April 1, 2011

1. The terms and conditions of work for the aforementioned employees are outlined in the Collective Agreement between the Employer and the Society. This Letter of Understanding forms part of the Collective Agreement. Wherever the terms of this Letter of Understanding conflict with other terms of the Collective Agreement, the terms of this Letter of Understanding will take precedence.
2. During the period from April 1, 2011 until a date to be determined at the Employer’s sole discretion, but which shall in no case be later than April 1, 2014 (hereinafter referred to as the “Post-Integration Period”) the following terms will apply to the aforementioned employees:
 - a. The aforementioned employees will be classified as “Regular Special-Rated” employees in accordance with Article 3.4 of the Collective Agreement, notwithstanding the criteria listed in Article 3.4.2.
 - b. The aforementioned employees will not participate in any of the Kinectrics Health, Dental, Pension and Life Insurance plans. Instead, they will receive Health and Dental Benefits, Group Life Insurance, Accidental Death & Dismemberment (AD&D) insurance, and Dependent Life Insurance coverage which is not less favourable than the benefits coverage outlined in the Empire Life pamphlet for Employees of the Candesco Corporation entitled “Employee Benefits Booklet” dated April, 2010.
 - c. For the aforementioned employees, years of service for the purpose of determining seniority and any other service-based entitlements (other than those to which they are disentitled during the Post-Integration Period due to their “Regular Special-Rated” status, e.g. pension plan participation) will include their years of service at Candesco and their years of service as “Regular Special-Rated” employees of Kinectrics, in accordance with Article 4.1(a) of the Collective Agreement.
 - d. For the duration of the Post-Integration Period the Society will not seek to negotiate or otherwise obtain conditions of employment that conflict with those set out in this Letter of Understanding (LoU). Further, the Society will not request that any such terms or conditions be awarded by an arbitrator or mediator-arbitrator engaged to resolve the parties’ contract negotiation disputes. It is agreed that any such arbitrator or mediator-arbitrator will not have the jurisdiction to make any such award.

During that same period, Kinectrics agrees that it will not seek, by way of negotiation or otherwise, to expand the terms and conditions for the Candesco side of the business to Kinectrics Temporary, Probationary, and/or Regular Employees in the Kinectrics side of the business. Further, Kinectrics will not request that this Letter of Understanding (LoU) or the Memorandum of Understanding dated March 26, 2009 (MoA) be considered precedent-setting by an arbitrator or mediator-arbitrator engaged to resolve the parties’ contract negotiation disputes. It is agreed that any such arbitrator or mediator-arbitrator will not have the jurisdiction to consider this LoU or the MoA as a precedent for benchmarking purposes.
 - e. Transition provision: Upon integration of Candesco’s operations into Kinectrics, former Candesco employees will continue to receive the salary they had been receiving as Candesco employees, subject to the following:

- i) Effective April 1, 2011, former Candesco employees will receive a salary increase equal to the amount of Society dues. No further adjustment for the purpose of offsetting Society dues will be made.
 - ii) Former Candesco employees will additionally receive any merit pay, performance pay, bonuses, and any economic increases that were earned but were not yet provided at Candesco. Such amounts will be paid no later than the date on which Kinectrics employees receive their performance pay distribution for Fiscal Year 2011.
 - iii) Except as provided for in d(ii), former Candesco employees will not receive any merit or economic increases from Kinectrics in 2011.
 - iv) In any event, employees will not receive duplicate performance pay or merit/economic increases in respect of the same period.
 - v) As soon as is practicable, each former Candesco employee shall receive a document describing the criteria by which their performance will be evaluated for the Fiscal Year 2012. This document shall form the basis of participation by former Candesco employees in the Performance Pay Plan for Fiscal 2012.
- f. The Society reserves the right to challenge the salary band placement of Society-represented employees, including former Candesco employees.
- g. Notwithstanding Paragraph 2(a), the Candesco Partners as of April 1, 2011, to a maximum of nine, will be classified as non-represented Kinectrics Department Managers in accordance with Article 28.12 of the Collective Agreement, unless they are performing Executive Salary Roll (ESR) duties in which case they will be excluded from the bargaining unit. Any job challenge concerning the classification of a former Candesco Partner will be limited to the question of whether s/he is properly classified as (a) an ESR employee or else (b) a non-represented Department Manager. Article 28.12.2 of the Collective Agreement will continue to apply to any Department Manager who was formerly a Candesco Partner. No other term of the Collective Agreement will apply to a non-represented Department Manager.
3. At the end of the Post-Integration Period, the provisions in Paragraphs 2(a) and 2(b) will cease to be in effect and the Collective Agreement will be applied uniformly to all Society-represented Kinectrics employees including entitlement to participate in the Kinectrics Health, Dental, Pension and Life Insurance plans. For clarity, Paragraph 2(c) shall continue to be in effect, subject to any changes resulting from two-party bargaining or interest arbitration.
4. Following the Post-Integration Period, Society-represented former Candesco employees and any other bargaining unit employees hired into that side of the business who remain employees of Kinectrics will be classified as "Regular Employees" in accordance with Article 3.2 of the Collective Agreement, except that Society-represented employees who meet the criteria set out in Article 3.4.2 of the Collective Agreement may choose to be classified as "Regular Special-Rated" employees in accordance with Article 3.4.
- 4. Any complaint or grievance which seeks to alter, improve upon or exceed a term of this agreement is not a difference between the parties arising from the interpretation, application, administration or alleged violation of the Collective Agreement and, therefore, will not be subject to the grievance/arbitration procedure in the Collective Agreement.

