

COLLECTIVE AGREEMENT

August 1, 2007

Between

ALGOMA STEEL INC.
(hereinafter referred to as the Company)

-and-

**THE UNITED STEELWORKERS
ON BEHALF OF ITSELF AND ITS LOCAL 2724**
(hereinafter referred to as the Union)

WITNESSETH THAT THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

GENERAL ARTICLE

WORKPLACE REDESIGN AND EMPLOYEE PARTICIPATION PROCESS

1. MISSION STATEMENT

The parties are committed to a successful Algoma Steel Inc., founded upon principles of tolerance and respect between a strong independent union and a strong independent management and a recognition of the value of every employee.

2. OBJECTIVES

The parties will continue the process of redesigning the workplace so that it becomes more participative, safer and fairer. They agree that the skill content of jobs must be enhanced and opportunities must be created for employees to solve operating problems.

In order to manage change, the parties commit to ongoing consultation, and discussion between management and the union and among employees at all levels. As part of these consultations, management is committed to providing the Union and employees with the opportunity to participate in decisions related to change as early as possible.

The parties agree on the following objectives, and agree to implement changes in the workplace which will:

- upgrade the skill content of jobs on a progressive and ongoing basis, and provide employees with greater opportunity for training. In upgrading the skill level of trade jobs, an important objective will be to increase knowledge within the trade;
- eliminate health and safety hazards, including ergonomic hazards;
- ensure workers are trained in safe production practices;
- provide workers with greater influence, accountability, responsibility, and control over day-to-day operations of their workplace;
- lead to continual improvements in productivity and quality based on working smarter, using better equipment, and reducing waste;

In order to meet these objectives, redesign the workplace and to take advantage of the firsthand knowledge and experience of employees to solve operational problems, the parties will continue to develop and implement the workplace participation process.

1. **JOINT STEERING COMMITTEE**

a) **Mandate and Purpose**

A Joint Steering Committee has been established for the following purposes:

- I. to ensure that changes are implemented in the workplace which will achieve the objectives agreed to in Section 2 and in the Strategic Plan;
- II. to work with the Company's President and Chief Executive Officer and senior management on business matters generally and in particular with respect to the achievement of the goals of the Strategic Plan, Annual Business Plans and other general business goals and objectives of the Company. For the purposes of this collective agreement the Strategic Plan is the Strategic Plan as approved and amended by the Company's Board of Directors from time to time;
- III. to jointly develop the workplace participation and redesign processes, plans and programs in order to achieve the objectives set out in Section 2.

The parties agree that the process of redesigning the workplace must be a joint endeavour. The Company agrees not to initiate any action, program or change with respect to workplace restructuring or training without the input of the Joint Steering Committee. For the purpose of this Section workplace restructuring will be defined to include the combination, amalgamation, creation, or elimination of tasks, jobs or lines of sequence,

and the establishment of operating work groups or teams or job rotation systems.

The Company agrees not to initiate any action or program with respect to worker participation without the input of the Joint Steering Committee. For the purpose of this Section worker participation will be defined to include the establishment of problem-solving or cost reduction teams or groups that involve bargaining unit members, which are designed to solicit their ideas for improvements in productivity and worklife;

- IV. to jointly develop and implement workplace training programs;
- V. to administer the agreed to JSC policies;
- VI. to act as an ongoing forum for senior management and union officials to discuss and resolve issues related to the workforce and the Company.
- VII. direct all other joint committees which are established by the Joint Steering Committee or the Collective Agreement;
- VIII. to ensure that monthly department crew meetings are occurring and that agreed agenda items are being discussed.

b) Composition

The Joint Steering Committee will consist of the following:

- a co-chair as appointed from time to time by the Company President and CEO.
- a co-chair as appointed from time to time by the United Steelworkers Director of District 6.;
- Executive Officers of the Company;
- six union officials of USW Local 2251, and;
- the President and Vice President of USW Local 2724

Members of the Committee shall complete a training program as approved by the Joint Steering Committee within 6 months of appointment to the Committee.

The District 6 and/or National Director of the Union may attend meetings of the Steering Committee on the invitation of either co-chair.

c) Duties and Responsibilities

The Joint Steering Committee will:

- work with the President and CEO and senior management towards achievement of the company's business goals and objectives as set out in the Strategic Plan, and in particular as they relate to facilities, manning objectives including attrition and other matters which impact the company's employees.
- review any amendment or other change to the Company's Strategic Plan before it is presented to the Company's Board of Directors.
- review annual business plans before they are presented to the Company's Board of Directors.
- periodically review and monitor progress toward meeting performance, sales, employment, and other targets set out in the Strategic Plan and Annual Business Plan;
- monitor capital expenditure programs agreed to in the Strategic Plan;
- review proposed major sale, lease or rental of assets, and review major purchases for materials and supplies, and the tender selection process;
- establish corporate travel policy for bargaining unit members;
- direct and set policy for Union Management Committees
- review Appropriation Requests (AR's) before they are presented to the Company's Board of Directors.
- review annual plans of the Departments within each area of accountability of the Union Management Committee.

ii) Training

The Joint Steering Committee shall exercise its responsibilities regarding training through the Joint Training Team.

The Joint Training Team shall review the training needs of all employees, and develop and recommend a comprehensive training plan and budget for Algoma to the Joint Steering Committee. The training plan will include both shorter term and longer term components, a timetable, and be designed to ensure that the objectives set out in Section 2 are achieved. The Joint Training Team will determine the need for apprentices in the skilled trades and crafts in conjunction with the Joint Apprenticeship Committee.

The Company agrees not to implement a training plan without considering the recommendations of the JTT.

The Joint Training Team shall consist of four members appointed by the Union and four members appointed by the Management. A Union Coordinator will be assigned by the Staff Representative as the Union Co-chair of the team, as one of the Union members.

The Joint Training Team will review and recommend training policy, govern overall training, ensure the training plan is implemented, and give priority of training required.

The parties agree to establish a corporate wide system to track training costs for those purposes established by the Joint Steering Committee.

iii) Major Technological Change

No major technological change shall be introduced prior to review by the Joint Steering Committee. Technological change is defined as technological changes in method of operations, materials and process, including the introduction of new or modified equipment which substantially alters the manner in which work is performed.

The Joint Steering Committee will evaluate technological changes based on their contribution to achieving the objectives set out in Section 2 and in the Strategic Plan, and set policies and procedures to be followed in respect of major technological change.

Employees who will be affected by a proposed technological change must be involved in the process of designing and implementing that change.

iv) General

The Company will pay lost time wages and expenses for union members of the Committee for their Committee activities, including time union members spend preparing for such meetings.

The Steering Committee will select consultants, advisors and instructors retained by the Company to facilitate and support any process and programs related to, worker participation and training and will determine assignments and duties of such consultants, advisors and instructors.

The Joint Steering Committee may from time to time define and amend as appropriate the roles and responsibilities inherent in structures and jobs involved in workplace restructuring and redesign.

The Joint Steering Committee will not;

- determine individual benefit entitlement;
- deal with any discipline matter;
- have access to confidential personnel files (unless approved by the individual on authorized form);
- assume any of the functions of the employer under any legislation of Canada or Ontario.

4. UNION MANAGEMENT COMMITTEES

a) Mandate and Purpose

The parties will establish Union Management Committees in various areas of the Company (see list of areas in Appendix A). Each of these committees shall report to and be subject to the direction of the Joint Steering Committee. The purpose of the Union Management Committee shall be to:

- Assist in the implementation of change in the workplace which will achieve the jointly agreed to objectives set out in Section 2 and in the Strategic Plan;
- Assist in the achievement of the department's goals and objectives as set out in the Strategic Plan and annual business plan of each area, in particular as they relate to facilities;

b) Composition

Each Union Management Committee shall have the following members:

- A General Manager assigned by the Company who shall be a Co-chair;
- A Union Executive assigned by the President of the Local shall be the Union Co-chair;
- union stewards and union health and safety representatives selected by the Union;
- other employees within the department as selected from time to time by the co-chairs.
- Human Resources' representatives assigned to area; and,
- A Union Coordinator will be assigned as a resource.

Members of the Committee shall complete a training program approved by the Joint Steering Committee within 6 months of appointment to the Committee, which shall include a component of union designed and delivered training for union members.

c) Duties and Responsibilities

- Administer policies and procedures agreed at the JSC
- development, implementation and monitoring of training plans and plans for improving quality of worklife, including plans for the achievement of objectives set out in Section 2.
- implement workplace restructuring and redesign within the departments of each area;
- changes considered in workplace restructuring and redesign must be reviewed by the department joint health and safety representatives for their potential impacts on employee health.

- monitors contracting out and overtime hours (excluding replacement hours) in excess of 10% of all hours worked in a 12 month period in any specific functions or jobs in the departments of each area and initiates any action required in accordance with the policies and administrative processes established by the Joint Steering Committee.
- monitors and reviews all other issues governed by the Joint Steering Committee.
- the Company will pay lost time wages and expenses for union members of the Committee for their Committee activities.
- the Union Co-chair of the Union Management Committee may request further resource personnel to assist them in carrying out their duties.

5. GUIDELINES FOR WORKPLACE RESTRUCTURING AND PARTICIPATION PROCESS

The parties agree to abide by the following guidelines in all matters pertaining to workplace redesign, training, and the workplace participation process.

General guidelines are:

- a) The workplace participation process and workplace redesign initiatives shall be consistent with and supportive of local and international union structures. The worker participation process shall be consistent with and supportive of the terms of this collective agreement, including the grievance procedure.
- b) The workplace participation process shall not be used to discipline employees.
- c) The participation of individual employees in the worker participation process shall be strongly encouraged through a training program but shall be entirely voluntary; however, new entrants to groups involved in worker participation must commit to participating in the process. Participation in such process will be scheduled during normal working hours, and employees will be paid at their regular rates for their time.
- d) Union officers and appointees involved in work redesign or any joint committee must be offered the opportunity of participating in Union designed training.
- e) It is understood that as part of the workplace participation process the union representatives on various committees, task forces, and other groups may wish to meet separately from management representatives, and that attendance at such meetings is part of the participation program, and shall be paid by the company. The Joint Steering Committee shall establish guidelines respecting the holding of such meetings and for the payment of employees who attend.
- f) Employees have a right to participate in the process where they have a stake in the outcome and something to contribute.

- g) So as to encourage informed and meaningful participation employees shall have access to relevant information and the necessary resources and expertise.
- h) The parties recognize there is no one best way to participate. Each workplace participation group shall have broad latitude and freedom to shape their own process within the guidelines of this Agreement, and by any guidelines established by the Joint Steering Committee.
- i) In order for participation to be meaningful, participation shall run from the very formative stage of a project to its conclusion.
- j) Employees participating in the process shall receive the necessary training to prepare them to play a meaningful role.
- k) All employees will be provided with an informational overview of the overall process.

6. **RESTRUCTURING SUPPORT AND PROCESSES**

In order to ensure that the workplace participation process is effective the Management and the Union are committed to providing appropriate training and support.

As part of this support the Management agrees to:

- a) pay lost-time wages for a one day union orientation session for union employees within the first year of the collective agreement;
- b) pay lost-time wages for two days of union orientation for up to 100 union delegates/stewards; and
- c) pay lost-time wages for five days of union training per year for up to twenty-five (25) union representatives on the Steering Committee and designated committees and task forces.

In addition, Management and the Union agree to create a team of internal personnel dedicated to supporting the participation process. The Union shall select two employees to act as Union Co-ordinators. Management shall appoint counterparts to work jointly with the Union appointees. The Union Co-ordinator shall work under the direction of, and report to, the Union Co-chair of the Joint Steering Committee.

