



**Memorandum of Settlement**

**-Between-**

**Kinectrics Inc. (Kinectrics)**

**-and-**

**The Power Workers' Union (PWU)**

The parties agree the following Memorandum of Settlement constitutes a full settlement of all matters.

The parties also agree that the Kinectrics/PWU Collective Agreement shall include the terms of the previous Collective Agreement which expires on December 31, 2020 provided however that all matters set out in the attached statement of settlement are incorporated.

The term of the Collective Agreement shall be from January 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2022.

*[Handwritten signatures for the Union]*

**For the Union**

*[Handwritten signatures for the Company]*

**For the Company**

DECEMBER 3, 2020

Dated in Toronto, ON

## ARTICLE 8 JOB CLASSIFICATION AND WAGE RATES

### 8.1 Introduction

In order for the company to be competitive it is essential that work efficiency be maximized. ~~The company must change its current approach to performing work while and we continueing to~~ improve all aspects of the work performed. In addition, the company must invest in employee development. ~~These changes can be achieved through the elimination of traditional job descriptions and a new simplified wage structure.~~ All employees are expected to perform on the new wage structure will be expected to perform any assigned work within the same zone or a lower zone without additional compensation.

### 8.2 Skill Broadening

Skill broadening is the development and use of employees to perform work outside their traditional roles. Skill broadening is achieved by providing employees with the training and opportunities to perform additional work safely. The intent of skill broadening is to enrich job content and increase job efficiency by:

- a) Removing the traditional boundaries in working roles
- b) Developing employee capabilities to perform work beyond their traditional roles.

Skill broadening can be achieved by taking advantage of existing and future technology and by the development of employees who are highly trained with multiple capabilities and responsibilities.

Skill broadening will include training and instruction of other employees. It will also include new responsibilities required to maximize the commercial performance of the company while ensuring compliance with company policies and sound health and safety and environmental practices.

### 8.3 Salary Structure

The new wage structure will consists of two bands, one for Business Support Services (BSS) and the other for Technical Operations (TO).

~~Each~~ **The BSS and TO bands** contains three zones comprised of a minimum rate, a series of progression steps and a terminal rate. **Band A and Band KN have been added.** Progression through steps up to the top progression rate is time based and is subject to satisfactory performance and or successful completion of training.

### 8.4 ~~Implementation Issues~~ Compensation Issues

#### 8.4.1 ~~Implementation and Oversight~~ Compensation Review Committee (CRC)

A four-person committee will be established, comprised of **the Chief Steward and one appointed PWU representative as well as two company representatives.** ~~and two PWU~~

~~representatives. The union members will be appointed by the Chief Steward for the duration of the agreement.~~

~~The committee will resolve all issues arising out of the implementation of the new wage structure and any unresolved issues arising out of the review of the collective agreement review annual job slotting for new positions, and merit review processes, all job challenges and necessary pay equity work, and any other agreements between the two parties. All employees will have access to all job documents, which the company will post on the Intranet. Should the committee reach an impasse the matter may be remitted to the local GRB or mediation/arbitration.~~

Any inconsistencies between the existing collective agreement and this article will be resolved in a manner consistent with the goals and principles of this Article.

#### 8.4.2 Job Evaluation Plan Pay Equity

~~To be suspended for the duration of the Collective Agreement and the Job Documents will be archived.~~

~~All current occupation codes will be initially placed on the bands and zones of the new wage structure.~~

~~All occupation codes, associated job titles and job documents will be consolidated into new job groupings as soon as practicable after ratification. The joint Implementation and Oversight Committee will review issues associated with the job groupings.~~

~~The company will produce new generic job documents to describe the new job groupings within each band and zone as soon as possible following ratification.~~

~~All employees will have access to all job documents, which the company will post on the Intranet.~~

**In order to adhere to Pay Equity legislation requirements the parties have agreed to a joint process using the gender neutral CUPE Job Evaluation Tool to evaluate appropriate and agreed to job classes. Pay Equity bands A-G have been designed and documented in a Pay Equity plan. Work related to Pay Equity shall be carried out by the CRC.**

#### 8.4.3 Job Challenge

~~With the introduction of the skill broadening initiative and the new wage structure, the Union Clerical/Technical Job Evaluation Plan will be eliminated. In addition the existing Article 8 and Job Challenge process will be eliminated and replaced with the challenge procedures as outlined below.~~

~~A new Job Challenge procedures for the new wage structure established to replace Article 2.8 are as follows:~~

1. The Union shall commence this dispute resolution process by filing a Job Challenge with the **contact immediate** supervisor. The parties will meet within seven (7) days to attempt to resolve ~~discuss~~ the matter.

