File: 2122-3.01-3

July 12, 2018

TO: ALL PSAC MEMBERS AT NORDION (CANADA) INC.

RE: RATIFICATION OF TENTATIVE AGREEMENT

After just over a year of negotiations with the Company, the parties met on Tuesday, July 3rd 2018 to continue the process of attaining a new Collective Agreement. Although both parties agreed to amend several articles including making modest improvements in Benefits, Severance, Vacation, Seniority, and the inclusion of the new Monday – Thursday, 2:30pm to Midnight Evening Shift for Radiopharm Operations, agreement was not attained on wages.

At the end of the bargaining session, the Company presented their final offer on Wages. This offer remained below what our mandate was and as such we could not accept it. Given the fact that this was the Company's final offer, negotiations have reached an impasse. In the opinion of the Bargaining Team, and given the imminent sale of Medical Isotopes to BWXT at the end of the month, we felt that we should put the latest offer to the Membership for a democratic vote, despite the fact the Bargaining Team will be recommending rejection.

If the offer is accepted, it will apply to both companies going forward and until it is renegotiated separately in 2 years. In case the offer is rejected, this will signal the commencement of the Conciliation Process whereby a third party Conciliator will be appointed to meet with both parties, to resolve outstanding issues.

Duration *

Three (3) years – expiring March 31, 2020

Economic Increases – Employer's Final Offer

Effective April 1, 2017 – 2%

Effective April 1, 2018 – 2%

Effective April 1, 2019 - 2.25%

plus a **\$500 signing bonus** for employees in the bargaining unit at the date of ratification of the collective agreement.

Other Highlights:

Article agreed to and signed off between the Union and company include:

Posting of Competitions – Article 13.02

Removal of 6 the month restriction for applying for jobs for displaced employees who are laid off and bump into a lower pay scale.

Paramedical Services – Article 15.06

Inclusion of Chiropody in the list of covered paramedical services.

Vacation Leave – Article 17.03

Improved vacation leave credits in year 17 of service at Nordion, in line with Nordion (Vancouver)

Definition of the Family – Article 17.05

Inclusion of daughter-in-law and son-in-law in the definition of the family for the purpose of Bereavement Leave.

Compensation on Termination (severance) – Article 18

Improved severance compensation for employees in the first three years of service at Nordion, in cases of Layoff.

Hours of Work - Article 20

Added the new Monday – Thursday, 2:30pm to Midnight Evening Shift for Radiopharm Operations into the CA.

Meal Allowance - Article 22.07

Made a modest increase of the meal allowance to \$14.50.

Time Between Shifts – Article 22.12

Increased the time between shifts to 10 hours.

Seniority Credits - Article 24.02

Changes made under this article include:

- Increasing the probationary period to six (6) months from the current ninety (90) working days
- Clarified when and how seniority ties are to be selected
- Added language that protects members' progression on the R-Scale for bumping purposes during a layoff period

Your Bargaining Team consisting of:

Gary Hunter
Mike Wark
Bill Brown
Alaina Bilmer
Robert Doxey
John Sloss
Ryan Fancey
Hassan Husseini, PSAC Negotiator

unanimously recommend rejection of the Employer Final Offer.

In solidarity,

Greg McGillis, Regional Executive Vice-President, NCR

cc... National Board of Directors

Directors' Team

Liam McCarthy, Coordinator, Negotiations Section

Essential Services & Exclusions

David-Alexandre Leblanc, Senior Research Officer, Negotiations Section

Pierre-Samuel Proulx, A/Senior Research Officer, Negotiations Section

Hassan Husseini, Negotiator, Negotiations Section

Omar Burgan, Research Officer, Negotiations Section

Negotiations Section

Amy Kishek, Legal Officer

Mylaine Potvin, A/Administrative Assistant to Legal Officer

Élisabeth Woods, Regional Coordinator

Nairra Tariq, Regional Representative

Micheline Labelle, Supervisor, Membership Administration

Dale Robinson, Strike Mobilization Project Officer

Élise Marcil. National Administrative Assistant

BETWEEN

NORDION (CANADA) INC. (hereinafter referred to as the "Company")

-and-

THE PUBLIC SERVICE ALLIANCE OF CANADA (hereinafter referred to as the "Union")

Term and Wages

In addition to the articles agreed to and signed off, the company offers the following:

- 1. A three (3) year term for the period of from April 1, 2017 to March 31, 2020;
- 2. Wages increases as set out below:
 - a. April 1, 2017 to March 31, 2018 2%
 - b. April 1, 2018 to March 31, 2019 2%
 - c. April 1, 2019 to March 31, 2020 2.25%
- 3. Retroactivity to April 1, 2017 will apply only for employees on strength as of date of ratification, or for those who have deceased or retired during the period of this collective agreement and only in respect of wages applicable to regular and overtime hours. All new or changed provisions shall become effective on date of ratification unless otherwise specified.
- 4. A signing bonus in the amount of \$500 per employee who are on strength on date of ratification.