A Union Co-ordinator may attend meetings of the Joint Steering Committee and sub-committees or task forces, at the invitation of the Union Co-chair of the Joint Steering Committee. In a corresponding fashion Management may have its Co-ordinator attend meetings of the Joint Steering Committee. The Union Co-ordinator will be responsible for making regular reports to the Union Co-chair and the other union members of the Joint Steering Committee on the progress of the workplace participation process and any other matters they require. At the joint request of the Union and Management Co-chairs the Union Co-ordinator shall make reports to the Joint Steering Committee.

The wages and benefits of the Union Co-ordinators will be paid by the Company, and they will continue to be covered by the provisions of their respective collective agreements. The Company will provide the Co-ordinators with an office, equipment and access to clerical support.

The Company shall provide the Union Co-ordinator with a resources budget of \$50,000 on the first day of each quarter to be used to support the activities of the Co-ordinator, including, but not limited to, assistance, travel and expenses, training, workshops, external consultation and educational material. The resources budget shall be approved by the Union Co-chair. If at the end of each quarter the resources budget has not been allocated, the resources budget for the next quarter shall be reduced by the unused amount. The resources budget will be held in a separate bank account.

The Company shall provide up to two additional people, selected by the Director of District 6, to assist the Union Co-chair of the Joint Steering Committee in carrying out his functions related to the Joint Steering Committee. Wages and benefits will be on the same basis as the Union Co-ordinator.

The union co-chairs of the Union Management Committees shall be provided with office space and office equipment.

7. OVERTIME, CONTRACTING OUT, AND EMPLOYMENT LEVELS

The parties agree to monitor and review the levels of overtime and the levels and type of contracting out on an ongoing basis.

Each Union Management Committee will provide the Joint Steering Committee with a quarterly report for each department in their area.

The Joint Steering Committee will take appropriate action to eliminate or reduce any overtime or contracting out deemed to be excessive.

APPENDIX A - LIST OF DEPARTMENTS

For the purposes of this Agreement, the Company shall be deemed to be divided into the following departments:

Primary Operations

Cokemaking
Ironmaking
Steelmaking
Slabcaster
Raw Materials & Material Re-Processing
Masonry and Material Movement

Flat-rolled and Other Operations

Direct Strip Production Complex
Plate and Strip – Hot Mills
Plate and Strip - Finishing
Cold Mill
Welded Beam Division
Quality Blanks International
Manufacturing Scheduling

Maintenance & Maintenance Services

Central Maintenance
Primary Division Maintenance
Flat Rolled Division Maintenance
Maintenance Technology
Transportation Services
Utilities
Shops

Staff Areas

Engineering & Construction
Finance & Accounting
Human Resources
Safety, Emergency & Environmental Services
IS & BPI
Corporate Logistics, Purchasing & Stores
Technical Services
Sales Planning
Shipping Services
Customer Service
Process Engineering & Quality Assurance
Slab Purchase & Conversion
Strategic Business Analysis

ARTICLE 1

UNION RECOGNITION

1.01.10 The Company recognizes the Union as the sole bargaining agent for all employees of Algoma Steel Inc. at Sault Ste. Marie, and Burlington, save and except Department Heads, persons above the rank of Department Head, persons covered by a subsisting collective agreement(s) or a certificate granted by the Ontario Labour Relations Board, Human Resources Officer – Industrial Relations, Human Resources Officer – Personnel Services/Industrial Relations, Supervisor – Industrial Relations/Medical Services, Supervisor – Employee Benefits, Supervisor – Wage and Salary Administration, Supervisor/Co-ordinator – Personnel Services, Sales employees, and secretaries to the President and CEO, the Vice Presidents, General Counsel and Corporate Secretary, and the Manager of Human Resources.

Clarity Note: For the purposes of clarity, it is understood that technical service employees are not sales employees and are included in the bargaining unit.

1.01.11 The Company will notify the Union in writing of new jobs established which are to be excluded from the bargaining unit. Such notification shall include a summary of job functions, responsibilities, date of establishment, and shall name incumbents assigned to the new job. If the Union does not agree that the job is properly excluded it may file a grievance of a General Nature within 21 days of such notification in order to discuss and/or to conduct an on-site examination of the job and incumbents.

1.01.12 When existing jobs are changed or new jobs are to be established which contain duties being performed by employees of the Local 2724 bargaining unit, or similar duties, as well as duties which may be appropriate for another bargaining unit, the Company will advise the Union in writing as far as possible in advance of the establishment of such jobs. The Company and Union will attempt to agree on the proper placement of such jobs in a bargaining unit and to agree on any other relevant matters such as seniority rights of employees affected.

If agreement is not reached, the matter shall be referred to referees, one named by each party, who will attempt to resolve any outstanding issues. Agreement by the referees will be binding on both parties. If agreement is not reached by the referees, the Union may file a grievance of a General Nature.

1.02.10 Except as agreed to by the Local Union, work normally performed by employees within the bargaining unit or similar work which it has been past practice to have performed by employees within the bargaining unit shall continue to be performed by employees within the bargaining unit except when employees

with the necessary skills are not available for such work. Every effort will be made to train existing employees to perform such work where practical. No employee will be displaced from his job or be laid off as a result of the Company contracting out such work. The Company may contract out work not normally performed by employees within the bargaining unit, but shall, whenever practicable, and especially during layoffs, have such work performed by employees within the bargaining unit. The Company will not contract out work that was previously done by bargaining unit employees where the reason or need has been created is due to the failure to replace vacated positions.

1.02.11 The guiding principle to be followed by Algoma Steel Inc. is that it is unacceptable that work that bargaining unit employees are capable of performing should be contracted out. Further, when work being considered for contracting out is beyond the skill level possessed by available employees, it is agreed that every effort will be made to train and develop employees as quickly as possible so that they may be assigned now or in the future.

A Joint Local Union-Management Committee will be established with a mandate to review all work which is being considered for contracting out. Evaluation of all of the facts involved with such work will be weighed by the Joint Committee, with the overriding principle being that the parties are seeking ways and means to retain such work for bargaining unit employees but at the same time assures the ability to operate the plant facilities. Included in this evaluation will be the option to retain desirable work in-house and to substitute less desirable work for contracting out. All of the facts and circumstances being considered will be openly shared by all members of the Joint Committee. The decision whether to contract out shall be made by the Joint Committee based on consensus. If agreement cannot be reached at the Joint Contracting Out Committee and the Company contracts out this work, the Union may exercise its right to file a General Nature grievance. If the decision is to contract out, management shall select the supplier and in doing so, consideration shall be given to all relevant factors. Upon request the management shall review all such information with the Joint Committee.

All information requested associated with contracting out will be provided in a timely manner.

A semi-annual evaluation will be conducted of all contracted out work so as to determine if such work should be assigned within the bargaining unit and within what time frame. The contracted out work under this review shall include work performed by contractors inside the plant as well as work which is performed by contractors off site. Notwithstanding the foregoing, the parties recognize that work of an emergency nature may be contracted out if the alternative would be to place the facilities and/or employees in jeopardy. The reasons and details for such will be forwarded to the Joint Committee for evaluation.

In recognition of Algoma Steel Inc. and the United Steelworkers commitment to the community of Sault Ste. Marie and the District of Algoma, when the Joint Contracting Out Committee has made a decision to contract out work, preference shall be given to suppliers in the City of Sault Ste. Marie or District of Algoma.

1.02.20 Employees within the bargaining unit have no claim to jobs outside the bargaining unit. Except as expressly provided in this Agreement, employees outside the bargaining unit have no claim to jobs within the bargaining unit.

1.02.30 Except by mutual agreement, employees excluded from the bargaining unit defined in this article shall not perform work of employees covered by this Agreement, except in cases of emergency if no other qualified employee is available either on shift or off shift. It is recognized that excluded employees do certain routine work and this clause does not apply to such persons, provided that any work so performed shall not have the effect of jeopardizing employment in the bargaining unit.

1.02.40 The Company will meet with the Union bi-annually to review any contracting out concerns.

1.03 The Union shall not solicit membership on the Company's time.

1.04 The Company shall give each employee entering the bargaining unit a copy of this Agreement within 30 days of the employee entering the bargaining unit.

1.05 The Local Union shall elect or appoint an appropriate number of stewards for each department, and shall, as such elections are held or appointments made, give written notice of the names of such stewards in each department, to the Superintendent – Employee Relations and the Department Head concerned.

1.06 The Company and authorized Union committees (which may include the International Representatives of the Union) shall meet when necessary for the proper administration of this and other agreements between the parties.

1.07 All negotiations between the Company and the Union shall be carried on through the regular procedures established by this Agreement, and the Company shall not recognize or bargain separately with any individual or group of employees within the bargaining unit. This Agreement shall not be altered or

amended except by agreement between the Company and the executive of the Local Union.

1.08 When hiring new employees the Company shall give consideration to applicants who are former employees.

ARTICLE 2

DEDUCTION OF UNION DUES

2.01 When used herein and in authorizations assigning to the Union an amount equivalent to Union dues, the expression "Union dues" means the amount of the regular Union dues payable by members of the Union as confirmed from time to time by written notice to the Company from the officers of the Union.

2.02 As a condition of employment, each employee entering the bargaining unit shall be required by the Company to sign an authorization in duplicate assigning to the Union until the employee leaves the bargaining unit an amount equivalent to Union dues, and shall send one copy of the authorization to the Union.

2.03 The Company shall deduct, as a condition of employment, from the wages of each employee in the bargaining unit, Union dues including, where applicable, initiation fees and assessments on a **bi-weekly** basis. The amount of dues shall be calculated in accordance with the Union's Constitution.

2.04 All dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event no later than 15 days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers AFL – CIO – CLC, P.O. Box 13083 Postal Station "A", Toronto, Ontario, M5W 1V7 in such form as shall be directed by the Union to the Company along with a completed Dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 will also be sent to the Union office designated by the Area Coordinator. A copy of the Dues Remittance Form R-115 will also be sent to the Union Office at 68 Dennis Street, P6A 2W9 and the LU 2724 office.

2.05 The remittance and the R-115 form shall be accompanied by a statement containing the following information:

- a) A list of the names of all employees from whom dues were deducted and the amount of dues deducted;

- b) A list of names of all employees from whom no deductions have been made and reasons:
- c) This information shall be sent to all Union addresses identified in Article 2.04 in such form as shall be directed by the Union and agreed to by the Company.

2.06 The Union shall indemnify and save the Company harmless against all claims, or other forms of liability that may arise out of any action taken by the Company, in compliance with this Article.

2.07 The Company, when preparing T-4 slips for the employees, will enter the amount of Union dues paid to the employee during the previous year.

ARTICLE 3

DISCRIMINATION

3.01 No employee shall be discriminated against by the Company or the Union because he is or is not a member of the Union, because of Union activities, or because of exercising any right provided by law or by this Agreement.

3.02 The Company and Union agree there shall be no discrimination against any employee in contravention of the Ontario Human Rights Code, Statutes of Ontario, 1981, Chapter 53 or as amended from time to time.

ARTICLE 4

MANAGEMENT

4.01 Except to the extent otherwise stated in the Collective Agreement, the Union recognizes that all functions, rights, powers and authority which the Employer has not specifically abridged, delegated or modified by this Agreement are retained by the Employer. Management retains the right to discipline, but shall do so in a just, fair and reasonable manner consistent with the terms of this Collective Agreement.

4.02 Employees who perform supervisory functions shall continue to be responsible for ensuring that employees of the Company work in compliance with

the workplace rules and regulations and the Health and Safety rules and regulations in accordance with the Practices and Procedures of the Company, the Health and Safety Manual, the Employees' Conduct Rules and the contractual obligations of the Company.