2. Failing a resolution of the matter within fourteen days of filing the Job Challenge, the ~~Implementation and Oversight Committee~~ **CRC** will be appointed as Facilitators to assist the parties resolve all issues of application and interpretation. **The Committee will perform an analysis to ensure the work or pay is not already captured in other sections such as Skills Broadening and/or Merit prior to a grievance being filed.**

3. Failing resolution at the facilitator stage, the matter will be referred to the next meeting of the Grievance Review Board. Failing resolution at that meeting, the matter shall be referred to expedited arbitration using a mutually agreed upon expert in job evaluation to act as Arbitrator.

4. Briefs shall be prepared by each party for each claim including statement of facts, brief argument and relevant provisions of this agreement. The briefs shall be provided to all parties at least seven (7) days prior to any Grievance Review Board or arbitration hearings.

5. The fees of the Arbitrator and costs associated with these hearings shall be shared equally by the parties.

6. Retroactivity will be restricted to the filing date of the challenge.

~~7. A grievance may only be filed if the Company authorizes a substantial increase in the duties and responsibilities of a position or on documented errors in the annual merit review. Such grievances cannot be based on a comparison of the work or pay of any employee on the new wage structure.~~

#### ~~8.4.4 Existing Job Challenge and Article 8 Grievances~~

~~Effective January 1, 2005 no new Job Challenges or Article 8 grievances will be accepted or processed through the grievance procedure. All existing Job Challenges, Article 8 grievances and Management Reviews currently in progress will be completed expeditiously. Any jobs changed as a result will be placed in the appropriate zone on the new wage structure. Any retroactive payments will be paid out as a lump sum.~~

#### ~~8.4.5~~

#### ~~8.4.6~~ **8.4.4 Progression within a Band**

Each Zone will contain an Entry Rate and a Terminal Rate. There will be three (3) annual progression steps from the Entry Rate to the top progression rate.

Progression through steps will be time based subject to satisfactory performance and successful completion of training and developmental opportunities. Progression beyond this rate will be based on merit.

**As per Part A Item 3.10 progression may be withheld if employee has not met performance and training requirements.** ~~will be modified to reflect the above intent on progressions. Part A, Item 3.1 will be revised as appropriate, and to reflect that, if an employee's progression is withheld she/he will remain at their current step until the employee successfully~~

~~meets the identified performance/training requirements.~~ The union may grieve on behalf of any employee whose progression is withheld.

New hires will have previous experience recognized and will be given credit for such experience and will be placed within the appropriate band and zone. Any disputes regarding such placements will be referred to the ~~Implementation and Oversight Committee~~ CRC for resolution within five (5) days of the start date.

#### 8.5 ~~Article 10 as it relates to the new wage structure~~ Job Postings

When the Company determines that a vacancy exists within a band the position will be posted. The posting will outline the qualifications required for the position.

#### 8.6 Temporary Employees

All temporary employees will receive the same wage treatment as regular employees according to the criteria outlined in Part A, 32.0 Wages.

See 8.9 below

#### ~~8.7 Article 11 (as it relates to the new wage structure)~~

~~The existing Occupational Group Listings (OGL's) will be frozen and new OGL's for the new job classifications will continue to be established pursuant to Article 11.4. under the direction of the Implementation and Oversight Team.~~

~~When existing Occupational Codes are consolidated into job groupings as per section 8.4.4, then all OGL's will be updated at the same time~~

~~New disputes arising over the grouping of a job or jobs into an OGL will be referred to the Implementation and Oversight Committee. In the event that the dispute is not resolved at this level, then such disputes will be referred to the Grievance Review Board or to Arbitration~~

#### 8.8 8.7 Job Evaluation Plan Zones

~~Each band consists of 3 zones as indicated below.~~ Generic job documents are ranked in a gender neutral manner according to skill, effort, responsibility and working conditions in compliance with Pay Equity legislation. Actual work performed will be compared to benchmark jobs using a simple ranking or job slotting process. More complex job evaluation processes may be selected and applied by the ~~Implementation and Oversight Committee~~ CRC to resolve specific issues that cannot be resolved using a slotting or ranking process.

