

**JANUARY 22, 2016 Time 3:30pm WITHOUT PREJUDICE SETTLEMENT OFFER VIA
THE CONCILIATOR WITHDRAWN IF NOT ACCEPTED TODAY**

**IN THE MATTER OF NEGOTIATIONS
FOR A RENEWAL COLLECTIVE AGREEMENT**

B E T W E E N :

**THE ELECTRICAL SAFETY AUTHORITY
(the "ESA")**

- and -

**THE SOCIETY OF ENERGY PROFESSIONALS
(the "Society")**

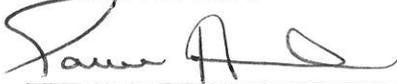
MEMORANDUM OF SETTLEMENT FOR A RENEWAL COLLECTIVE AGREEMENT

1. The members of the parties' respective negotiating committees agree to unanimously recommend to their principals ratification of this Memorandum of Settlement for a Renewal Collective Agreement.
2. The term of the renewal collective agreement will be from the date of ratification to **June 30, 2017**, and the terms of the renewal collective agreement will have no retroactive effect whatsoever prior to the date of ratification other than as expressly set out in this Memorandum of Settlement (i.e. salary schedules retroactive to July 1, 2015) and that the increase PSA amount will apply to both 2015/2016 and 2016/2017).
3. The final form of the renewal collective agreement shall be subject to necessary housekeeping and administrative details for numerical consistency, dates, cross-referencing, etc.
4. The renewal collective agreement shall be in the same form as the current collective agreement other than as modified in this Memorandum of Settlement.
5. Revise the current collective agreement as set out in Appendix A

6. All other outstanding proposals are withdrawn by the parties.

DATED at Mississauga this 22nd day of January, 2016.

FOR THE ESA



Per: Paul Hammond



Per: Lesley Gallinger



Per: Scott Saint



Per: Terri Hughes

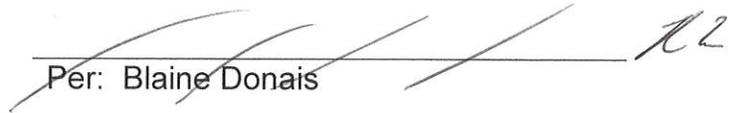


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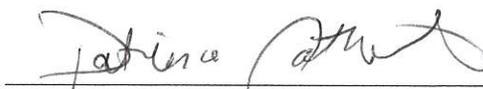
FOR THE SOCIETY



Per: Robert Mitchell



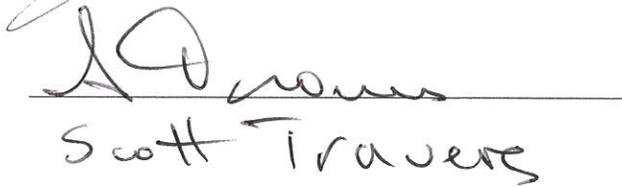
Per: Blaine Donais



Per: Patience Cathcart



Per: John Calabrese



Scott Travers

APPENDIX A

Term

ESA is proposing a renewal collective agreement from July 1, 2015 to June 30, 2017.

Wages

Economic Adjustment

23.2 The salary schedules shall be increased as follows: effective July 1, 2015 by **1.50%**; and effective July 1, 2016 by **1.75%**;

1.75%, *FE*

Article 24.3 – Escalator Clause

24.3 It is agreed that the provisions of this Article are suspended for the term of the Collective Agreement.

Performance Pay

ESA proposes to amend Article 32.2, as follows:

32.2 Employee performance will be evaluated based on ESA's fiscal year, which is the period April 1st to March 31st.

The Performance Pay pot for employees shall be established as:

- For the period July 1, 2015 to June 30, 2016 shall be 1.50% implemented effective July 1, 2016
- For the period July 1, 2016 to June 30, 2017 shall be 1.50% implemented effective July 1, 2017

32B INCENTIVE PAY

32B.1 The parties agree to amend the collective agreement to permit, at the discretion of management and not arbitral, the payment of annual incentive bonuses to employees. The parties agree that these bonuses will be payable on the basis of objective criteria, targets and payout formulae developed jointly between the employee and his or her manager. The parties also agree that incentive bonuses may be paid in circumstances to award extraordinary performance even where that performance is not directly related to the identified performance criteria and targets. The incentive pay amount, (up to a maximum of the 5% of the employee's base salary) shall be included in base earnings for pension purposes.