ARTICLE 5

HOURS OF EMPLOYMENT AND OVERTIME

5.01.10 Except as provided in Article 5.02.10, normal hours of work shall be as follows:

- operating and service salary scale - 40 hours per week and 8 hours per day.
- administrative and staff salary scale - 38 3/4 hours per week and 7 3/4 hours per day.

5.01.20 The work day shall be a period of 24 hours beginning at 12:01 a.m. For the purposes of Sunday premium pay and statutory holiday premium pay, only hours worked on such days will be credited accordingly.

5.01.30 The work week shall be a period of seven work days beginning at 12:01 a.m. Sunday or the shift starting time closest thereto.

5.01.40 If changes are contemplated to existing schedules the Company shall consult with the Local Union prior to implementing such changes. Factors to be considered when changing a schedule may include the efficiency of operations and the wishes of the employees involved. Except in emergency situations, the changed schedule will be implemented through agreement with the Local Union.

5.02.10 Employees shall be scheduled as provided in this Agreement for the work which is available. The Company and Union recognize there are situations where it may be beneficial to establish special scheduling arrangements of up to twelve hours per shift and forty-eight hours per week. Where such a scheduling arrangement is implemented, it must be approved by the President of Local 2724 and the Superintendent – Employee Relations in the form of a binding Letter of Agreement which will specify the type of schedule to be worked, identify the scheduling areas and employees affected, and the terms of such agreement. All such scheduling arrangements shall specify:

- the hours and shift cycle to be worked including an example of the schedule;

- lunch breaks will consist of two periods of thirty (30) minutes for eating lunch at a designated lunch room or area away from the immediate work area;
- what hours qualify for shift and Sunday premiums (provided that there is no increase in premiums to be paid);
- how overtime is to be distributed;
- how vacation is to be booked ; and
- how Statutory Holiday provisions shall apply and how weeks in which Statutory Holidays fall are to be scheduled (provided there is no net increase in wages resulting from any such schedule). If agreement cannot be reached the guidelines developed by the parties will be applied.
- once a special scheduling arrangement has been agreed to, the Company will apply for any necessary approval or permit from the Employment Standards Branch on behalf of the Company and Union.

5.03.10 The parties agree that overtime must be kept to a minimum, but will co-operate in meeting situations where it is necessary. The Company will provide the Union with a monthly report indicating the overtime hours worked by each member.

5.03.20 Overtime rates shall be one and one-half times the hourly equivalent of the base monthly salary.

5.03.30 There shall be no doubling up or pyramiding of overtime rates. Any hour or hours of work paid for at overtime rates shall not again be counted as hours worked for the calculation of overtime pay.

5.03.40 Notwithstanding anything contained in this Agreement, overtime rates shall be paid only for authorized periods worked. When the Company requires an employee to receive training and that training is scheduled outside of the employee's normal scheduled working hours the employee will be paid at overtime rates for such periods.

5.4.10 Overtime rates shall be paid to an employee for authorized periods worked:

1. in excess of 8 hours per shift for employees on the operating and service salary scale or in excess of 7 3/4 hours per shift for employees on the administration and staff salary scale.
2. in excess of 8 hours in any 16 hour period,
3. in excess of 8 continuous hours,
4. in excess of 40 hours in a work week for employees on the operating and service salary scale or in excess of 38 3/4 hours per week for employees on the administration and staff salary scale.
5. on his designated days off.
6. for the second and any succeeding scheduled short change in any 7 day period unless the schedule is agreed to by the employee prior to the short changes being worked. A short change occurs when there is less than 16 hours between shifts.

5.04.11 Where requested by the employees, overtime work shall as far as possible be equitably distributed among the employees within a vacation scheduling group.

Where time does not permit, equitable distribution need not be applied and employees who are already at work may be called upon to work the necessary overtime.

5.04.20 An employee not scheduled to work on a statutory holiday for which he is paid Statutory Holiday pay shall be deemed to have worked on that day for the purposes of Article 5.04.10(4).

5.05.10 An employee may agree to work overtime or the Company may require an employee to work overtime in cases of work urgently required to be done, or which is necessary to avoid serious interference with the ordinary working of the plant. Where the Company requires an employee(s) to work overtime and in the event no one agrees to work overtime, the most junior qualified employee available will be required to work the overtime.

5.05.11 Employees as a general guideline should not work overtime or a combination of regular hours plus overtime hours in a manner that results in the employee working:

- a) in excess of 60 hours in a week

- b) in excess of 16 hours in any 24 hour period
- c) no night to day doubles

Where it is necessary to exceed the above guidelines, the Company will notify the Local Union of the incident.

5.06.10 An employee who is called out to work and reports on the job during hours for which he is not scheduled and then leaves the plant, shall be paid a minimum of four hours pay provided he reports within a reasonable time of being called. If such employee works more than two hours and forty minutes for which he is not scheduled, he shall be paid at overtime rates for all such hours worked.

5.06.20 Notwithstanding Article 5.06.10, when an employee is directed by his Department Head to be available to answer calls and/or report to work on short notice on days which he is not scheduled to work he shall be paid standby pay of 4 hours at straight time for each such day. In the event the employee is required to work more than 2 1/2 hours on such day he shall be paid overtime rates for all such hours in lieu of the 4 hours standby pay. On call work shall, as far as possible, be equitably distributed among the employees within a vacation scheduling group.

On a "down" statutory holiday, as defined in Article 6.04.20, an employee shall be paid 6 hours at straight time for standby, or double time for all hours worked in lieu of the standby pay, if he is required to work in excess of 3 hours.

On days where an employee is scheduled to work and is directed by his Department Head to be available to answer calls and/or report to work on short notice for the remainder of that day and/or part of the following day, the employee shall be entitled to 2 hours at straight time for each 6/8 hour period in excess of his regular work day.

5.06.30 Authorized hours spent at home committed to resolving urgent problems via a home terminal or telephone shall be paid for at overtime rates.

5.07.10 The Company shall pay to any employee required to work in excess of ten hours in a shift an overtime meal allowance of \$8.00. This amount shall be added to the employee's regular cheque.

ARTICLE 6

STATUTORY HOLIDAYS

6.01 Statutory holiday means the work day on which New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day or Boxing Day is celebrated.

6.02.10 Operations shall be reduced as much as possible on the days on which Canada Day, Labour Day and Christmas Day are celebrated, keeping in mind a return to normal operations after such day in the least possible time.

6.02.20 Employees required to work on statutory holidays are under obligation to report for work and work just as on any other work day.

6.03.10 Statutory Holiday pay means regular earnings for a work day based on the employee's base monthly salary.

6.03.20 Every employee shall be paid statutory holiday pay in respect of a statutory holiday unless:

1. he is required to work on the statutory holiday and fails to do so,
2. he is on layoff or on leave of absence on the statutory holiday,
3. he is in receipt of Income Security, Workplace Safety and Insurance Board Loss of Earnings, Salary Continuance, Short Term Disability, Long Term Disability, or any other such payment made to the individual by the Company (except vacation pay) for the week in which the statutory holiday falls.

6.04.10 In addition to any statutory holiday pay to which he may be entitled under this article an employee who works on a statutory holiday other than Canada Day, Labour Day, or Christmas Day shall be paid overtime rates for all hours worked, provided that he shall be paid double the hourly equivalent of his base monthly salary for time worked which also qualifies for overtime rates.

6.04.20 In addition to any statutory holiday pay to which he may be entitled under this article an employee who works Canada Day, Labour Day, or Christmas Day, shall be paid double the hourly equivalent of his base monthly salary for time worked, provided that he shall be paid two and one half times the hourly equivalent of his base monthly salary for time worked which also qualifies for overtime rates.

ARTICLE 7

SENIORITY

7.01.10 An employee's bargaining unit seniority shall be determined as follows:

Employees who were members of S.A.G. on May 1, 1992, shall have their plant service date as their bargaining unit date except for employees in the Mississauga Sales department.

Employees who were on salary on May 1, 1992 and were not included in S.A.G. and are in Local 2724 on the date of ratification of this Agreement shall have their plant service date as their bargaining unit date.

Those employees from Local 2251 accepted on a job posting, shall have their date of acceptance of the offer as their bargaining unit date, once they arrive to the job.

All other employees shall have their date of entry into the bargaining unit as their bargaining unit date.

If more than one employee enters the bargaining unit on the same date the employee with the most corporate service will be considered the senior employee. If the corporate service is equal then the employee with the lowest clock number will be considered senior. Clock numbers for new employees will be assigned alphabetically by the first initial of the last name.

The Company will advise the Union of all employees entering the bargaining unit. Such notification shall include the employees' names, clock numbers, dues check off forms and start dates.

7.1.20 The Company shall post in each department a list showing seniority as per Article 7.01.10 by March 31st of each year. Two copies of this list shall be sent to the Union.

7.01.30 Complaints by employees regarding errors or omissions in the list posted in accordance with Article 7.01.20 shall be corrected by agreement, reached by consensus, of the Company and the Union provided such error or omission relates to the period subsequent to the date of the previous list. Nothing contained herein will prohibit the parties from correcting administrative errors or omissions by consensus.

Establishment

7.02 The seniority provisions of this Article do not apply to any employee with less than three months of continuous service from his most recent date of hire. The purpose of this establishment period is to allow the Company to decide whether it wishes to retain an employee in the plant, the department, or the job concerned.

Loss of Seniority

7.03 An employee's employment shall be considered terminated and his seniority permanently cancelled when:

1. he quits his employment, or
2. he is discharged for cause, or
3. he overstays a leave of absence without reasonable cause, or
4. he is absent from work for ten consecutive scheduled working days without reasonable excuse, or
5. he does not return to work within ten days of the delivery of notice of recall, by registered mail, to his last address in the Company records provided that the ten day period may be extended by a leave of absence from the Superintendent – Employee Relations if he applies in writing for such leave of absence within 5 days of the delivery of notice of recall, or
6. he is laid off for a period in excess of twelve calendar months if he has less than two years seniority at the time of layoff, or
7. he is laid off for a period in excess of twenty-four calendar months if he has less than three years seniority at the time of layoff, or
8. he is retired under the terms of the Pension Agreement.

Departments

7.04 For the purposes of this Agreement, the plant shall be deemed to be divided into the following departments:

Primary Operations

Cokemaking
Ironmaking
Steelmaking
Slabcaster
Raw Materials & Material Re-Processing
Masonry and Material Movement

Flat-rolled and Other Operations

Direct Strip Production Complex
Plate and Strip – Hot Mills
Plate and Strip - Finishing
Cold Mill
Welded Beam Division
Quality Blanks International
Manufacturing Scheduling

Maintenance & Maintenance Services

Central Maintenance
Primary Division Maintenance
Flat Rolled Division Maintenance
Maintenance Technology
Transportation Services
Utilities
Shops

Staff Areas

Engineering & Construction
Finance & Accounting
Human Resources
Safety, Emergency & Environmental Services
IS & BPI
Corporate Logistics, Purchasing & Stores
Technical Services
Sales Planning
Shipping Services
Customer Service
Process Engineering & Quality Assurance
Slab Purchase & Conversion
Strategic Business Analysis

The foregoing list of departments may be amended as necessary by agreement of the Company and Local Union.

Progression

7.5 Progression is the means by which an employee moves to the higher level of a job within a department (e.g.) - “analyst to senior analyst”. A list of these jobs will be developed and agreed to by the Company and the Local Union.

Appendix “C” of this Collective Agreement sets out the “ladders” and “families” currently agreed to by the parties. The creation of new or changes to existing “ladders and families” may only be done by agreement of the parties.

Appendix “D” of this Collective Agreement provides definition of ladders and families

7.06

Job Posting

7.06.10 All vacancies will be posted within the bargaining unit except those jobs which have been agreed to in Article 7.05 or except as agreed to by the Local Union and the Company.