Zone 1 (Standard) Includes entry level to mid career level jobs. This will be the "journey person" level for some areas of activity

Zone 2 (Advanced) Includes most career level technical jobs. This is the "normal expectancy" level for most fully qualified and competent technologists

Zone 3 (Expert) Includes a limited number of highly specialized or leadership positions

## 8.8 Reserved

## 8.9 Band Structure

January 1, 2019

Business Support Services 37.5 to 40 hours		Technical Operations 40 hours	
Steps		Steps	
1	\$59,133.07	1	\$70,960.32
2	\$60,907.06	2	\$73,089.34
3	\$62,734.26	3	\$75,282.02
	performance/quality range		performance/quality range
terminal rate	\$70,831.63	terminal rate	\$84,997.93
1	\$70,831.73	1	\$84,997.93
2	\$72,956.55	2	\$87,547.88
3	\$75,145.27	3	\$90,174.31
	performance/quality range		performance/quality range
terminal rate	\$85,823.16	terminal rate	\$103,848.57
1	\$84,997.95	1	\$104,830.79
2	\$87,547.88	2	\$107,975.70
3	\$90,174.31	3	\$111,214.13
	performance/quality range		performance/quality range
terminal rate	\$113,830.57	terminal rate	\$133,163.44

## 8.10 Annual Review Process

A fixed amount will be added to the Kinectrics business plan each year to support the merit review process. ~~For 2019 and 2020~~ **2021 and 2022: \$300,000 \$400,000.**

If less than 50% of the fixed amount is used for the merit and time-based progressions, the remaining portion of the 50% will be paid into the Pension Plan for each year the plan is in effect.

Merit reviews will be on an annual basis and the performance year will be January 1 to December 31st.

The Supervisor(s) or Manager(s) will discuss the merit criteria and expectations with the employee after receiving feedback from the Project Managers where appropriate. Performance related events will be documented.

Employees will be provided with a copy of their merit review and performance evaluation document (~~excluding final rating~~) one week prior to the final performance review meeting.

Merit review criteria will be discussed with each employee. Any disagreements will be noted.

A normal distribution of performance ratings is anticipated such that most employees will meet expectations, some will exceed and some will fail to meet expectations.

There will be no reduction in an employee's base pay as a result of ~~this process~~ **the merit process**. Progression steps may be withheld.

All reviews will be forwarded to HR and results will be reviewed with the ~~Chief Steward-CRC~~.

The VP-HR will be responsible for reviewing and allocating the merit increases based on a method or formula agreed to by the Union.

Any employee-union appeals must be instituted within two weeks of the review using the procedures outlined in Article 8.4.5.

The appeals process (including the GRB) must be completed within six (6) weeks.

The merit increase for all employees will be implemented after all appeals have been processed. The Company will plan to make this payment no later than ~~the first pay period following April 1st each year~~ **April 30<sup>th</sup>**. The increases will be retroactive to April 1st.

Merit payments will be 50% pensionable (added to base or paid as lump sum if at the maximum of the performance range) and 50% paid as a non-pensionable lump sum.

In June of each year employees will have the opportunity to meet with their supervisor and informally discuss their performance to date. This feedback process will allow employees to understand their performance and improve performance where appropriate.

The maximum annual merit increase will be 3% of the base pay of the employee.

## ARTICLE 9 SPECIFIC MATTERS OF AGREEMENT

~~9.1 These matters are to be dealt with in accordance with Parts 'A', 'B', and The Union Clerical-Technical Job Evaluation Manual (the JE Manual is suspended for the duration of this agreement)~~

**9.2 9.1** Where a new field of endeavour is undertaken by the Company and the employees concerned fall within the jurisdiction of the Union by virtue of Article 1, the question of whether such employees will be covered by an existing part of the Collective Agreement, an existing part of the Collective Agreement with special provisions or modifications, or a new part of the Collective Agreement will be one for joint agreement.

