

**DIRECTWEST OFFER OF SETTLEMENT**

**SEPTEMBER 28, 2011**

**REGARDING REVISIONS TO THE COLLECTIVE AGREEMENT BETWEEN**

**DIRECTWEST CORPORATION**

**AND**

**THE COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF  
CANADA**

**The Parties agree to fully endorse and recommend ratification of the following offer of settlement to their Principals.**

**Subject to extension by mutual agreement, this offer expires at 5:00 p.m. October 8, 2011**

## **SUMMARY OF THE OFFER OF SETTLEMENT**

1. **Term** – The term of the new Collective Agreement shall be from March 22, 2010 until March 16, 2014.
  
2. **Wages** – Wages will be adjusted as follows:
  - a. Effective March 22, 2010, all weekly rates of pay shall be increased by 1.0%;
  - b. Effective March 21, 2011, all weekly rates of pay shall be increased by 3.0%;
  - c. Effective March 19, 2012, all weekly rates of pay shall be increased by 1.75%;
  - d. Effective March 18, 2013, all weekly rates of pay shall be increased by 2.0%
  
3. **Benefits**
  - a. Upon ratification of this agreement, reimbursement for eye examinations will be increased to \$75.00 bi-annually.
  
4. **Joint Sales Committee**

The parties have agreed to establish a joint sales committee as outlined in the attached Memorandum of Agreement.

  - a. The Company will undertake not to perform any account rebalancing until a joint committee as contemplated in this offer is established.
  
  - b. It is agreed and understood that the approval of the joint committee is not required, but the opportunity for discussions must take place in advance of any changes.
  
  - c. It is agreed that CEP and DirectWest will move to establish the joint committee immediately following ratification so these discussions can take place in a timely fashion.

**5. Proposals Which Have Been Tentatively Agreed To – DirectWest recommends implementation of the following proposals, all of which have been tentatively agreed to as set out in Attachment I.**

<u>Proposal</u>	<u>Date Agreed</u>	<u>Description</u>	<u>Agreement</u>
U1	April 13, 2011	Successor Rights	New CA Language
U2	February 18, 2011	Grievance Times	Revised CA Language
U3	February 18, 2011	Higher Rated Duties	Revised CA Language
U4	May 10, 2011	Surplus	New CA Language
U12	May 10, 2011	Quarantine Order	As discussed
C1	February 18, 2011	Grievance Process	Revised CA Language
C5	February 18, 2011	VDT Operators	Removal of CA Language

**6. Other Proposals – DirectWest recommends implementation of the following proposals as set out in Attachment II.**

<u>Proposal</u>	<u>(Description)</u>	<u>Offer</u>
U7	Termination/Layoff Allowances	See attached Language
C3	Temporary Sales Vacancies	See attached Language
C4	Holidays	See attached Language
C6	Temporary Employees	See attached Language
C10	Housekeeping Language	See attached Language

**NOTE – The attachments are intended to capture the specific changes to the Collective Agreement.**

# Attachment I

## Proposals Which Have Been Tentatively Agreed to

### **U1 – Successor Rights – as tentatively agreed April 13, 2011**

#### **ARTICLE 2 – Union Recognition**

##### **NEW CLAUSE 2**

2. it is agreed that where the business or part thereof is sold, leased, transferred or otherwise disposed of, which results in the transfer of any employee covered by this Collective Agreement to the purchaser, the Company shall, as a condition of the sale, through an agreement in writing with the person(s) acquiring the business, or part thereof, assure the said person(s) are bound by the Collective Agreement, and the Collective Agreement shall continue as if the business or part thereof, had not been disposed of. The Collective Agreement will be deemed to apply to the person(s) acquiring the business, or part thereof, to the same extent as if the agreement had originally applied to them or the agreement had been signed by them.

In the event the Successor Rights as set out in *The Trade Union Act* are repealed, this provision shall remain in effect until such time as the parties agree to a new Collective Agreement.