Any position, which has been temporarily filled in excess of 1,000 hours, shall be posted except as agreed to by all parties.

Appendix “E” provides understanding and process for posting and selection.

7.06.11 All job postings will include; job class, standard rate of pay, location, reporting structure, qualifications and duties.

7.06.12 The Company and the Local Union will agree by consensus on the qualifications required for each job prior to posting.

7.06.13 The Local Union and Company will participate jointly in the screening process to determine which applicants are qualified. The senior qualified applicant will be selected and offered the job.

7.06.14 Every effort will be made to move the successful applicant to the new position as quickly as possible. If such move has not been possible within six (6) weeks, the employee shall be paid the rate offered for the new position if it is higher than his current rate.

7.06.15 An employee who is selected and transferred to a job as a result of a posting shall not again be permitted to apply for another posted vacancy for a period of 9 months from the date of offer. This restriction shall not apply if the vacancy would be a promotion.

7.06.16 The terms and conditions of the agreed to posting selection process (Appendix "E") form part of this Collective Agreement.

7.07

Demotion

7.07.10 Demotion is the means by which an employee is reverted to a lower job because of inability to do his job.

7.07.11 The Company shall not unreasonably demote an employee for inability to do the job and the Department Head shall discuss any such case with the Local Union Executive before making the demotion. If the Union believes that the demotion is unjust, it may within twenty-one (21) days of the demotion refer the matter to Step 2 of the Grievance Procedure.

7.08

Assignment & Reassignment

7.08.10 Where there is a temporary assignment to be filled under this Article, the Company will consult with and advise the Local Union, prior to the assignment being made. The Company will endeavour to ensure that such assignment is less than 1 month and, should such assignment exceed 1 month the process detailed in Article 7.08.20 will be followed.

7.08.20 The Company and the Local Union will agree by consensus on the process and selection and reassignment to be used when it is necessary to reassign an employee to a different position for any reason. (Factors to be considered will include the efficiency of the operation, the ability of the employee to perform the work, inconvenience to the employee, salary, and relative seniority of the employees concerned.)

7.08.30 Where there is a temporary vacancy due to vacation, illness or leave of absence, the Department Head will consult with the Local Executive Officer prior to the assignment being made. The senior qualified employee will be given the opportunity to fill the vacancy but will not be forced if a qualified junior employee is available. This assignment may be extended beyond a month with the agreement of the Local Union.

Layoff and Reduction in Force

7.10.10 If, during the term of this Agreement it is found to be necessary to lay off employees the Company and the Local Union will agree on the process to be used prior to any lay off taking effect. No employee will be laid off if there is a junior employee on a job which the senior employee is capable of doing given reasonable training.

7.10.20 An employee with 1 or more years of service who has been laid off for 35 weeks in any period of 52 consecutive weeks, or who has been advised in writing by the Company's Human Resources Department that his return to work is unlikely, may elect to receive severance pay as outlined below provided he abandons his recall rights under the Collective Agreement, terminates his employment with the Company. The Company shall add to the amount payable in accordance with the applicable legislation sufficient monies to ensure that such employee receives, in total, the equivalent of two normal non-overtime weeks for each year of service to a maximum of fifty-two (52) weeks.

Recall and Increase in Force

7.11 If during the term of this Agreement it is found to be necessary to recall employees the Company and the Local Union will agree on the process to be used prior to any recalls taking effect. Unless otherwise agreed to by the Local Union, the most senior employee laid off will be recalled to a vacancy provided he can do the job with reasonable training.

In instances where a position needs to be filled for 4 days or more (for vacation or other reasons) the opportunity to fill that position will be offered to any qualified employee who is laid off and can perform the job with minimal training. This will be done prior to filling the position with an employee from outside the Local or working scheduled overtime.

7.12

Reversion Rights

7.12.10 An employee who was or is established in the bargaining unit permanently promoted or transferred to a job not in this bargaining unit and who is later removed from such position but still in the employ of the Company shall be reassigned in accordance with Article 7.08.20.

Effective January 1, 2000 an employee will not accrue seniority while outside the bargaining unit and will have his seniority date adjusted equal to the time he was out of the bargaining unit.

If the employee is returned to the bargaining unit, the employee will have the right to apply for any job vacancy which may be posted.

7.12.11 The Company shall notify the Union of all persons so promoted or transferred out of the Local.

New Departments

7.13 If new departments are established, the Company and the Local Union shall achieve consensus on the selection of employees for such departments.

ARTICLE 8

LEAVE OF ABSENCE

8.01 A leave of absence is permission granted by the Company to an employee to be absent from his job without pay for a specified period. The Company reserves the right to refuse to grant a leave of absence.

8.02 An employee may apply for a leave of absence by completing the approved form at the Employment Office. When approved and signed by the Supervisor - Industrial Relations & Medical Services and the Department Head a copy of the signed form will be returned to the employee.

8.03 Copies of approved leave of absence forms shall be sent to the Union.

8.04 Notwithstanding Article 8.01, the Company and Union shall agree by consensus on the granting of leaves of absence to enable employees to accept elected or appointed positions with the United Steelworkers, provided that such

leaves of absence shall expire ten days after the date any such employee concerned ceases to hold such elected or appointed position. Such employees shall be reassigned with their original seniority date held when the leave of absence commenced.

8.05 Leave of absence for the transaction of Union Business shall be given to delegated members of the Union in the plant if proper application is made by the Union and approved by the Superintendent – Employee Relations. Requests for such leaves shall be submitted as far in advance as possible.

8.06 Employees qualifying under the provisions of the Employment Standards Act shall, upon request, be granted a maternity leave of absence for a period not to exceed nine months. Maternity leave may be initiated by the Company when in the opinion of the Company Medical Director the duties of the employee's job cannot reasonably be performed by a pregnant woman or her work is materially affected by her pregnancy. In such cases the Company Medical Director will consult with, and consider information provided by, the employee's physician.

ARTICLE 9

JUSTICE AND DIGNITY

9.01.10 When it is the intention of the Company to meet with an employee to discuss any matter relating to discipline, or which may lead to discipline, the employee will be informed that he is entitled to be accompanied by a union steward.

The Department Head shall meet with the employee and, where requested, a union steward prior to issuing discipline.

9.01.20 When it is the Company's intention to discharge an employee for the accumulation of 100 demerit points, the Company will first convene a meeting between Human Resources and the Union. Except in cases where the final incident that results in the accumulation of 100 demerit points under the Employees' Conduct Rules is an offence involving:

- any significant theft or breach of trust, or
- sabotage, or
- a concerted or individual refusal to work, or

- an incident that creates a situation where continued employment would threaten the safety of the disciplined employee, or other employees, or the plant,

The employee shall continue working provided his performance is satisfactory, provided work is available, until a grievance, which may have been filed protesting the intention of the Company to discharge the employee, has been finally resolved through the Problem Resolution and Grievance Procedure. Notwithstanding the provisions for an employee's return to work, an employee will not be allowed to return to work if he would present a danger to the safety of employees or equipment in the plant. The meeting will be convened as soon as possible and will constitute the Step II meeting of the Grievance Procedure in the event a grievance is filed. Such grievance must be filed within twenty-four hours of the meeting on discharge. This does not include weekends or statutory holidays

9.02 When an employee is disciplined the disciplinary action shall be taken within 21 days of the Company's first reasonable opportunity to have knowledge of the circumstances giving rise to the discipline. The department steward shall be informed of the reason for such discipline and the penalty assessed. Where available information indicates the issuance of discipline may be warranted and the potential recipient is not available, management may agree with the employee or his representative to extend the 21 day time period. If the penalty is not considered warranted, the matter may be referred to the Grievance Procedure.

9.03 In dealing with grievances arising out of Article 9.01 or Article 9.02, an arbitrator may uphold, remove, or modify any discharge or other penalty imposed by the Company.

ARTICLE 10

SAFETY AND HEALTH

10.01 The Company and the Union, realizing the benefits to be derived from a safe and healthy place of employment, agree that they and all employees, members of the grievance committee and supervisors at all levels will co-operate to the fullest extent to promote fire prevention, safe work practices, health conditions and the enforcement of safety rules.

10.02 The Company and Union shall establish a Joint Health and Safety Committee consisting of employees selected by the Local Union in accordance

with the Occupational Health and Safety Act 1978, and an equal number of management representatives selected by the Company. This committee shall ensure that safety meetings are held at various levels to conform to the requirements of the Occupational Health and Safety Act 1978.

10.03 Algoma's Health and Safety Manual for the Joint Health and Safety Committee contains the procedures and practices to be followed in implementing the provisions of the Occupational Health and Safety Act, 1978 as it relates to the functioning of the Joint Health and Safety Committees. The provisions of this manual will be considered as representing commitments of the parties.

Sections of the manual requiring Company and Union Agreement may be amended from time to time by agreement of the Joint Health and Safety Committee members representing the Company and Union.

10.04 When required, the Union and Company shall meet for the purpose of agreeing on the use of compulsory safety devices, and where agreement is reached shall work together to see that all employees follow the rules for the use of such devices.

10.05 The Company shall furnish protective equipment and safety devices in accordance with present practices subject to such improvements or changes as may from time to time be agreed to.

10.06 The Company shall provide adequate welfare facilities and lockers for employees as required and such facilities shall be no less than the minimum standards required by the regulations pursuant to the Occupational Health and Safety Act 1978.

10.07 The Company shall maintain adequate medical services, including ambulance service, for the treatment of employees during working hours.

10.08 If an employee is injured on the job and unable to continue working, he shall be paid for his regularly scheduled hours or the time worked on the shift, whichever is greater.

10.09 Any employee covered by this Agreement shall have a credit of \$70.00 which will be applied to any purchase of work boots or work gloves that the employee makes between January 1 and December 31 next. An employee may not however, make such purchases while laid off or on a leave of absence.

Any unused portion of the \$70.00 will be carried forward to the next year except that the amount carried forward plus the \$70.00 annual allotment may not total more than \$140.00.

10.10 The parties agree that Local 2724 may select one full-time Health and Safety Representative who will be paid his or her existing salary for the 168 or 173 hours per month, as appropriate. The Health and Safety Representative shall report his/her attendance to the appropriate person as directed by the Superintendent – Employee Relations.

ARTICLE 11

LETTERS OF AGREEMENT

11.01 The current Letters of Agreement, including the Letters of Agreement re: Payment of Legal Fees, Wrap Plan and Income Security, are supplemental to this Agreement, but nothing contained herein shall affect the termination dates or any other provision of such Letters of Agreement.

ARTICLE 12

NOTICES

12.01 Except as otherwise provided, when under any of the provisions of this Agreement the Company is required to notify an employee, the employee shall be deemed to have been notified if he is told personally or is called by telephone at the most recent local telephone number shown in the records of the Company at the Company's Employment Office, and

1. the message is given to the employee, or
2. the employee is not available and the message is given to a person accepting the call who consents to give the employee the message, or

3. two calls are made at least one-half hour apart and no answer is received or the person answering the calls does not consent to give the employee the message.

ARTICLE 13

PROBLEM RESOLUTION AND GRIEVANCE PROCEDURE

The Company and the Union recognize the mutual benefits to be derived by resolving issues of concern of employees and/or the Union in a reasonable and expeditious manner. The parties recognize that all consultation processes and resources at their disposal should be exhausted in the problem resolution process prior to the implementation of the written grievance procedure at Step 2. At the option of the Local, the President of the Local can request a meeting with the Vice President, Human Resources in an attempt to resolve the issue prior to going to arbitration.

13.01 The Local Union shall form a Grievance Committee which may include an International Staff Representative of the U.S.W. to represent the Union in processing grievances, and shall give the Company written notice of the members of the Committee and any changes therein.