## ARTICLE 10 SELECTION TO VACANCIES AND PLACEMENT OPPORTUNITIES

**10.1 Vacancies** When the Company determines that a vacancy exists within a band the position will be posted. The posting will outline the qualifications required for the position and copied to the union.

## ARTICLE 16 DURATION OF THE AGREEMENT

This agreement shall come into effect as of the 1st day of January 2021 and shall remain in effect until the 31st day of December 2022 and thereafter from year to year unless terminated by written notice given by one of the parties to the other within a period of not more than two months, but not less than one month prior to the anniversary date.

In the event that either party desires to amend the Agreement but not to terminate the same, either party may, by notice in writing not more than 90 days and not less than 30 days before the anniversary date, serve notice of the proposed amendments and both parties shall thereupon commence to negotiate in good faith with a view to arriving at an agreement on the proposed amendments and all provisions of the Agreement, other than those proposed to be amended, shall continue in full force and effect.

### PART A

#### 1.0 EMPLOYEE CATEGORIES

##### 1.4.5 Temporary Laundry Worker

1. These positions do not require internal posting.
2. The company at its sole discretion may use these employees on any agreed to shift schedule.
3. Benefits for this employee category will be as outlined in Part A, Item 16.0, except there will be no accumulation of service as defined in Part A, Item 1.0 for purposes of qualifying for regular employment or any pension plan eligibility. Hours of work, overtime, and premiums will be as per the KI North Midterm.
4. The company will resource candidates for this category from external sources giving priority consideration to candidates referred to by the PWU. The company will make the final hiring decision.
5. The PWU Chief will be provided offer letters for all new temporary laundry worker hires and any changes to those letters.
6. This employee category will be paid from Band KN.

#### 4.0 RETROGRESSION POLICY

The term 'retrogression' is used to indicate a gradual reduction in pay to predetermined adjusted rate.



#### 4.1 Where Applicable

1. Retrogression shall apply where a regular employee becomes unable to perform the duties of a job for which he/she is receiving ~~the standard rate~~ **step 3 or above of their current band/zone** and is transferred to a lower-rated job **or a lower rate on their current band/zone** because of:
  - (a) A disability caused by accident or illness.
  - (b) Inability to cope with increased responsibility due to change in job content.
  - (c) Where the unsatisfactory performance is due to faulty selection and the employee has served in the position for a period of at least one year.

Any retrogression for medical reasons is subject to ratification by the Company Physician.

2. Retrogression shall not apply where:
  - (a) An employee has less than ten years' established service credit.
  - (b) The change to the lower-rated job is made at the request of the employee to escape heavy work or responsibility or for personal reasons.
  - (c) The change to the lower-rated job **or a lower rate on their current band/zone** is made necessary for unsatisfactory job performance due to causes other than in Section 4.1(1.).

#### NOTE

Where retrogression does not apply, the employee will receive the job rate for the new job **or a lower rate on their current band/zone** effective at the time of transfer to the new job.

#### 11.0 PREGNANCY/ADOPTION/PARENTAL LEAVES

##### 11.4 Benefits Under the Supplementary Unemployment Benefit Plan for Regular Employees

Provided they qualify for EI payments regular female employees who are eligible for pregnancy leave or the regular employee who is the parent designated as the primary caregiver in a legal adoption proceeding shall be paid a benefit in accordance with the Supplementary Unemployment Benefit Plan. In order to receive this benefit, the employee must provide the

Company with proof that he/she has applied for and is eligible to receive unemployment insurance benefits pursuant to the Employment Insurance Act. The grant payment may only be paid upon receipt of proof that the employee is eligible for EI benefits. The simplest "proof of eligibility" is the counterfoil from the employee's first EI cheque.

According to the Supplementary Unemployment Benefit Plan payment will consist of:

1. *For those on pregnancy leave one week at 93 percent (93%) of the employee's base pay.*
2. *For those on pregnancy leave, up to sixteen additional weekly payments dependent on the length of his/her EI entitlement, equivalent to the difference between the unemployment insurance benefits the employee is eligible to receive and 93 percent (93%) of the employee's base pay.*
3. *For those on parental leave, the equivalent of 93 percent base pay for ~~three~~ five weeks.*
4. Other earnings received by the employee will be considered so that the total combination of SUB, EI benefit and other earnings will not exceed 93 percent of the employee's base pay.