### **U2/C1 – Grievance Improvements – as tentatively agreed February 18, 2011**

#### **Article 8 - Grievances**

##### **NEW LANGUAGE IN CLAUSE 2, 3, 4, 8 and 9**

2. The parties to this agreement are agreed that it is of the utmost importance to address grievances as quickly as possible. **The Company and the Union shall discuss information available regarding the grievance at each step of the grievance.**

3. No grievance shall be considered unless it is filed within **thirty (30)** working days of the date an employee could reasonably have been expected to have known of the circumstances giving rise to the grievance.

4. A grievance arising during the currency of this agreement shall be processed in writing, initially by the steward with the immediate manager of the employee, or employees, involved. **The Union shall provide the nature of the grievance, identify the actions that have violated the agreement and shall provide the Company's Human Resources and Industrial Relations Department with written notification of all grievances presented at the first applicable management level and, immediately following the presentation, will forward a copy of the associated grievance forms.** The immediate manager shall render a decision in writing, within five (5) working days of receipt of the grievance.

8. Any grievance decision in writing rendered by the management level in Clause 4 shall be reviewed and a decision rendered as to further action by the Union within thirty (30) **working** days.

9. Any grievance decision in writing rendered by the management level in Clause 5 shall be reviewed and a decision rendered as to further action by the Union within sixty (60) **working** days.

### **U3 – Performing Higher Rated Duties – as tentatively agreed February 18, 2011**

#### **Article 12 – Promotions and Vacancies**

##### **NEW LANGUAGE IN CLAUSE 5**

5. If an employee is required temporarily, for a continuous period of **two (2)** working days, to perform the duties of a higher position than that of which the employee is incumbent, such employee shall be paid for the whole of the period spent in the said position at not less than the minimum rate in the scale for such higher position; where the salary received in the employee's own position exceeds the minimum for the position in which the employee is substituting, the rate of pay shall be not less than that of the nearest higher rate for the higher position. **Differentials shall be paid in accordance with Article 21, where applicable.**

**U4 – Surplus – as tentatively agreed May 10, 2011**

**Article 13 – Transfers**

**New Clause 4(v)**

- (v) Prior to the effective transfer and/or reclassification, the Company agrees to provide the union with the name of the employee transferred and/or reclassified, the job description of the new position, the wage step of the affected employee and the effective date of the transfer and/or reclassification.

**U12 – Quarantine Order – as discussed – see document titled “HR Guidelines for an Infectious Outbreak.**

**C5 – VDT Operators – as tentatively agreed February 18, 2011**

**Article 24 – Safety and Health**

**Removal of Article 24, Clause 4 in its entirety.**

## **Attachment II**

### **Other Proposals**

**U7 – Termination/Layoff – DirectWest proposes the following language:**

**Article 15 – Job Security and Layoff**

**Job Security**

No permanent employee with two (2) or more years’ service will be laid off as a direct result of work regularly performed by the classifications covered by this Agreement being contracted out.

**Lay-Off**

In the event of a lack of work situation, or movement of a present Company work operation outside of the Company bargaining unit, which would result in a net reduction of the Company's total staff compliment the most junior employee in the affected

classification in the designated location would be declared surplus. The following provisions apply to such employee:

1. Bumping Rights

- (i) First bumping option - Employee declared surplus bumps the junior employee in the location in the same or a similar classification providing said employee can meet the requirements of the job with a familiarization period of two (2) weeks or less.
- (ii) Second bumping option - Employee declared surplus bumps the junior employee in the location providing said employee can do the basics of the job with minimal training and job experience (not to exceed eight (8) weeks).
- (iii) Third bumping option - Employee declared surplus bumps the junior employee in the Company in the same or a similar classification providing the employee declared surplus has at least one (1) year seniority and can meet the requirements of the job with a familiarization period of two (2) weeks or less. The Company will pay relocation expenses on bump and return.
- (iv) Fourth bumping option - Employee declared surplus bumps the junior employee in the Company providing the employee declared surplus has at least one (1) year seniority and providing said employee can do the basics of the job with minimal training and job experience (not to exceed eight (8) weeks).