13.02 Step I

If a matter arises which an employee wishes to take up with the Company, it shall first be discussed by the employee with his Department Head or the Department Head's representative in an attempt to resolve the matter. The employee may elect to have a Union steward in attendance.

13.03 Step II

If the matter is not resolved to the satisfaction of the employee, and the matter relates to the Collective Agreement the employee may file a grievance with a Union representative. The Union may deliver a written complaint to the Superintendent - Employee Relations within 21 calendar days of the occurrence of the fact or event giving rise to the matter in dispute, specifying the reasons why the

employee and/or the Union believes the named section has been wrongly applied by the Company.

13.04 A meeting will be scheduled by mutual agreement and held within 30 calendar days to review the facts and attempt to resolve the matter in dispute. This meeting will be attended by the employee, the Department Head or his departmental designate, a Union representative, the Superintendent – Employee Relations or his representative and any others who the parties agree would be helpful in seeking a resolution to the dispute. There will be a full disclosure by all parties of all pertinent information at this meeting.

Within 7 calendar days following the meeting the Superintendent – Employee Relations or his representative will deliver a written response to the employee and the Union stating the Company’s position on the matter in dispute.

13.05 Step III

If the Union disagrees with the answer of the Superintendent - Employee Relations it may within 21 calendar days deliver a written notice referring the matter to arbitration or the concern will be considered resolved. Unless otherwise agreed by the parties, the Company will notify the arbitrator within 7 days of receiving the referral.

For the term of this Agreement, the arbitrator will provide a hearing date within 60 calendar days from the date the matter was referred to arbitration. If the arbitrator is unable to respond to the matter within these time limits, the parties must mutually request the selection of another arbitrator. The arbitrator shall render a written decision within 30 calendar days of the hearing based on the facts and with reference to this Collective Agreement.

At the time of the appointment of the arbitrator the parties may agree to direct the arbitrator to provide an oral award as an alternative to a written decision. In all presentations to the arbitrator, the parties encourage the sharing of pertinent information and, wherever possible, submit joint statements of fact.

The arbitrator shall not alter, modify, or amend any part of this Collective Agreement or make any decision inconsistent with its provisions.

The decision of the arbitrator shall be binding on the parties.

All arrangements for the hearing shall be made jointly, and expenses of the arbitrator shall be borne equally by the Company and the Union.

Any matter dealing with a discharge case may be introduced into this appeal procedure at Step II within 7 calendar days of the occurrence of the event giving rise to the dispute.

13.6 Any grievance filed by either party claiming a violation of the provisions of this Agreement may be filed as a grievance of a General Nature at Step 2 of the Grievance Procedure.

13.07 A written grievance to be processed to the next step shall state the reasons why the previous reply was unsatisfactory.

If the Company or the Union fails to reply to a grievance within the time limits prescribed, or any extension thereof, the party failing to reply shall be deemed to have conceded the grievance. The foregoing shall not prejudice the parties in any future grievances of a similar nature, providing notification in writing is given the other party within a period of thirty (30) days from the time the grievance was deemed to be conceded.

The parties agree to give each other ten calendar days' written notice prior to claiming a breach of time limits as provided for in the second paragraph of Article 13.07.

13.08 Arbitrator Selection

The Superintendent - Employee Relations and the President of Local 2724 will agree on the selection of an arbitrator. Failing agreement, selection of Arbitrators will be done under the provisions of the Ontario Labour Relations Act.

ARTICLE 14

VACATIONS WITH PAY

14.01

Regular Vacation

14.01.10 The Company and Union recognize the necessity for all personnel to get away from their regular work environments on annual vacation. Therefore employees who meet the following service year requirements at January 1 annually are entitled to vacation as follows:

1 service year but less than 5

2 weeks

service years	
5 service years but less than 9 service years	3 weeks
9 service years but less than 15 service years	4 weeks
15 service years but less than 20 service years	5 weeks
20 service years but less than 25 service years	6 weeks
25 service years and more	7 weeks

New hires will be given 2 weeks vacation in the year of hire, prorated for the actual months of service (for example, an employee hired May 1 would get 8/12 of 2 weeks). This vacation is to be taken in the year of hire, however, should the employee leave prior to the end of the year; the appropriate adjustments will be made to their final payout. The provisions of Article 14.02 will not apply in the first year of hire. In the first full calendar year, the employee will receive 2 weeks vacation plus vacation bonus that would be applicable to the amount of vacation earned in the year of hire.

14.01.20 Service for the purposes of vacation entitlement shall normally accrue from the first of the month following the employee's date of hire.

14.01.30 An employee who works 6 months or more (except in his first year of employment) will be entitled to full vacation for the following year in accordance with 14.01.10. An employee who misses work due to a compensable injury or illness will be deemed to have worked 6 months or more.

It is agreed that this article does not apply to employees in the year of their retirement. In the year of retirement, the employee will receive a prorated amount of vacation entitlement (for example if the date of retirement is October 1, they will receive 9/12 of their vacation entitlement)

14.01.40 An employee who has worked less than 6 months in the year, because of illness or disability of a non-occupational nature, will be entitled to vacation in the subsequent year in accordance with the following calculation:

(Full months worked ÷ 6) X regular vacation entitlement

14.01.50 An employee who has worked less than 10 months in the year due to leave of absence will be entitled to vacation in the subsequent year in accordance with the following calculation:

(Full months worked ÷ 10) X regular vacation entitlement

14.01.60 All employees will receive one service year for each year of service except that an employee who requests and is granted a leave of absence for the following reasons will receive one service year less that proportion which weeks on leave of absence during the year bears to 52 weeks (to the nearest hundredth).

1. leave for personal reasons other than a parental or maternity leave.
2. leave to accept an elected or appointed position with the United Steelworkers.
3. leave to accept an elected or appointed position with any level of government or an agency thereof.

14.02

Vacation Bonus

All employees are entitled to a vacation bonus for each week of regular vacation. The bonus will be in the form of extra cash or, as may be mutually agreed by the Department Head and the individual employee, extra time off.

AMOUNT OF REGULAR VACATION	AMOUNT OF VACATION BONUS AS A % OF FEBRUARY'S SALARY	DAYS OF EXTRA VACATION IN LIEU OF VACATION BONUS
1 week but less than 2	5%	1 day
2 weeks	10%	2 days
3 weeks	15%	3 days
4 weeks	20%	4 days
5 weeks	25%	5 days

6 weeks	30%	6 days
7 weeks	35%	7 days

The vacation bonus will be paid automatically by separate cheque in March based on the preceding month's salary (exclusive of any Production Supplement or incentive) unless the Department Head authorizes the bonus to be converted to additional vacation days as indicated in the preceding table.

14.03

Scheduling Vacations

Subject to the following guidelines and procedures which should be adhered to as much as possible employees are to work out within their appropriate scheduling group, an equitable method of scheduling their vacations allowing the maximum number to be off at any one time without disrupting the efficiency of the operation.

1. Preference will be given to employees in accordance with bargaining unit seniority where vacation periods requested conflict, and efforts to resolve the conflict between the requesting employees, and their Department Head, have been exhausted.
2. Vacations must be scheduled in the calendar year and every effort should be made to keep scheduling groups to a minimum size. It is recommended that no more than 5 people be in a relevant scheduling group.
3. Subject to his scheduling group's guidelines and the needs of the operations, an employee may:
 - take all of his vacation at one time or in separate weeks;
 - take one year's vacation at the end of the year and the next year's vacation at the beginning of the succeeding year;
 - take his vacation in periods of less than a week.
4. Vacation should be booked in the department the employee is working in at the time of booking, not the department that they will be transferred to. Should the employee transfer during the year, he will schedule his remaining vacation in his new department, ensuring he does not displace a current employee's scheduled vacation weeks.
5. Employees must take all of their vacation as scheduled in the year in which they are entitled. Where the employee fails to take vacation because of a specific request by the employee or his Department Head, on mutual agreement between the employee and his Department Head, the vacation

may be carried forward and added to the next year's vacation. This will be done by properly completing the "Vacation Deferral" form and submitting it to Salaried Payroll. Carry-forward for more than one year is not permitted. If it is in the interest of operations the Department Head may recommend pay in lieu of vacation which cannot be scheduled as time off in the current year. Subject to the provisions of the Extended Health Benefit Agreement, an employee who is unable to schedule his vacation as time off by the end of the year because of an illness or injury will receive pay in lieu of any outstanding vacation pay.

6. An employee who is disabled due to sickness or accident on a working day immediately prior to going on scheduled vacation may reschedule that period of vacation at a time later in the year which will not interfere with any vacation already scheduled by other department personnel.
7. An employee who is off on regularly scheduled vacation and who becomes disabled due to sickness or accident will continue to be on vacation until the scheduled vacation period is complete. However any subsequent vacation, which was scheduled prior to the disability occurring, may be rescheduled if the employee is still disabled when the vacation period is due to commence. The rescheduled vacation should not interfere with any vacation already scheduled by other department personnel.
8. When a person's employment is to be terminated as a result of retirement, any vacation to which he is entitled as of January 1st must be scheduled in accordance with departmental vacation scheduling procedures and must be taken as scheduled unless the employee retires prior to his scheduled vacation time or his failure to take such vacation was because of a specific request by the Division Manager or General Manager. In such cases he will receive pay in lieu of any vacation which is not taken as time off prior to retirement. An employee may, with the agreement of his department head, pull ahead and take vacation time off which had originally been scheduled to be taken after the effective date of his retirement.
9. Required Use of Vacation in Current Year When Absences Due to Disability Extend Beyond 15 weeks:
 - An employee who is eligible for Salary Continuance during disability will normally have his salary continued for up to 15 weeks. However, if absences as a result of disability add up to 15 weeks in a 12 month period and the disability continues, the employee will be required to take his vacation entitlement for the current year at the end of that cumulative 15 week period. He will continue to be on vacation until his

full vacation for the current year has been used up or until he returns to work, whichever comes first.

- Should an employee return to work from a disability before all his vacation is used up and he later becomes disabled again within 12 months after returning to work for a period of at least 2 weeks, he will be considered on vacation again immediately until his remaining vacation entitlement has been used.
- If a continuous absence due to non-occupational disability carries over into a new year, any unused vacation from the previous year must first be used at the end of the cumulative three-month period to be then followed by any new vacation to which the disabled employee becomes entitled on January 1st, to a maximum of three weeks. The scheduling of any balance of new vacation will then be determined on a monthly basis according to individual circumstances. This determination will be made by Human Resources and the Department Head.

10. When a person's employment is terminated for any reason he will receive pay for the regular vacation earned but not taken as of the date of leaving.

ARTICLE 15

15.01

Salaries

15.01.10 The Manual for Job Description and Classification is incorporated into this Agreement as Appendix "A" and its provisions shall apply as if set forth in full herein. The Company and the Union will each appoint one person to an evaluation committee which is responsible for describing and classifying 2724 occupations.

15.02 Each job shall be described and classified and a rate of pay applied to each job in accordance with the provisions of this Agreement.