32B.1 Employee performance will be evaluated based on ESA's fiscal year, which is the period April 1st to March 31st for the distribution of the incentive pay.

The Incentive Pay pot for employees shall be established as:

- **For the period July 1, 2015 to June 30, 2016 shall be 0.25% implemented effective July 1, 2016.**
- **For the period July 1, 2016 to June 30, 2017 shall be 0.25 % implemented effective July 1, 2017**

Pension (Part X, Article 50)

Revised existing Article 50, as follows:

50.3 Pension Enhancements

The parties hereby incorporate the pension plan enhancements outlined in the Letter of Understanding dated December 12, 2000 (Schedule "A", Memorandum of Settlement dated December 21, 2000). These enhancements, effective July 1, 2000, are:

1. To increase the pension payable to survivors following the death of a member from 64% to 66-2/3% of the member's pension.
2. To increase the pension by lowering the offset percentage from 0.625% to 0.50%. The percentage used to calculate the additional pension to age 65 will remain at 0.625%.
3. Members shall be entitled to retire without penalty when their age and years of service with the employer total 82 points. All other members shall be entitled to retire according to the existing schedules.
4. ~~Effective July 1, 2015 employee contributions will increase from 8.5% to 9% on pensionable earnings up to the YMPE and 9.2% to 9.45% on pensionable earnings above the YMPE.~~ Effective July 1, 2016 **8.5% to 8.65%** on pensionable earnings up to the YMPE and **9.2% to 9.35%** on pensionable earnings above the YMPE. These increases are in effect only as long as the Going Concern deficit remains greater than \$10.0 million. Should this deficit fall below that amount (to be determined annually), the pension contribution percentages will revert back to **6.65%** on pensionable earnings up to the YMPE and **7.35%** on pensionable earnings above the YMPE.
5. Employee pension contributions will start on the first day of the month immediately following or coincident with appointment to regular or probationary employment.
6. During the term of this Collective Agreement, when ESA is allowed to take a "contribution holiday" according to an Actuarial Valuation, ESA will make contributions to the ESA Pension Plan, which equates to the contributions of the Society-represented employees.

Purchased Services Agreement (PSA)

Replace existing LoU #36 with the following:

LoU #36 – Contracting Out of IT Services

Notwithstanding Article 67, the parties agree that IT development work which the ESA decides to contract out will not require a PSA. With respect to such IT development work:

- A PSA, as outlined in Article 67, would be required should any contracting out of IT development work result in the lay-off of any of the current complement of IT development employees.
- Where it makes sense operationally and is cost efficient, current internal IT development employees will be actively involved in all aspects of development projects for which they have the relevant skill sets.
- Except in the case of an emergency, a minimum of two weeks before new IT development work begins, the ESA will provide the Society with a copy of any relevant contract it has entered into with an external vendor, a copy of any business case that has been prepared in connection with the project, and notification of the manner in which internal IT development employees will be involved with the work. In the event of an emergency, ESA will provide this information as expeditiously as practicable.
- The ESA and the SEP agree that IT development contracts should address issues of knowledge transfer to the appropriate SEP-represented IT staff in the context of the particular contract for purposes of maintenance and support in a cost-efficient basis. In this regard, development contracts will contain a schedule for transfer of such knowledge, which will be reviewed with the appropriate SEP-represented IT staff.

The parties agree to permit ESA to purchase external IT services (support and maintenance work only) up to a value of **\$175,000** per annum notwithstanding the provisions of Article 67. The parties further agree that ESA will provide The Society, in advance of the commencement of the contracts (except in emergency situations), with specifics of the contracts, for example, dollar values, duration and services provided. ESA agrees to meet with The Society and review the fiscal years' projects. With the exception of the **\$175,000** exclusion, maintenance and support work will normally be performed by SEP-represented employees or covered by appropriately executed PSAs.

Language Clean-up

By mutual agreement, the parties agree to revise or remove the following provisions of the Collective Agreement as **outlined on ESA – Proposal 1, October 23, 2015, at 1:15pm**

Further, with respect to the final version of the Collective Agreement, the parties agree to review whether any other provisions should be revised or removed and to do so subject to mutual agreement.

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fee
Plus The parties agree to review the following provisions of the CA as outlined on ESA Proposal 1, Oct 23, 2015 at 1:15pm and where mutually agreeable the parties may revise or remove any or all of these provisions