All relocation and return costs will be borne solely by the employee. Return rights will exist as detailed by 3(i).

- (v) The above options must be taken in sequence commencing with the first bumping option. Where an employee qualifies for one of the options said employee would not be allowed to proceed to the next bumping options.
- (vi) Permanent employees declared surplus who have not been placed after having exercised the first and second bumping options shall be entitled to a Sub Plan Layoff Allowance as set forth in Clause 2 below. Employees will only have the right of recall in that location. Employees will have the opportunity to change their status on one occasion only; a date for the change of status will be mutually agreed to between the company and the Union.**
- (vii) Permanent employees who have not been placed after having exercised the first and second bumping options may receive a Termination Allowance rather than a Sub Plan Layoff Allowance, as set forth in Clause 3 below. The election for with a**

**Sub Plan Layoff Allowance or a Termination Allowance must be made within five (5) days of exercising the said bumping options. Such election shall be made in writing and delivered to the Company. Acceptance of such allowance will be considered a voluntary resignation, and the employee shall forfeit all rights to Sub Plan Layoff Allowance as in Clause 2 below, and all recall rights as in Clause 8 below.**

- (viii)** In defining the term "same or similar" in Clause 1, Paragraphs (i) and (iii), it is understood that it shall apply to all classifications in the applicable section of the Collective Agreement. For example if an employee covered by Section 2 Clerical and Administrative Staff is declared surplus then all classifications in Section 2 will be considered "same or similar" in the application of this clause.
- (ix)** Employees having less than three (3) months seniority have no bumping or recall rights.
- (x)** The following time limits will apply when exercising bumping options:
  - (a) Two (2) working days if a move is not required.
  - (b) Seven (7) calendar days where a move is required.
- (xi)** It is understood that temporary and part time employees will be laid off first, where **permanent** employees can qualify for their positions through bumping and where the Company and the Union can agree to ways and means to maintain service.
- (xii)** Under the provisions of Clause 1, Paragraphs (i), (ii), (iii) and (iv), positions in a location which are vacant or filled by temporary assignments will be considered to be filled by an employee with zero seniority for the purpose of bumping.
- (xiii)** When more than one employee in a location is being declared surplus at the same time, the most senior of the surplus employees will be the first to be processed through the bumping provisions.
- (xiv)** An employee bumped during this procedure will be declared surplus and placed in the group still to be processed, if any, in accordance with their seniority.
- (xv)** Seniority for the purposes of Article 15 will be the seniority as of the effective date of the surplus condition.
- (xvi)** For the purposes of defining the term "Junior Employee" in Clause 1, Paragraphs (i) and (iii), it will be understood to mean: The most junior employee who is in a

position that the surplus employee could meet the requirements of the job with a familiarization period of two (2) weeks or less.

- (xvii) For the purposes of defining the term "Junior Employee" in Clause 1, Paragraphs (ii) and (iv), it will be understood to mean: The most junior employee who is in a position that the surplus employee can do the basics of the job with minimal training and job experience (not to exceed eight (8) weeks).

2. (i) **Sub Plan Lay-off Allowance**

<b><u>Seniority on Date of Lay-off</u></b>	<b><u>Sub Plan Lay-off Allowance Entitlement</u></b>
Less than one year	0 weeks
1 year but less than 2 years	4 weeks
2 years but less than 3 years	5 weeks
3 years but less than 4 years	6 weeks
4 years but less than 5 years	7 weeks
5 years but less than 6 years	8 weeks
6 years but less than 7 years	9 weeks
7 years but less than 8 years	10 weeks
8 years but less than 9 years	11 weeks
9 years but less than 10 years	12 weeks
10 years but less than 11 years	13 weeks
11 years but less than 12 years	14 weeks
12 years but less than 13 years	15 weeks
13 years but less than 14 years	16 weeks
14 years but less than 15 years	17 weeks

Three (3) weeks additional pay for each full year of service in excess of 15 years seniority.