15.03 Salaries

ADMINISTRATIVE AND STAFF SALARY SCALE

Effective August 1, 2007

						Standard			
GRADE	A	B	C	D	E	F	G	H	I

803	3373	3542	3719	3905	4100	4304.94	4520	4746	4983
804	3453	3626	3807	3997	4197	4406.99	4627	4858	5101
805	3530	3707	3892	4087	4291	4505.45	4731	4968	5216
806	3659	3842	4034	4236	4448	4670.40	4904	5149	5406
807	3744	3931	4128	4334	4551	4778.38	5017	5268	5531
808	3830	4021	4222	4433	4655	4887.50	5132	5389	5658
809	3918	4114	4320	4536	4763	5001.39	5251	5514	5790
810	4010	4211	4422	4643	4875	5118.89	5375	5644	5926
811	4105	4310	4526	4752	4990	5239.89	5502	5777	6066
812	4207	4417	4638	4870	5114	5369.26	5638	5920	6216
813	4313	4529	4755	4993	5243	5505.67	5781	6070	6374
814	4424	4645	4877	5121	5377	5645.67	5928	6224	6535
815	4535	4762	5000	5250	5512	5788.04	6077	6381	6700
816	4656	4889	5133	5390	5660	5943.49	6241	6553	6881
817	4776	5015	5266	5529	5805	6095.35	6400	6720	7056
818	4903	5148	5405	5675	5959	6256.69	6570	6899	7244
819	5036	5288	5552	5830	6121	6427.56	6749	7086	7440
820	5174	5433	5705	5990	6289	6603.14	6933	7280	7644

OPERATING AND SERVICE SALARY SCALE (OS9)

Effective August 1, 2007

GRADE	Standard								
	A	B	C	D	E	F	G	H	I
906	3813	4004	4204	4414	4635	4866.43	5110	5366	5634
907	3936	4133	4340	4557	4785	5023.81	5275	5539	5816
908	4070	4273	4487	4711	4947	5194.19	5454	5727	6013
909	4207	4417	4638	4870	5114	5369.36	5638	5920	6216
910	4358	4576	4805	5045	5297	5562.31	5840	6132	6439
911	4515	4741	4978	5227	5488	5762.25	6050	6353	6671
912	4665	4898	5143	5400	5670	5953.98	6252	6565	6893
913	4820	5061	5314	5580	5859	6151.62	6459	6782	7121
914	4987	5236	5498	5773	6062	6364.61	6683	7017	7368
915	5159	5417	5688	5972	6271	6584.74	6914	7260	7623
916	5342	5609	5889	6183	6492	6816.68	7158	7516	7892

OPERATING AND SERVICE SALARY SCALE (ST9)

Effective August 1, 2007

Standard

GRADE	A	B	C	D	E	F	G	H	I
906	3718	3904	4099	4304	4519	4744.65	4982	5231	5493
907	3827	4018	4219	4430	4652	4884.64	5129	5385	5654
908	3946	4143	4350	4568	4796	5035.34	5287	5551	5829
909	4069	4272	4486	4710	4945	5191.90	5451	5724	6010
910	4201	4411	4632	4864	5107	5362.77	5631	5913	6209
911	4341	4558	4786	5025	5276	5539.56	5817	6108	6413
912	4473	4697	4932	5179	5438	5710.42	5996	6296	6611
913	4611	4842	5084	5338	5605	5884.82	6179	6488	6812
914	4760	4998	5248	5510	5785	6074.64	6378	6697	7032
915	4913	5159	5417	5688	5972	6270.42	6584	6913	7259
916	5074	5328	5594	5874	6168	6476.84	6801	7141	7498

700 SALARY SCALE AT AUG.1, 2007

GRADE	A	B	C	D	E	Standard	G	H	I
						F			
701	3800	3990	4190	4400	4620	4850.93	5093	5348	5615
702	4155	4363	4581	4810	5051	5303.44	5569	5847	6139
703	4421	4642	4874	5118	5374	5642.84	5925	6221	6532
704	4865	5108	5363	5631	5913	6208.49	6519	6845	7187
705	5397	5667	5950	6247	6559	6887.27	7232	7594	7974
706	6105	6410	6731	7068	7421	7792.31	8182	8591	9021

Effective August 1, 2008

The cost of living allowance will be rolled into the base salaries as per Article 15.04.60. The above salary scales will then be increased by 3.5%.

Effective August 1, 2009

The cost of living allowance will be rolled into the base salaries as per Article 15.04.70. The above salary scales will then be increased by 3.5%.

15.04

Cost of Living

15.04.10 Following the release of the Consumer Price Index for July 2007 by Statistics Canada based on the 1981 equals 100 index, the Company shall compare such index with the Consumer Price Index for April 2007.

15.04.20 Effective with the first pay period following the release of the Consumer Price Index for July 2007, and on a similar basis quarterly thereafter, a

cost of living allowance will be paid on the basis of one cent for each .125 increase for the comparison periods listed below:

FOLLOWING THE RELEASE OF THE INDEX FOR	BASED ON THE COMPARISON OF
July 2007	July 2007 with Apr. 2007
Oct. 2007	Oct. 2007 with July 2007
Jan. 2008	Jan. 2008 with Oct. 2007
Apr. 2008	Apr. 2008 with Jan. 2008
July 2008	July 2008 with Apr. 2008
Oct. 2008	Oct. 2008 with July 2008
Jan. 2009	Jan. 2009 with Oct. 2008
Apr. 2009	Apr. 2009 with Jan. 2008
July 2009	July 2009 with Apr. 2009
Oct. 2009	Oct. 2009 with July 2009
Jan. 2010	Jan. 2010 with Oct. 2009
Apr. 2010	Apr. 2010 with Jan. 2010

15.04.30 Such allowance will be paid for straight time hours worked only, and will not be paid for overtime hours, premium hours or used as a basis for calculation of overtime or incentive payment.

15.04.40 Should the Consumer Price Index in its present form based on the formula 1981 equals 100 become unavailable, the parties shall attempt to adjust this Article or, if agreement is not reached, request Statistics Canada to provide the appropriate conversion or adjustment which shall be applicable as of the appropriate adjustment date and thereafter.

15.04.50 The cost of living allowance referred to in Article 15.04.20 will be reduced on the same basis as the increases provided for herein if the Consumer Price Indices on the review date specified herein are below the indices used for comparison purposes.

15.04.60 Effective August 1, 2008, the total amount of the cost of living allowance in effect at July 31, 2008 will be added to the Standard Salary Grid.

15.04.70 Effective August 1, 2009, the total amount of the cost of living allowance in effect at July 31, 2009 will be added to the Standard Salary Grid.

15.04.80 Effective July 31, 2010 the total amount of the cost of living allowance in effect at July 31, 2010 will be added to the Standard Salary Grid.

15.05

Premiums

15.05.10 The Company shall pay employees a shift premium on the following basis:

Afternoon Shift - 3 p.m. to 11 p.m. or 4 p.m. to 12 midnight

Night Shift - 11 p.m. to 7 a.m. or 12 midnight to 8 a.m. or on any scheduled shift beginning at or after 4:30 p.m.

Sunday - the twenty-four hour period beginning 12:01 a.m. Sunday or the shift starting time closest thereto

<u>Shift Worked</u>	<u>Payment per Shift</u>
Afternoon	\$1.60
Night	\$2.40
Sunday	\$3.20

The Sunday premium will be paid in addition to the afternoon or night premium if either one of those is also applicable.

15.05.20 Shift and Sunday premiums will not be paid for part shifts worked and will not be used as part of the hourly rate for the purpose of calculating overtime rates.

Base Monthly Salary

15.6.10 Base monthly salary is defined as the employee's base salary exclusive of any Out of Line Differential, shift and Sunday differential, etc.

The Company may pay an employee above the Standard Rates listed in the "Administrative and Staff Salary Scale" or the "Operating and Service Salary Scale".

15.06.20 An employee who is assigned to work on a higher paying job in the bargaining unit will receive a replacement rate in addition to his regular rate under any of the following conditions:

1. He works on the higher job for at least a full work week, or
2. He works on the higher job for at least 5 days during a calendar month, or

3. He does not satisfy #1 or #2 but continuously replaces on the higher job to the point that he is proficient on and can perform the full scope of the job, even when promoted for short periods.

The replacement rate is not intended to be paid for intermittent or isolated shifts.

The replacement rate will normally be an amount of not less than 5% and not more than 10% of the employee's basic rate of pay. His total rate will not exceed the standard rate (F rate) for the job on which he is replacing. When an employee has been continuously replacing for 12 months he will be entitled to an increase in his replacement rate provided that this total rate does not exceed the standard rate for the job on which he is replacing. Where his total rate equals the standard rate for the higher job, he will be paid the standard rate for the higher job until such time as he returns to his former occupation.

Where an employee works overtime on the job on which he is replacing he shall receive O/T rates on the replacement rate. Where an employee takes vacation while replacing on a higher job he shall receive the replacement rate while on vacation provided that he has replaced for at least one month during the period in question and has replaced for at least one week both before and after his vacation.

Pay Days

15.07 Normally employees shall be paid on the first day of every month.

Jury Pay

15.08 An employee who is called for jury duty, or subpoenaed to appear as a witness in a court of law, will be paid for each day of jury or witness duty his regular salary for his regular shift. The employee will present proof of service.

Funeral Pay

15.09 An employee shall be permitted time off from work for the purpose of arranging and attending the funeral of a member of his immediate family, up to a maximum of three days. Where any of such days fall on a scheduled working day for the employee, he shall be paid a funeral pay allowance for each day

equivalent to 8 times (or 7 3/4 times, whichever is appropriate) the hourly equivalent of his base monthly salary. Immediate family shall mean spouse, son, daughter, mother, father, sister, brother, mother-in-law, father-in-law, son-in-law, daughter-in-law, sister-in-law, brother-in-law, grandmother, grandfather, grandchild, common-law spouse as defined in Article 1.01 of the Extended Health Benefit Agreement and the parents of such common-law spouse.

Bereavement Pay

15.10 An employee, not entitled to funeral pay under Article 15.09, shall be permitted, upon request, one day off work with pay in the event of the death of a member of his immediate family as defined in Article 15.09. He shall be paid a bereavement pay allowance for such day of 8 times (or 7 3/4 times, whichever is appropriate) the hourly equivalent of his base monthly salary. Such time off will be given on the day of the death or on the first or second day immediately following or the date of the funeral or memorial service.

Correction of Errors

15.11 Any mathematical or clerical errors made in the preparation, establishment or application of job descriptions, job classifications, or standard monthly rates shall be corrected to conform to the provisions of this Agreement.

15.12

Out of Line Differentials

15.12.10 An out-of-line differential (O.L.D.) shall be established for any employee(s) whose job is re-evaluated such that total monthly compensation is permanently reduced.

15.12.20 The out-of-line differential shall be equal to the difference in the total compensation between the former and the new rate for the occupation.

15.12.30 Except as provided below, the out-of-line differential shall continue to be paid to the employee(s) for whom the O.L.D. is established during such time the employee(s) continues to occupy the occupation for which the O.L.D. is established.

15.12.40 If an employee with an out-of-line differential accedes to a job having a higher total monthly compensation, then the differential shall be reduced by the amount of the increase in the total monthly compensation.

15.12.50 If an employee with an out-of-line differential is assigned to another job and under the terms of this Agreement a lower total monthly compensation is applicable, then the out-of-line differential shall be terminated.

15.12.60 Such O.L.D. shall be reduced by the amount of any salary grid increase and Cost of Living Allowance until the employee's total monthly compensation based on the salary grid exceeds his O.L.D. earnings.

Inequity Grievances

15.13 Except as otherwise provided herein, no basis shall exist for an employee covered by this Agreement, to allege that a salary rate inequity exists, and no grievance on behalf of an employee alleging a salary rate inequity shall be filed or processed during the term of this Agreement.

ARTICLE 16

STRIKES AND LOCKOUTS

16.01 There shall be no lockout by the Company and no interruption of work, work stoppage, strike, sit-down, slow-down or any other interference with production by an employee or employees during the term of this Agreement.

