**Letter of Agreement**

(1 of 2)

**BETWEEN**

**E S S A R S T E E L ALGOMA INC.**

**(Hereinafter referred to as the Company)**

**AND**

**THE UNITED STEELWORKERS LOCAL 2724**

**(Hereinafter referred to a s the Union)**

**Re: Compensating Days Off**

**Employees Scheduled On A Continuous Operation**

Employees will normally be paid overtime rates for all eligible scheduled overtime. In the case of the 21st turns or Statutory Holidays worked in a continuous operation however, in lieu of the pay provisions of Articles 5.04.10, 6.04.10 and 6.04.20, hours scheduled in such circumstances must be accumulated as Compensating Days or "C" days. Because of the nature of rotating days off schedules, it is possible for employees on such schedules to predetermine the extra shifts they will work on the 21st turn and on Statutory Holidays.

One compensating day will be granted to employees in continuous operations under the following circumstances:

1. An employee is scheduled to work the 21st turn on a rotating days off schedule. Entitlement will be one "C" day for each such shift worked.

2. An employee is scheduled to work on a regular Statutory Holiday on a rotating days off schedule. Entitlement will be one "C" day for each such Statutory Holiday worked.

3. An employee is scheduled to work on a "Down" Statutory Holiday on a rotating days off schedule. Entitlement will be one "C" day for each such "Down" Statutory Holiday worked plus 100% of his normal hourly rate.

The shifts that qualify for "C" days will be audited by the Department Head on a six month basis. Discrepancies in the shifts that were projected to be worked and were actually worked will be adjusted for the following six months.

These "C" days will be accumulated into full weeks and scheduled in advance in conjunction with the regular vacation schedule to the limit possible with the available employees on the job. These extra weeks will be known as "C" weeks. All predetermined extra days not scheduled as "C" weeks and all other periods will fall under the normal overtime payment provisions.

*"*C*"* weeks will be scheduled in the following order of priority until all weeks available without the use of replacement foremen (or equivalent) are filled:

1. Regular vacation weeks,

2. "C" weeks,

3. Vacation bonus days.

All "C" weeks must be identified as "VC" days on the vacation schedule and those weeks, as well as Vacation Bonus days, are subject to cancellation on short notice by the Department Head.

Other authorized overtime of at least 1 consecutive hour in duration which cannot be predetermined and is worked by the employee may be taken as "C" days in lieu of overtime pay. The time off will be equivalent to the time that was worked in qualifying for the overtime pay. Scheduling of such "C" days shall be by mutual agreement of the employee and the Department Head. If operating conditions prohibit an employee from being scheduled for "C" days in this category within 6 months of the "C" day being earned, the Department Head may process the time earned for payment.

**Employees Working In Other Than a Continuous Operation**

Any other employee who is not involved in a continuous operation on a rotating days off schedule and who is entitled to overtime pay in accordance with Articles 5.04.10, 5.06.10, 6.04.10 or 6.04.20 may elect to take time off in the form of Compensating Days or "C" days in lieu of the overtime pay in respect of time worked of at least 1 consecutive hour duration. The time off will be equivalent to the time that was worked in qualifying for the overtime pay except for work on a "Down" Statutory Holiday in which case the employee will be paid 100% of his normal hourly rate in addition to the time off. Scheduling of such "C" days shall be by mutual agreement of the employee and the Department Head. If operating conditions prohibit an employee from being scheduled for a "C" day within 6 months of it being earned, the Department Head may process the time earned for payment.

**Note: at any time during the six month period mentioned in the last two**

**provisions above for the scheduling of " C " days, the employee may**

**reverse his decision and opt to receive overtime pay in lieu of " C " days not**

**yet taken. This shall not apply to "VC" days.**