AGREEMENT Between NORDION (CANADA) INC.

Hereinafter known as "The Company"
And

THE PUBLIC SERVICE ALLIANCE OF CANADA

Local 70367 of The Union of National Employees
Representing certain employees of the Company as herein defined,
hereinafter called "The Union"

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John Sloss

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13.02 (b) An employee who has been selected and has accepted a new position shall be ineligible to apply (or to be considered) for another position for a period of six (6) months from the date of acceptance of the new position.

This restriction does not apply to temporary or displaced employees applying for full time positions.

For purposes of this article "displaced" to mean: employees who as a result of layoff bump into a term assignment to which an end date is associated and until which time the displaced employee secures full time employment.

 i. employees who as a result of layoff bump-into a-term assignment to which an end date is associated and until which time the displaced employee secures full time employment

ii. employees as a result of layoff who have bumped into a lower pay scale. For these displaced employees and for the initial 6 month period following a layoff, the employee will be permitted to apply for positions posted at a higher level. Once a higher position has been achieved the 6 month limitation is reinstated.

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ARTICLE 13 POSTING OF COMPETITIONS

13.04 Upon request The Union shall be supplied with a list of applicants for each position, including indication of the successful applicant.

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15.06 Paramedical Services

In accordance with Sun Life policy #22128,

- a) Reimbursement of 100% of the costs, up to a maximum of \$500 per insured person in a benefit year for:
 - (i) Licensed massage therapist
 - (ii) Licensed physiotherapists (iii) Licensed chiropractors

 - (iv) Naturopathy
 - (v) Chiropody

For the PSAC - July 3, 2018

Article 17 LEAVE PLANS AND REGULATIONS

17.03 Vacation Leave

(c) Vacation Leave With Pay Credits

- (i) During their first year of service, employees will earn vacation leave credits at the rate of 9.375 hours, for each full month of employment for which they receive a minimum of ten (10) days' salary. After six (6) months of service, they may be granted vacation leave credits in advance to the extent of the leave credits that could accumulate to the end of the fiscal year (March 31).
- (ii) Employees who have completed six (6) months or more service by April 1 will be credited with annual vacation leave as follows, except as noted in (iii) below:

VACATION LEAVE CREDITS
EFFECTIVE APRIL 1, 2010
112.5 hours
120 hours
127.5 hours
135 hours
150 hours
157.5 hours
165 hours
172.50 hours
180 hours
187.5 hours
195 hours
202.5 hours
210 hours
217.5 hours
225 hours

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17,05 Special Leave

(b) Death in Family

- (i) A request for special leave with pay of up to five (5) days shall be granted in the case of death in an employee's immediate family (as defined below) to permit the employee to make arrangements, attend the funeral, etc. Where necessary, up to three (3) days with pay may also be granted to settle the estate within one (1) year of the death, provided the employee receives no fee or other remuneration for this. Where the employee must miss more than five (5) days of work in the case of the death or three (3) days of work to settle the estate, due to the length of the trip required, additional special leave, with pay may be granted at the discretion of the employee's manager. Immediate family is defined for this purpose as: father, mother (or alternatively stepfather, stepmother, or foster parent), brother, sister, stepbrother, step-sister, spouse (including common-law partner spouse resident with the employee), child (including child of common-law partner), stepchild, foster child or ward of the employee, grandchild, father-in-law, mother-in-law, daughter-in-law, son-in-law, the employee's grandparents and relative permanently residing in the employee's household or with whom the employee permanently resides.
- (ii) A request for special leave with pay not exceeding two (2) days (three 3 days where extensive travel is required) may be granted in the case of an employee's aunt; uncle; son-in-law; daughter-in-law; brother-in-law; or sister-in-law.

For the PSAC- July 3, 2018

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ARTICLE 18 COMPENSATION ON TERMINATION

18.02 Layoff

- a) An employee will accrue a severance compensation entitlement based on three (3) two (2) weeks' pay for up to one year each year of the first three (3) completed years of service and one (1) week's pay for each additional completed year of continuous service to a maximum of thirty (30) weeks' pay.
- b) Employees laid off for a second or subsequent time will be granted a minimum severance compensation equal to one (1) of two (2) week's pay for each of the first three (3) completed year of continuous service and one (1) week's pay for each subsequent completed year of continuous service (less any period in respect of which severance compensation, retiring leave or a cash gratuity has previously been granted) up to a maximum of thirty (30) weeks' pay.

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ARTICLE 20 HOURS OF WORK

20.04

- (b) Radiopharm Operations
 - (i) This clause applies to employees who are working on the regular weekend shifts as described in 20.04(b)(iii) and who are involved in the production, testing, release and support of clinical and commercial products.

Calibration and Machine Shop groups will normally be required to work the day shift only.

Development Technicians will normally not be required to work these shifts.