16.02 In the event of a strike or work stoppage and unless the Union by its recognized officers renounces said unauthorized strike or work stoppage, either general or partial, within twenty-four hours after the commencement of such strike or work stoppage, and declares any picket line set up in connection therewith to be unauthorized and not binding on the Union, the deduction of Union dues under this Agreement may be suspended by the Company for a period of not less than one or more than six months. Such suspension shall be for such period as the Company deems reasonable having regard to all the circumstances and the exercise of its discretion may be reviewed by the Arbitrator set up as provided in Article 13.05.

ARTICLE 17

PENSION, EXTENDED HEALTH BENEFIT AGREEMENTS

17.01 The Company agrees to provide a defined benefit pension plan. The terms and conditions of the Pension Plan are set out in the Pension Agreement (which is the legal Plan text as filed with the pension authority under the name "Algoma Steel Inc. Salaried Employees Pension Plan" established effective September 17, 2001). The Pension Agreement is incorporated into, and forms part of this Collective Agreement.

17.02 The Extended Health Benefit and S.U.B. Agreements between the Company and the Union are supplemental to this Agreement, but nothing contained herein shall affect the termination dates or any other provisions of such agreements.

ARTICLE 18

PROFIT SHARING PLAN

The Company and the Union agree to continue the existing profit sharing plan for all employees including non-bargaining unit employees. The formula to be used will be based on a percentage of annual income from the Company's Sault Ste. Marie operations adjusted for the effects of Purchase Accounting ("Adjusted Annual Income From Operations") as outlined below:

<u>Adjusted Annual Income From Operations</u>	<u>Profit Sharing Percentage</u>
On first \$50 million	0%
On income over \$50 million to \$100 million	6%
On income over \$100 million to \$150 million	8%
On income in excess of \$150 million	10%

Profit sharing will be made in two installments. 50% of the projected profit sharing payments will be paid within 30 days of the release of Q3 financials. The remaining profit sharing payment, if any, shall be paid within 90 days of the close of the fiscal year. 100% of the profit sharing pool will be paid out.

Profit sharing and other special payments shall be excluded from the calculation of Vacation Pay.

Profit sharing payments for the first three quarters of each calendar year shall be based on reported unaudited results. Fourth quarter and final annual calculations shall be based on audited financial statements of each fiscal year. The Company agrees to supply the United Steelworkers with a copy of each reported unaudited quarterly financial statement within 60 days of the end of each quarter as well as a copy of the audited annual financial statement within ninety days of the end of each fiscal year.

"Adjusted Annual Income From Operations" is defined as income from Sault Ste. Marie operations excluding charges for interest and other financial expense, interest income, dividends on preferred shares, income taxes, extraordinary items, one-time and other special charges, adjusted for the effects of the Purchase Accounting adjustments required under generally accepted accounting principles as a result of the acquisition of the Company in June 2007. The Purchase Accounting adjustments affect the future amount of cost of sales, amortization expense, pension expense and post-employment benefit expense. It is intended that Adjusted Annual Income From Operations will remove the impact of these Purchase Accounting adjustments so that the amount of profit sharing is not affected by the accounting for the acquisition.

It is understood that, for the purposes of determining Annual Adjusted Income from Operations, all transactions and other dealings with related companies, shall be accounted for at arm's length.

If the Union so requests, the Company shall pay for an independent auditor to verify the calculation of Adjusted Annual Income from Operations.

Accounting principles used to calculate Adjusted Annual Income from Operations will be consistent. Accounting principles will be the same as those used in 2006 Audited Statements and generally accepted accounting principles. If accounting principles change such that there is a material effect on profit sharing, the Company is to inform the Union and there is agreement to amend the formula of the profit sharing plan or the determination of Adjusted Annual Income From Operations to offset the changes in accounting principles.

Profit sharing payments will be paid on the basis of hours. The total amount of the Profit Sharing Pool will be divided by total hours to establish the hourly profit share. Individual profit sharing payments will be equal to the hourly profit share multiplied by individual's hours.

Hours shall be defined as:

- straight time hours worked,
- overtime hours worked,
- out of bank hours,
- vacations and statutory holidays,
- jury duty, witness and bereavement leave,
- leave for union business,
- Union Executive,
- members in receipt of sickness and accident benefits or salary continuance and Workers' Compensation to a maximum of one year,
- maternity and paternity leaves,
- military and compassionate leaves.

Eligible hours are capped at 2,000 for all schedules for the year to be eligible for a full share.

ARTICLE 19

PAYMENT OF PROFESSIONAL FEES

19.01 Where an employee is required by the Company to maintain a professional accreditation to establish a particular level of competency, and there

is a cost to do so, the Company will reimburse each such individual so required the amount of the fee upon presentation of appropriate proof of payment to his Department Head.

ARTICLE 20

DURATION OF AGREEMENT

20.01 This Agreement shall be effective from August 1, 2007 to July 31, 2010 and thereafter from year to year unless either party gives written notice of termination at the end of a contract year (commencing with the year ending July 31, 2010) not more than ninety (90) days nor less than sixty (60) days prior to July 31 of such year.

Appendix “C”

Families – USW Local 2724

Position*	Locations
Technical Assistant (Mechanical Eng. Specialist)	Cokemaking Ironmaking Casting Plate & Strip Cold Mill
Supv. Automation Systems (Electrical Eng. Specialist)	Cokemaking Ironmaking Steelmaking Plate & Strip Cold Mill
FLS Central Mtce	Central Mtce. Crane Repairs Mobile Mtce Carpenters Infrastructure (Erector, Fitter Welder, Central Trades)
Planner (and ladder) – Central	Central Mtce. Crane Repairs Mobile Mtce Carpenters Construction / Project Infrastructure (Erector, Fitter Welder, Central Trades)

General Foreman Maintenance	Cokemaking Ironmaking Steelmaking & Casting Plate & Strip Cold Mill DSPC
FLS Masonry	Masonry Ironmaking/Spec. Shop Cokemaking Steelmaking
FLS Shops	Shops Welding Fab & Car Shop
FLS DSPC	DSPC Casting Mill Area
Engineering Ladder	Engineering Mechanical Electrical / Automation Project Group
Chief Supervisor – Eng.	Engineering Mechanical Electrical / Automation Project Group
Manufacturing Tech Ladder	Manufacturing Technology Central Assigned QA
FLS Cold Mill	Cold Mill Shipping & Steel Flow Temper Mill/Slitter Reduction
Mill/Anneal/RS	Pickler
FLS Cokemaking	Cokemaking By-products Material Handling

FLS Ironmaking	Ironmaking Iron Fce Casthouse
Technical Service Rep. (and ladder)	QE (Technical Services) Sault Ste. Marie Burlington
QE Metallurgist Ladder	QE plant wide
Shift Co-ord. Labs	QE FLS Heat + Slab Classification Shift Co-ord. Labs
QE Managing Met	QE Managing Met
Supervisor	Traffic Inbound Outbound
Purchasing Agent	Purchasing
H+E Officer (and ladder)	Health, Safety, Environment & Emergency Services Air Water ISO
FLS	Steelmaking Cranes Charge/Melt Ladles Steel Refining Casting Casting Supv.
HR Rep (and ladder)	Human Resources Training Benefits Wage+ Salary Evaluation Comp. + Rehab Personnel
General Supervisor	IT

IT ladder	IT Network Operations + Support Services Systems Development IT Architecture / Technology
Foreman Auto. Repair	Transportation Foreman Auto Repair FLS Auto Shop East
Spec. Analyst (and ladder)	Order Fulfillment Plate Strip
Cost Analyst (and ladder)	Accounting Cost and Earnings Analyst Project Evaluation
Supervisor	Order Fulfillment & Services Booking & Planning Order Entry Slab Purchase, Conversion and Special Projects

Ladders – USW Local 2724

Department	Position*	Locations
Maintenance Planner	– Elect. (910)	
	Sr. Planner – Elect. (912)	
	Planner – Mech. (910)	
	Sr. Planner – Mech. (912)	
Auto Repair	Planner (910)	
	Sr. Planner (912)	
Project Services	Project Supervisor – Mech. (914)	
	Sr. Project Supervisor – Mech. (915)	
	Project Supervisor – Elect. (914)	
	Sr. Project Supervisor – Elect. (915)	
	Planner (910)	
	Sr. Planner (912)	
	Maintenance Technologist (812)	
	Sr. Maintenance Technologist (814)	
	Maintenance Engineer (814)	
	Sr. Maintenance Engineer (816)	
Shops	Scheduler Planner (910)	
	Sr. Scheduler Planner (912)	
Cust. Service Tech. (Burlington)	Service Representative Level 1	
	Tech. Service Representative Level 2	
	Tech. Service Representative Level 3	
	Tech. Service Representative Level 4	
Engineering	Project Analyst (811)	
	Sr. Project Analyst (813)	
	Engineering Technologist (810)	
	Designer (812)	
	Department Engineer (813)	
	Sr. Designer (814)	
	Technical Specialist (816)	

	Project Supervisor (816)
	Supervisor Engineering (816)
	Sr. Technical Specialist (818)
	Sr. Project Supervisor (818)
	Sr. Supervisor – Engineering (818)
Accounting	Financial Accounting Analyst (812)
	Sr. Financial accounting Analyst (815)
	Cost Analyst (812)
	Sr. Cost Analyst (815)
	Accounting Systems Analyst (812)
	Sr. Analyst/Programmer (814)
	Sr. Accounting Systems Analyst (815)
	Accounting Systems Specialist (816)
	Cost Analyst (Profitability) (812)
	Sr. Cost Analyst (Profitability) (815)
	Cost of Quality Analyst (812)
	Sr. Cost of Quality Analyst (815)
	Accounting Control Analyst (812)
	Sr. Accounting Control Analyst (815)
	Market Specialist (813)
	Sr. Market Specialist
Manufacturing Tech	Process Analyst (909)
	Sr. Process Analyst (911)
	Process Analyst/Specialist (913)
	Manufacturing Technology Associate (914)
	Manufacturing Technology Consultant (9NG)

IT

Systems Assistant (808)
Systems Designer (812)
Sr. Systems Designer (814)
Technical Specialist (816)
Sr. Technical Specialist (818)

Analyst Programmer (812)
Sr. Analyst Programmer (814)

Systems Assistant (808)
Programmer (810)
Software Support Analyst (810)
Systems Programmer (812)
Analyst Programmer (812)
Sr. Systems Programmer (814)
Sr. Analyst Programmer (814)
Technical Supervisor (816)
Technical Specialist (816)
Sr. Technical Specialist (818)
Sr. Technical Supervisor (818)

Systems Assistant (808)
Computer Operations Analyst (812)
Sr. Computer Systems Analyst (814)

Office Systems Analyst (811)
Sr. Office Systems Analyst (813)

Supv. Computer Sys. Mtce. (911)
Sr. Supv. Computer Sys. Mtce. (913)

Order Entry

Spec. Analyst (809)
Sr. Spec. Analyst (812)
Sr. Spec. Specialist (814)

Service to Customer Rep. (812)
Sr. Service to Customer Rep. (815)

Planning Analyst (812)
Sr. Planning Analyst (814)

Systems Assistant (808)
Software Support Analyst (810)
Analyst Programmer (812)
Sr. Analyst Programmer (814)
Technical Specialist (816)

Manufacturing Sch.	Service to Customer Rep. (812) Sr. Service to Customer Rep (815)
QE / QC	Engineering Assistant Metallurgist Sr. Metallurgist Metallurgical Specialist Metallurgical Services Technologist (812) Sr. Metallurgical Services Technologist (814) Assistant Metallographer (809) Metallographer (812) Sr. Metallographer (813) Development Chemist (909) Sr. Development Chemist (911)
Rolling Mills	Roller or Shift Manager (912) Roller / Shift Manager (914)
Purchasing	Buyer (812) Sr. Buyer (814) Sr. Commodity Buyer ()
QBI	Service to Customer Rep (812) Sr. Service to Customer Rep. (814)
Security	Emerg. Response Officer (908) Sr. Emerg. Response Officer (911) Assistant EHS Officer (809) EHS Officer (812) Sr. EHS Officer (815) Industrial Hygienist (816)
Utilities	Planner (910) Sr. Planner (912)
HR	HR Representative Level 1 HR Representative Level 2 HR Representative Level 3 HR Representative Level 4

Appendix “D”

Ladders and Families Definition

Article 7.05

A job family has the following characteristics (in certain circumstance there may be exceptions):

- a. Same job description (refer to ladder language) job description encompasses all the functions performed by the incumbents
- b. Same standard rate pay
- c. Same dept.
- d. In case of reduction, the junior person (Local 2724 seniority) would be displaced
- e. Posting mention the family and the various locations
- f. Similar hours of work (don't combine shift workers and day workers)
- g. Incumbents should have the ability to move to standard rate and be allowed to train in all areas or move to standard rate if wishes to train but not allowed.
- h. Chart will be developed with consensus of the Company and the Local and published by August 1, 2007.
- i. Any new job families or changes to job families must be agreed to by Company and Local.