LETTER of UNDERSTANDING

#10 Re: Economic Increase Re-opener

The parties will re-negotiate the percentage of the January 1, 2015 wage increase provided for in Article 23.2 of the collective agreement, only if one of the following conditions has been met:

a. The year-to-date EBITDA as at October 31, 2014 is less than 80% of target

OR

b. The year-to-date EBITDA as at October 31, 2014 is greater than 120% of target.

The negotiation of this issue may commence two (2) months prior to January 1, 2015. Any unresolved differences in the bargaining will be resolved through mediation and arbitration as provided for in the collective agreement.

For clarity, EBITDA shall be calculated on the same basis as described in Article 32.4 of the collective agreement. EBITDA targets shall be reasonable.

LETTER of UNDERSTANDING**#11 Re: the Performance Pay Plan and Incentive Pay**

WHEREAS the parties recognized in bargaining for the current collective agreement that Kinectrics needed to achieve cost savings in the areas of employee wages and benefits; and

WHEREAS all employee groups have agreed to provisions that would defer and/or suspend the pensionable status of certain compensation components on a temporary basis;

NOW THEREFORE the parties agree as follows:

- 1. The performance-based payout pool for 2013 shall be distributed as follows: An amount that is equal to 1% of total base pay shall be distributed and paid no later than October 31, 2013, retroactive to April 1, 2013. An amount that is equal to 1.29% of total base pay shall be distributed and paid no later than April 1, 2014, retroactive to April 1, 2013.**
- 2. The EBITDA-based component of the performance-based payout pool will be capped at 1% of total base payroll for 2014 only. There will be no cap on this component for the 2015 and 2016 payouts.**
- 3. Notwithstanding the provisions of Article 32.4, The EBITDA-based component of the performance-based payout pool will be distributed on a temporary, conditional basis as non-pensionable, re-earnable bonuses. Distribution of the EBITDA-based component will be restored to fully pensionable and non-re-earnable increases to base pay when the solvency ratio of the Kinectrics Pension Plan is greater than or equal to 1.0. For clarity, inflation-related indexation benefits will be excluded from the solvency ratio calculation.**
- 4. Notwithstanding the provisions of Article 28.3.6, the pensionable status of Incentive payments for Department Managers (up to 3% of base pay) is suspended until the solvency ratio of the Kinectrics Pension Plan is greater than or equal to 1.0. For clarity, those amounts are payable but not pensionable.**
- 5. The parties agree to seriously discuss employee ownership options as an alternative to distributions from the EBITDA-based component of performance-based payout pool, to be implemented by January 1, 2015 if agreement is reached.**

LETTER OF UNDERSTANDING
#12 Re: Internal Equity and Relativity

WHEREAS the parties recognized in bargaining for the current collective agreement that Kinectrics needed to achieve cost savings in the areas of employee wages and benefits; and

WHEREAS the parties agreed that all employee groups would be impacted as equitably as possible in achieving those cost savings;

NOW THEREFORE the parties agree as follows:

- 1. Kinectrics will not negotiate or otherwise make changes to salary and benefits that are favourable to employees represented by the Power Workers' Union (PWU), beyond what is provided for in the Memorandum of Settlement for a renewal collective agreement between Kinectrics and the PWU dated September 30, 2013, unless equivalent changes are made to salary and benefits for Society-represented employees.**
- 2. For Kinectrics employees who are not represented by a union:**
 - a. The average percentage increase in base salary (economic plus merit) will not be greater than the average percentage increase in base salary for Society-represented employees, for each year of the collective agreement.**
 - b. Payments under the Management Group Compensation Plan (MGCP) will reflect the performance of the business. The terms of the MGCP will not be altered during the term of this agreement.**
 - c. The pensionable status of bonuses under the MGCP (up to 5% of base pay) is suspended until the solvency ratio of the Kinectrics Pension Plan is greater than or equal to 1.0. For clarity, those amounts are payable but not pensionable.**
 - d. No new compensation will be implemented that would increase the gap between non-represented and Society-represented employees. Without limiting the generality of the foregoing, any discretionary bonus pool will be distributed among the employee groups on an equitable, pro rata aggregate basis.**
 - e. Eligibility requirements for post-retirement health and dental benefits shall be the same as for Society-represented employees for the term of the collective agreement.**
 - f. Health and dental benefits will not increase beyond levels provided for in the brochure entitled Health and Dental Benefits for Management Employees, Pensioners, and Eligible Dependents, Effective January 2004, unless equivalent improvements are made for Society-represented employees.**
 - g. Pension contribution rates shall increase from 6.5% below YMPE and 7% above YMPE to 9% below YMPE and 9.5% above YMPE and will revert back to previous (2013) levels when the Kinectrics Pension Plan solvency ratio is greater than or equal to 1.0.**
- 3. Kinectrics will fully disclose any information that the Society might reasonably request for verification of the conditions outlined in this Letter of Understanding.**

PART XVII – BUSINESS UNIT MID-TERM AGREEMENTS

Note: No Mid-Term Agreements are applicable to Kinectrics at time of ratification.

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