In the case of employees covered by Section 3 – Sales Staff, a weeks pay shall mean the Base Rate plus Commission or Bonus the employee is entitled to at the time of lay-off.

- (ii) The Sub Plan Layoff Allowance becomes operative when application is made and approved for EI benefits, and upon receipt of proof that such benefits are being received.
- (iii) Each week's top-up benefit shall be equivalent to 90% of the employee's regular weekly pay at time of layoff in the case of a permanent employee, and equivalent to 90% of the average earnings in the four (4) weeks preceding layoff in the case of a part-time employee, less Employment Insurance benefits entitlement.
- (iv) Layoff benefits will be fully reinstated after one (1) year of continuous service after date of return to work from layoff.
- (v) Sub Plan Layoff Allowance will cease as follows:
  - a. When Sub Plan Layoff Allowance entitlement is used up;
  - b. When the employee reports to work following recall;
  - c. When the employee fails to report for work after recall;
  - d. When the employee is disqualified from or is no longer eligible for E.I. benefits;
  - e. When the employee obtains other employment;
  - f. If the employee resigns;
- (vi) An employee who has been recalled following a period of layoff and is again laid off prior to completing one (1) year of continuous service after the date of return to work, shall be granted a Sub Plan Layoff Allowance pursuant to paragraph (i), based on such employee's overall seniority, after deducting the amount received from the employee's previous layoff.

**3. Termination Allowance**

**(i) SENIORITY**

<u>Period Completed</u>	<u>But Less Than</u>	<u>No. of Weeks Pay</u>
--	2 years	2
2 years	3 years	4
3 years	4 years	6
4 years	5 years	8
5 years	6 years	10
6 years	7 years	12
7 years	8 years	14
8 years	9 years	16

<b>9 years</b>	<b>10 years</b>	<b>18</b>
<b>10 years</b>	<b>11 years</b>	<b>21</b>
<b>11 years</b>	<b>12 years</b>	<b>24</b>
<b>12 years</b>	<b>13 years</b>	<b>27</b>
<b>13 years</b>	<b>14 years</b>	<b>30</b>
<b>14 years</b>	<b>15 years</b>	<b>33</b>
<b>15 years</b>	<b>16 years</b>	<b>36</b>

**For each subsequent six (6) month period:**

<b>16 years through 25 years</b>	<b>2</b>
<b>from 25 years</b>	<b>2 1/2</b>

- (ii) Termination Allowance will not be payable where the employee is retiring on pension and the Company has, in advance of the declaration of the surplus staff condition, been advised of the employee's intention to retire on pension.**
- (iii) The Termination Allowance shall be reduced by the gross amount that the employee receives from superannuation benefits paid in accordance with the Superannuation Plans referenced in Article 23 of this Agreement plus any supplemental pensions or allowances paid by the Company or the Superannuation Board outside the terms of the Superannuation Plan or this Collective Agreement for the following period of time: from the date of resignation to the date which is the same number of weeks from the resignation date as the number of weeks pay used to calculate the termination allowance.**

**4. Wage Maintenance**

- (i) Wage maintenance at step (no progression if above top rate of new classification) but general union increases would be included. In the case of employees covered by Section 3 - Sales Staff "step" shall mean Base Rate and Commission or Bonus which the employee was entitled to at the time the wage maintenance begins. If not above top of new classification, progression continues on old schedule until the rate equals or surpasses the highest step of the new classification.**

Wage maintenance ends when:

- a) Employee is recalled to original classification in present or original location or refuses such a recall.
  - b) Mutual agreement to a third location recall.
  - c) Two years from date employee is placed in a lower rated position after being declared surplus.
- (ii) Reassign senior employee on wage maintenance or lay-off who meets job requirements to vacant entry position or same or lower rated vacant position without bidding providing:
- a) Employee does not improve over their old job position.
  - b) Procedure only comes into effect after notice of lack of work has been given to Union.
  - c) Vacancies in bid positions, which could not be filled by employees on wage maintenance, or lay-off would still be posted.
- (iii) No permanent upgrade will be allowed through bumping.

