

**Letter of Agreement**

**BETWEEN**

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

**AND**

**THE UNITED STEELWORKERS, LOCAL 2724  
(hereinafter referred to as the Union)**

**RE: Layoff and Reduction in Force**

Overview

The provisions of Article 7.10.10 in the Collective Agreement detail the agreed-to provisions regarding lay-offs and reductions in force.

This Article states;

"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 meets the qualifications of the job (per appendix "E"), and is capable of doing within an eight (8) week training period. Notwithstanding the foregoing, where a layoff is due to a department closure, the training period described above shall be extended to no less than ten (10) weeks unless otherwise agreed to by the parties."

This Letter of Agreement is to be used after all attempts under the provisions of Article 7.08 (Assignment & Reassignment) have been exhausted and the parties do not agree to another lay off process.

Procedure

The following details the procedure to be followed in the event a lay-off in excess of eight (8) weeks:

1. Employees identified as being displaced from their current occupation (i.e. the 'displacing employee'), will be identified and placed on a listing to be provided to the Local 2724 Executive. A summary of each employee's academic background and prior work experience should be compiled and included on the listing to assist the parties in executing the lay-off procedure.
2. As a first step, a listing of any employees not represented by Local 2724 (including contractors) working on a Local 2724 position should be identified. No contractor shall perform bargaining unit work while a trained and available employee is laid off.
3. The displacing employee who is re-assigned to alternate work, will be reassigned by the parties with the intent to displace the most junior employee within 2724, including those temporarily assigned into Local 2724. In identifying the reassignment, the following rationale should be used:

- Has the displacing employee performed this function/position previously?
  - Is the displacing employee suited for this function/position based upon their prior experience and/or academics?
  - Does the displacing employee meet the qualifications in accordance with Appendix E?
  - Is the displacing employee capable of performing the work within the time periods outlined in Article 7.10.10 without having an unacceptable impact upon the efficiency of the operation (i.e. this will also include the physical ability to perform the work)?
4. The order of displacement as per the provisions of item #3 above should be as follows:
    - i. Employees not represented by Local 2724 (including contractors) performing work of the Bargaining Unit in the displacing employees department,
    - ii. Employees not represented by Local 2724 (including contractors) performing work of the Bargaining Unit throughout the operations,
    - iii. The most junior employee represented by Local 2724 where the displacing employee is capable of performing the work given an eight (8) week training period.
  5. If the employee is reassigned to a job with a lower Standard Rate the employee's current rate will be frozen until such time as the Standard Rate is equal to or greater than the employee's current rate of pay.
  6. The foregoing process will continue until no further displacements are reasonably possible.
  7. At the conclusion of this process, the parties will meet to identify any concerns/issues resulting from the application of this procedure and work towards an acceptable resolution.

#### Temporary Layoffs of Less Than 8 Weeks

When there is a temporary layoff of less than 8 weeks, the following applies:

1. Layoffs and corresponding displacing seniority and recall rights will be dealt with exclusively within each department area or project impacted by the temporary layoff.
2. In accordance with this:
  - a. No senior Local 2724 employee will be laid off if there is a more junior Local 2724 employee, and such person is currently posted into or assigned to a job in the same department area or project in which the senior employee is currently posted or assigned, and the senior employee meets the qualifications of the job (per Appendix "E"), and is capable of doing the job without operational interruption with one (1) day orientation.
  - b. And no Local 2724 employee will be laid off if there is (i) a non-2724 temporary employee or contractor performing Local 2724 bargaining unit work, or (ii) a Local 2251 replacement employee performing Local 2724 bargaining unit work, and such person is currently posted into or assigned to a job in the same department area or project in which the Local 2724 employee currently is posted into or assigned, and the Local 2724 employee meets the qualifications of the job (per Appendix "E"), and is capable of doing the job without operational interruption with one (1) day orientation. In those limited

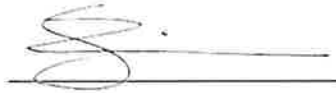
circumstances, the Local 2724 employee through the Local 2724 Executive will promptly provide to the Company for purposes of its assessment written and detailed support as to why the Local 2724 employee is qualified and capable to do the job as per the above requirements.

- c. Similarly, recall of temporarily laid off employees will be in order of seniority among those employees who were posted into or assigned to the same department area or project immediately prior to the layoff, provided the employee meets the qualifications of the job (per Appendix "E"), and is capable of doing the job without operational interruption with one (1) day orientation.
3. The Company shall have the right to require employees who otherwise would be impacted by the temporary layoff to instead first use up any accumulated c-time (but not FLS Days) and also provide them with the choice to first take vacation and FLS Days.

Agreed to this 18<sup>th</sup> day of June, 2024



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For the Union



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For the Company

Original Dated July 30, 2010

Resigned with amendments: July 26, 2019

Resigned with amendments: November 7, 2022

Note: Signed in the 2022

Memorandum of Agreement at bargaining

Resigned with amendments: June 18, 2024