## 12.0 DISABILITY BENEFITS AND INCOME PROTECTION

### 12.1 Sick Leave Plan

- If requested by the company, after 3 or more days of absence the employee and their doctor must complete a Major Medical Absence Report (MMAR) and return it to the Company. Failure to return **the MMAR or Functional Abilities Assessment** ~~referenced below~~ this information may result in suspension of sick leave benefits.
- An employee may be required to provide a doctor's note. An employee will be reimbursed for any doctor's note requested by the Company.
- An employee will be encouraged to apply for LTD Benefits after 3 months of continuous absence due to disability to allow sufficient time for the claim to be processed.

Regular part-time employees shall receive a pro-rated number of sick days. When a regular part-time employee is absent due to illness on a scheduled day of work, they shall be paid for the hours of work scheduled for that day provided sick leave credits are available.

Employees who are on sick leave for 30 days or more may be eligible to participate in a vocational rehabilitation programme in accordance with the Company's policy.

## 14.0 PENSION AND INSURANCE

### 14.2.1

~~7.5%~~ **8.5%** for earnings below the YMPE and ~~9.5%~~ **10.5%** for earnings above the YMPE. ~~The increased employee contributions will continue as long as the solvency ratio is less than 1.0 as measured each year and on the condition that Kinectrics also made minimum contributions~~

~~toward the ongoing and solvency deficits. As soon as the solvency ratio reaches 1.0, the employee contributions will revert to 5% below the YMPE and 7% above the YMPE.~~

### 38.0 TEMPORARY INTERNATIONAL PROJECT ASSIGNMENTS

This provision deals with the rights of PWU members who accept temporary Interprovincial and international project assignments the "Project(s)". Nothing in this item alters the certification rights defined in Article 1. However, the parties agree that ~~the terms below will apply to those employees volunteering to work on a Project.~~ **due to the nature of the company's operations, some employees will be required to work on international project assignments. Where practical, volunteers will be selected.** The terms below will apply.

1. The PWU maintains the right of representation for current members performing work on Projects.
2. The PWU recognizes the need of the Company to have the ability to **staff international** ~~assign volunteer PWU members to~~ Project assignments, away from Company facilities. In order to meet these needs, the Company may require labour contract flexibility.
3. The Company and the Union have jointly developed principles for the establishment of labour terms and conditions for Projects involving work to be performed by PWU workers. These principles are outlined in KNPP-1.

For projects of more than one (1) week in duration, where substantive changes are required to KNPP-1, the Company and/or the Chief Steward may propose revised terms and conditions. If agreed, these revisions are expected to be completed within 15 days but no less than 5 days in advance of work commencement.

For Projects of one (1) week or less in duration, where there are changes to the guidelines of KNPP-1, these changes shall be confirmed to the Chief Steward by the Project Leader. This will be expected to be completed within 15 days but no less than 5 days in advance of work commencement. The Company will, present all affected workers and the Chief Steward with the terms and conditions of employment for the Project and will acknowledge receipt in writing, indicating their understanding of the new conditions. These notice provisions do not apply to repeat assignments, meaning the same employees working under the same or substantially similar terms and conditions as a previous Project. Urgent situations and customer requirements may require the timeframes above to be shortened.

4. In the event of a work-related accident or injury the Company will report the incident to the WSIB, following the normal reporting procedures.
5. In the event of applying Article 11, employees **working on** ~~who accept~~ temporary international assignments will continue to be considered as though they had remained in their home work unit and will be subject to the contractual terms and conditions then in force. Employees will be entitled during the term of their assignments to exercise their redeployment rights unless the Company determines that to do so would seriously jeopardize the international project, in which case the affected employees' rights will be deferred until they return to their home unit.

6. Work done by PWU members under this Item will not engage Article 12 – Purchased Service Agreement.

7. Notwithstanding anything in this item, the parties agree that nothing in this article affects the terms and conditions of employment of persons hired and assigned outside Ontario, if such persons were not already in the bargaining unit.