Upon return the anniversary date for future progression increases remains unchanged.

**5. Return Rights to Location and Classification**

- (i) No right of return to a location will be exercised for one (1) year from the date of the move except in cases where vacancies in the same or similar classification would be filled by new hires, or by transfer or reclassification from outside the location.
- (ii) The employee shall have the right to return to their old classification in the new location if an opening exists.
- (iii) Return rights will be exercised by seniority, the most senior person being the first returned.
- (iv) Refusal of any Company offer to exercise return rights will terminate same.

**6. Notice to the Union**

- (i) The Company will provide a minimum of three months notice to the Union of expected surplus conditions where possible.

- (ii) The Company will not give notice of surplus situation or lay-off to an individual employee until the Union has been given at least two (2) weeks notice of surplus conditions.
- (iii) Notice shall be in writing and sent to the Union office.

**7. Notice to Employees**

Notice to individual employees will be related to seniority as follows:

0 - 1 year -	2 weeks
1 - 5 years -	4 weeks
5 - 10 years -	6 weeks
over 10 years -	10 weeks

**8. Recall Rights**

- (i) Recall period shall be restricted to two (2) years.
- (ii) Seniority shall continue to accumulate for ninety (90) days on lay-off and then be suspended until recall.
- (iii) Employee is responsible for keeping Company advised of current address and telephone number.
- (iv) Recall shall be by seniority, with the following priorities:
  - a) Most senior employee in the same or similar classification providing said employee can meet the requirements of the job with a familiarization period of two (2) weeks or less.
  - b) Most senior employee providing the basics of the job can be done with minimal training and job experience (not to exceed eight (8) weeks). All relocation costs will be borne solely by the employee.
  - c) Return to classification (except as restricted by Para. (viii) below).
  - d) The most senior employee, who meets the entrance requirements in the location. All relocation costs will be borne solely by the employee.
  - e) No right of return to a location will be exercised for one (1) year from the date of the move except in cases where vacancies in the same or similar

classifications would be filled by new hires or by a transfer or reclassification from outside the location.

- (v) Refusal to accept a recall to another location for which an employee on recall meets the requirements will result in the employee's status reverting to voluntary location lay-off.
- (vi) Recall notices to employees on lay-off will be by personal telephone call and sent by registered mail. Employees must respond with their acceptance of the recall within ten (10) days of the date of receipt of the letter by the Postmaster and must be available to report to work within ten (10) days after acceptance of recall. A copy of all recall notices shall be sent to the Union.
- (vii) An employee's service will be considered broken by reason of failure to report to work following a second recall.
- (viii) Maximum of two (2) relocation expenses per employee on any bumps or recalls.

## **9. Benefits**

Employees on lay-off will receive the following benefits for a period of up to one (1) year:

- (i) Group Life Insurance - provided the employee portion of the premiums are paid prior to the lay-off.
- (ii) Disability Income Plan - provided the employee portion of the premiums are paid prior to lay-off.
- (iii) Dental Plan - no premium required.
- (iv) Employees will have the option of buying back up to one (1) year's superannuation coverage upon return to work in accordance with the Company's administration of the plans

**C3 – Temporary Sales Vacancies – DirectWest proposes the following language:**

### **Article 12 – Promotions and Vacancies**

#### **Revision to Clause 4 (vii)**

**(vii) Temporary Sales Vacancies**

It is understood that the Company may require from time to time, to temporarily upgrade employees to fill temporary vacancies in the Sales Staff Area. They shall be open to all employees (**per location**), by internal posting for three (3) working days filled by the most senior applicant who has sales ability and/or meets sales qualifications. If there is no successful applicant, the Company reserves the right to hire from outside the Company.