Ladders

Progression is the means by which an employee moves to the higher level of a job within a department (e.g.) – “analyst to senior analyst”. A list of these jobs will be developed and agreed to by the Company and Local Union.

Appendix “E”

Posting and Selection Process

The parties recognize that a fair, consistent, efficient and effective selection process must be implemented to ensure that capable and committed people are selected or recruited for all positions and that bargaining unit employees have the opportunity to reach their full potential through a fair and open process. In recognition of the above, the posting and selection process will be modified to align with the principles of Essential Organization.

Qualifications for any posting takes into account the four lenses.

Skilled Knowledge – does the applicant have the skilled application of knowledge to the accountabilities of the role? (includes Education, Technical Skills, knowledge of product or processes, computer skills);

Maturity - is the employee mature enough to handle the stresses, uncertainties, tough decisions and strained working relations that invariably occur in demanding work environment? (includes interpersonal skills, leadership skills, communications, team skills, decision making);

Commitment - does the employee value the work of the role and the working conditions sufficiently to fully apply his / her capabilities to succeed in meeting the roles accountabilities? (includes knowledge of product and process, technical skills decision making, education);

Capability – does the applicant have the ability to handle the complexity of the role? (includes trouble shooting, problem solving, decision making, experience).

Position Criteria

Job descriptions and selection criteria (a list of musts and wants defined and weighted for each job description) will be developed for all 2724 positions by December 31, 2007. Where possible, already developed criteria (including musts, scoring guidelines and criteria weights) will be used unless it is agreed that the job has changed significantly.

This will be done by a group including the Accountable manager, Human Resources representative and Local 2724 executive member and may include the incumbent or a designate.

These descriptions and criteria will be agreed to by consensus between the Company and Local.

Job selection criteria must be kept current and will be consistent with changes to the job description and job evaluation

Description, criteria and re-evaluation of position must take place within 14 days of change to accountabilities of the role.

Selection criteria cannot be changed prior to posting a vacancy unless there is a material change to the job description or asset configuration. Any changes must be agreed to by the Union and Company.

Criteria and scoring guidelines defined for each job will be weighted and applied consistently to comparable roles across the company. Similar positions will have similar criteria and similar criteria weightings. Criteria will be measurable and demonstrable (for example, using questions, the person's documented work history).

A scoring bar will be determined at a level which the candidate could perform the job and perform competently with training and experience.

The company and Local 2724 will agree by consensus on the qualifications (including musts, criteria and bar) required for each job prior to posting.

Selection committee will include the Accountable manager, a Human Resource representative and a Local 2724 executive designate. Most committees will include the incumbent (or other knowledgeable person) from the job.

Posting Process

The selection process will be process mapped and reviewed to improve timeliness of selection and role filling.

Postings for positions will be developed as soon as notice of vacancy is received from accountable manager. Postings will list:

- Musts
- Criteria
- Job Scale (including dollar value if pay bands not rationalized)
- Posting Closing Date
- Department / Role / Location
- Reporting Relationship
- Hours of work
- Ladder or Family (identify related roles)
- Context of role and Primary Accountabilities

Qualifications

Only applicants meeting musts are considered for an interview.

The names and resumes of candidates not meeting musts are forwarded to LU2724 for review and agreement.

If the manager accepts the senior qualified applicant, no interview is required. Interviews take place in groups of three based on seniority (the three senior people).

HR will contact applicants not meeting musts or candidates who meet musts who will not be interviewed because the role is filled.

Ongoing LU2724 executive involvement for vacancies where LU2724 candidate is not identified.

Where there are no LU2724 candidates or qualified LU2724 applicants (did not meet the musts or meet the bar), the process will be the same for interviews outside of the bargaining unit. Any of the candidates who meet the minimum musts and bar can be selected.

Outline of Process Steps

1. The job vacancy is identified.
2. The criteria selection and interview group is selected.
 1. Measurable criteria (including any musts) are selected and defined. The “bar” and “weights” are established.
5. A posting is developed based on the roll specification and criteria.
 2. A list of those applicants meeting the “musts” is prepared (3 senior applicants are initially selected for interview). Candidate resumes not meeting musts are sent to LU2724 for reviewing and agreement.
 3. Questions requiring a written response, and where applicable, job related assessments as defined in the “musts” are given to the candidates on the short list to help give further insight into the candidates.
 7. The selection and interview group may meet to discuss and evaluate the candidates’ written answers and any applicable job related assessments administered. Where warranted, specific follow-up questions will be asked in the interview.
8. Candidates are interviewed and scored.
9. The successful candidate is identified and the unsuccessful candidate(s) are notified (with feedback on strengths and weaknesses by the accountable manager in the interview group).

CRITERIA SELECTION & INTERVIEW COMMITTEE

The committee must consist of the Accountable manager, Human Resources representative and Local 2724 executive designate and may include the incumbent or other knowledgeable person.

All committee members must not be applying for the position. Any other conflicts should be discussed by the committee and be dealt with on an individual basis by the appointed members of the Selection Committee.

The role of this committee is to;

- Develop job descriptions, criteria and scoring guidelines
- Interview and evaluate candidates

DEFINE CRITERIA AND EVALUATION PROCESS

The criteria, weighting and scoring are determined in this stage.

- A list of possible criteria should be drawn up and 'Musts' and 'Wants' determined.
 - The criteria must be measurable and demonstrable.
 - The 'Musts' are mandatory, measurable and reasonable.
- Criteria can be combined where appropriate.
- Less than 8 criteria limits scope of evaluation.
- More than 15 criteria becomes cumbersome and limits impact of individual criteria.
- Appropriate criteria for the job will be defined and weighted.

- Questions will be drawn up for each criteria. A decision is made on whether the responses will be written or verbal. (Some criteria may be evaluated from the resume.) The questions should address the criteria and the scoring for that criteria.
- Scoring for appropriate responses will be determined.
- A scoring bar will be determined at a level at which the candidate scoring over the bar could “perform the job adequately and perform competently with training”.
- A test candidate will be run through the interview process to assess the appropriateness of the bar and create consensus of scoring levels for various responses. This should not be a possible candidate.
- Candidates over the bar will be offered the position based on seniority.

To note:

- * We are setting criteria for a single job only, not for possible future jobs. (i.e. not used for succession planning).
- * May need to adjust criteria for ladders.
- * Criteria must be assessable by an independent observer. (criteria such as being honest, respected and other such attributes are based on subjective opinion and not acceptable.)
- * Criteria and questions should be geared to skills and characteristics that can be demonstrated.
- * If agreement cannot be reached, the previous posting and criteria should be used.

The normal qualifications which are part of the posting process that are weighted according to the requirements of the position are listed below. These are over and above the musts e.g. 4 year Engineering Degree:

- Interpersonal Skills
- Organizational Skills
- Communications
- Leadership Skills
- Trouble Shooting and Problem Solving
- Decision Making
- Computer Skills
- Knowledge of product and processes of area
- Health & Safety
- Team Player
- Educational
- Technical Skills

PRODUCE POSTING

A posting will be drawn up by the Selection Committee and Human Resources.

It will be based on the Collective Agreement, job description and developed criteria from the evaluation step.

Jobs should be posted for a minimum of 8 days.

The posting will include the following information:

- Musts
- Criteria
- Job Scale (including dollar value if pay bands not rationalized)
- Posting Closing Date
- Department / Role / Location
- Reporting Relationship
- Hours of work
- Ladder or Family (identify related roles)
- Context of role and Primary Accountabilities

SHORT LISTING

Only those candidates meeting the “Musts” will be considered for an interview.

The names and resumes of those not making the musts will be given to the Local for review and agreement.

The list of applicants will be short listed based on seniority.

- Only current 2724 members who have met the “Musts” will be interviewed in the first round.
- Any 2724 member who has applied and not met the posted “Musts” should be contacted by Human Resources to ensure that they do not meet the needed criteria and that they are informed of why they will not be interviewed.
- Where there are no LU2724 candidates or qualified LU2724 applicants (did not meet the musts and meet the bar), the process will be the same for interviews outside of the bargaining unit. Any of the candidates who meet the minimum musts and bar can be selected.
- * The committee must not have access to information about individual candidates until after all possible short listing has been done.
- * If none of the 3 senior applicants are successful, then the next three senior candidates are interviewed.

WRITTEN QUESTIONS AND INTERVIEW SET UP

- A list of written questions and other information deemed pertinent by the committee will be distributed to the candidates to be interviewed. The questions requiring a written response and other information will be sent out to the applicants by the Human Resources Department.
- A date for written responses to be returned will be set, usually 7 to 10 days.
- A date and times for interviews will be set. The Human Resources Department will arrange the interview times with the candidates.
- A longer time spread between the 1st and 2nd interview should be left as this will allow time for an evaluation of the appropriateness of the process to this point.

INTERVIEW AND SCORING OF CANDIDATES

1. The 2724 Executive member (or HR representative) should introduce the committee and explain the process. The management representative should explain the job to be filled.
2. The written questions should be evaluated in advance by individual committee members and adjusted up or down based on the interview.
3. The same oral questions should be read to the individuals by the same committee members and allowed to be answered before open questioning begins on each criteria.
4. Open questioning by any committee member should be encouraged. The intent is to assess the candidate's abilities to do the posted job. Leading a candidate is to be discouraged.

5. At the end of the interview, the candidate should be asked if he/she has any further input on the questions asked or anything else they feel is pertinent. Also, do they have any questions about the posted job.

POST INTERVIEW

The scoring of each candidate, criteria by criteria, should be by consensus and wide discrepancies discussed in detail.

The criteria and scoring appropriateness may be questioned or discussed by the committee at any point but can only be changed by agreement between 2724 and management representatives.

The intent is to ensure that successful candidates can do the job. It is also to ensure that, of those who can competently do the job, the individual with the most 2724 seniority will get the job.

CANDIDATE NOTIFICATION

Once the committee has selected the successful candidates, the management representative will contact all interviewed candidates, inform them of the results

(i.e. who were selected) and offer them (including successful candidates) a debriefing and suggestions for improvement in areas where they scored low.

The committee should remain silent on the selection until management has contacted all candidates.

The management representative should notify all candidates on the next working day after the selection is made.

IN WITNESS WHEREOF the parties hereto have executed this agreement.

ALGOMA STEEL INC.

By

S. Boniferro

S. Koshowski

P.C. Finley

J. Rennie

L. Cureatz

D. McLeod

**UNITED STEELWORKERS
LOCAL UNION 2724**

J. Ostroski

T. DePaulo

I. Kersley

A. Greco

M. McLean

D. Clement

B. Picco