## PART B

### 1.0 SALARIES

Salaries shall be in accordance with the salary schedules which are part of this Agreement.

Salary schedules will be increased as follows:

- January 1, **2021 2.0%**
- January 1, **2022 2.0%**

Escalator Clause – To be suspended for the term of the Collective Agreement

#### 6.4 Team Lead (TL) Position – Supervisor

Compensation TL's assigned on a temporary basis will be paid a premium of 5% above their individual rate for all regular hours worked in this capacity. TL's assigned on a permanent basis will be paid 2% above their individual base rate.

## MID –TERM AGREEMENT INDEX

PW-1-1 PROCESSING OF WAIVER REQUESTS -Agreed  
PW-44 SECONDARY SCHOOL STUDENT COOPERATIVE EDUCATION PROGRAM -Agreed  
~~PW-45 PAY EQUITY PLAN SUPPLEMENTAL AGREEMENT -Deleted~~  
PW-54-1 SEVERANCE PAY FOR FORMER EMPLOYEES HIRED FOR TEMPORARY WORK -  
Agreed  
PW-47-1 PROFESSIONAL EXPERIENCE YEAR (PEY) STUDENTS -Agreed  
PW-57-1 NEW/ENHANCED ABSENCE FROM WORK POLICIES -Agreed  
PW-69 FREEDOM OF INFORMATION -Agreed  
R-61-1 HIGH SCHOOL STUDENTS – Agreed  
KIN-R-1014-1 SPECIAL TEMPORARY WORKERS -Agreed  
KIN-R-1015 SHIFT DIFFERENTIALS - MACHINING AND PROTOTYPING SHOP -Agreed  
KIN-R-1019 SYSTEM ADMINISTRATION - OUTAGE DATA SUPPORT TEMPORARY  
EMPLOYEES – JIM SMALLWOOD AND DEXTER ONG –Agreed  
KIN-R-1021-1 ON-CALL ARRANGEMENTS –Revised  
KIN-R-1022-1 OUTAGE WORK –Agreed  
KIN-R-1023 SILVANO RIZZETTO –Agreed  
KIN-R-1024-1 KINECTRICS NORTH –Revised  
KIN-R-1025 Laundry -Agreed  
KIN-R-1026 KI-North Temporary On-Call Provisions Midterm -NEW

## HEALTH AND DENTAL BENEFITS BROCHURE

### Physiotherapy:

Maximum of ~~\$400~~ **\$125** per initial assessment

Maximum of ~~\$60~~ **\$70** per subsequent treatment

PARAMEDICAL SERVICES (Includes: Naturopaths, Clinical Ecologists, Homeopaths, Chiropractics, Acupuncturists, Registered Massage Therapists (RMT), Osteopathy Treatment, Modalities – i.e., shockwave, **Registered Dietitian**)

## PENSIONERS, BENEFICIARIES AND THEIR QUALIFIED DEPENDENTS

Employees who go from employee to pensioner WITHOUT a break in service and WITHOUT commuting all of their pension entitlement, and who had a minimum of ~~45~~ **18** years of continuous service with the company prior to retirement, and who had health and dental coverage while employed, continue to receive benefits during their retirement. For employees who were eligible for an unreduced pension or had reached age 60 at December 31, 2013, the service requirement is 7 years. **For employees who were eligible for an unreduced pension or had reached age 60 at December 31, 2020, the service requirement is 15 years.**

~~Vested/deferred pensioners are eligible to receive benefits provided they received them as employees, AND had a minimum of 25 years of continuous service with the Company prior to terminating employment~~

**As of December 31, 2020, deferred vested employees with greater than 25 years continuous service will continue to receive benefits.**

**Not to be Reproduced in the CA.**

**Lump sum payment: every employee on payroll as of the date of ratification shall receive a one-time payment of \$500 for temporary and \$1000 for regular employees (pensionable), less statutory deductions, payable as soon as practicable and in any event no later than 2 pay periods from ratification.**

**The parties will meet 60 days after ratification to eliminate references to the following:**

All references to the Implementation and Oversight Committee in the CA should be replaced with the ~~Job-Classification and Review Committee~~ **Compensation Review Committee.**

All references to the Plan B Clerical Technical plan must be removed.