The wage treatment for successful internal candidates will be their existing compensation plus 10%, however no greater than the compensation for the position bid. After six months in the temporary position the employee will receive the compensation for the position bid. The commission guarantee under Section 3, Article 2, Clause 2, will begin once the employee receives the compensation for the position bid.

**C4 - Holidays – DirectWest proposes the following language:**

**Article 18 – Holidays**

**Revision to Clause 1**

1. The following days shall be observed as holidays without deduction of pay therefore:

New Year's Day, Family Day, Good Friday, Victoria Day, **Canada Day**, Saskatchewan Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day, any nationally proclaimed holiday approved by the Provincial Government.

There will be one additional holiday. This will be a day in conjunction with **either another holiday, as listed above, or a weekend during the months of May through October. Subject to these requirements, the floating holiday shall be scheduled by mutual agreement between the employee and their manager no later than July 1<sup>st</sup> and must be taken within the calendar year. Employees must be on staff July 1<sup>st</sup> to be eligible for the floating holiday.**

**C6 – Temporary Term Lengths – DirectWest proposes the following language:**

**Article 35 – Temporary Employees**

**Revision to Clause 1 (iv)**

Special Projects/Short Term Overload

The number of employees and the duration and condition of such employment will be negotiated between the Company and the Union on a project by project basis where the duration of any such employment is expected to exceed **eighteen (18)** months on any one occasion. All requests to be negotiated with the Union shall be submitted in writing.

Where the requirement for temporary employees for an overload situation or special project is not expected to exceed the foregoing time limits the Company will notify the Union of temporary employees hired.

**C10 – Housekeeping Items – DirectWest proposes the following language changes and modifications:**

**Article 14 – Travel and Lodging**

Delete existing language in Article 14, Clause 2(i) and replace with “Employees with company provided cell phones shall be permitted reasonable personal use.”

**Article 16 – Technological Change**

Delete phrase “town or” from Article 16, Clause(s) 1,4,5,7

**Article 36 – Part Time Employees**

Revise Article 36, Clause 3 by replacing “1820 hours” with “1824 hours”.

## **JOINT SALES COMMITTEE**

MEMORANDUM OF AGREEMENT BETWEEN DIRECTWEST CORPORATION and the COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA (CEP) regarding a Joint Sales Committee.

In addition to the terms and conditions of the Collective Agreement, the following items are agreed to:

- 1) A joint Sales Committee between the CEP and DirectWest will be formed to deal with workplace issues in the Sales Division.
- 2) The mandate of the joint committee is to discuss sales issues that arise in the workplace that are not covered by the Collective Agreement between DirectWest and the CEP.
- 3) The joint committee will consist of up to three (3) union-appointed and up to three (3) management-appointed representatives. Representatives for the committee may come from the following areas:
  - a) Major Accounts
  - b) IBS
  - c) Small Business
- 4) The committee will be co-chaired by representatives designated by management and the CEP, who will co-ordinate and facilitate the committee's activities. The committee shall make non-binding decisions on the basis of consensus of the committee members present.
- 5) The committee shall meet, as necessary, at a mutually-agreed-to time and place. For the purposes of conducting business, at least two (2) management and two (2) union representatives must be present, along with a co-chair.
- 6) The committee will refer negotiable items back to the Bargaining Committees for resolve. They will make recommendations to the Bargaining Committees when changes to this Memorandum of Agreement are deemed necessary.
- 7) Meetings shall be scheduled during normal working hours and shall be considered as and paid as actual work time.
- 8) This Memorandum will expire March 16, 2014 unless otherwise negotiated between the parties.

AGREED TO on behalf of DIRECTWEST CORPORATION:

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AGREED TO on behalf of the COMMUNICATIONS, ENERGY and PAPERWORKERS UNION OF CANADA:

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DATE: \_\_\_\_\_