- (ii) The normal work week for employees who work regularly scheduled weekends the following shifts shall be thirty-six (36) hours, exclusive of the meal period, for which employees will be compensated as if they had worked the hours outlined in clause 20.01.
- (iii) The regular weekend shifts that employees may work will be:

a) Weekend Shift

A L COTTONIAL PARTY	
Sunday	7:00 A.M 4:30 P.M.
	2:30 P.M Midnight
Monday	7:00 A.M 4:30 P.M.
·	2:30 P.M Midnight
Tuesday	7:00 A.M 4:30 P.M.
Ť	2:30 P.M Midnight
Wednesday	7:00 A.M 4:30 P.M.
•	2:30 P.M Midnight

b) Evening Shift:

Monday	2:30 P.M Midnight
Tuesday	2:30 P.M Midnight
Wednesday	2:30 P.M Midnight
Thursday	2:30 P.M Midnight

- (iv) Employees working a regularly scheduled Weekend Shift as per 20.04 (b) (iii) a) above will, in addition to their regular wages, receive a weekend premium in accordance with Clause 21.06 (b)
- (v) Employées who were on strength as of July 19, 1999, will not be required to work this either shift as set out in 20.04 (b) (iii) above unless they volunteer to do so in writing.

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22.07 Meal Period Compensation

(c) Meal Allowance

The authorized meal allowances is fourteen dollars and fifty cents (\$14.50), claims for which are to be paid after appropriate authorization by the employee's supervisor.

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22.12 Time Between Shifts

- (a) An employee who has completed a shift (that may include a contiguous period of overtime at the end of the shift) or a period of non-contiguous overtime after the shift shall not be required to resume work until nine (9) ten (10) hours have elapsed from the time the shift or overtime period was completed. This will not apply to employee requested shift changes.
- (b) No loss of regular wages will be incurred as a result of (a) above. This will not apply to employee requested shift changes.
- (a) In exceptional circumstances, and with the employee's consent, the nine (9) ten (10) hour rest entitlement described in (a) above may be waived. In such instances, the employee will be compensated at the double time rate or all subsequent work performed that encroaches on a nine (9) ten hour rest period.

For the PSAC- July 3, 2018

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ARTICLE 24 PRINCIPLES COVERING LENGTH OF SERVICE

24.02 (a) Seniority Credits

For the purposes of this Article, seniority shall be based on the following:

- (i) The seniority of an employee shall include the employee's full period of service as recognized by the parties on the seniority lists dated July 19, 1999. This shall be credited to the employee and will continue to accrue.
- (ii) For each employee who enters the bargaining unit, on or after July 19, 1999 seniority shall date from entry into the bargaining unit upon completion of a probationary period of six (6) months ninety (90) working days (excluding all leave excepting designated paid holidays).
- (iii) Should two or more employees have the same seniority date, seniority standing will be established by the following criteria which will be considered in the listed order until seniority is established.
 - 1) An employee hired in the morning will be deemed senior to the employee hired in the afternoon.
 - 2) For employees on strength as of April 1, 1993, an employee with the greater length of continuous AECL employment will be deemed senior.
 - 3) For employees on strength as of April 1, 1993, an employee with the greater length of non-continuous AECL employment will be deemed senior.
 - 4) The employee randomly selected by pulling a name from a hat will be deemed senior. This process will be conducted at the start of employment with a designate from the union executive present.

For employees hired after April 1, 1993, numbers 2 and 3 shall not apply.

- (iv) The Company shall provide an updated Seniority list to the Union on a quarterly basis.
- (b) The Company recognizes the desirability in general, of retaining employees with longer continuity of service, and the Union recognizes that the Company must maintain an effective working force.

At the commencement of a layoff, a snapshot of all union members R-levels will be taken and used as a "map" for bumping purposes. Should a member be due to progress on the R-scale during the bumping period, this will not impact the "map" that was created at the start of the layoff period.

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- (c) The Company shall provide written notice of layoff of four (4) weeks to the Local and the Union of National Employee (UNE) and to each employee so affected, unless the circumstances resulting in the layoff are not within the control of the Company. Cases of contemplated layoff will be discussed by representatives of the Company with representatives of the Union to explore ways of assisting affected employees in obtaining suitable employment within or outside the Company.
- (d) Layoffs will be in reverse order of seniority in the classification affected provided that the senior employees have the skill, experience, and capacity to perform the remaining work. In these circumstances a reasonable period of familiarization will be provided.
- (e) An employee who is designated for layoff in accordance with Article 24.02 (d) will have the alternative of being laid off or displacing an employee with less seniority, in an alternate classification in the same or lower salary range, provided the employee designated for layoff has the skill, experience, and capacity to perform the required work. In these circumstances a reasonable period of familiarization will be provided.
- (f) A laid-off employee shall be retained on a recall list for a period equal to the amount of seniority to their credit or two (2) years, whichever is less, except where they requests in writing that their name be removed from the recall list, or returns to work with the Company, or fails to notify the Company within five (5) working days of recall of their intention to return to work, or fails to return to work within ten (10) working days of recall.
- (g) Recalls shall be made from the recall list in reverse order of layoff provided that the eligible person has the skill, experience and capacity to perform the work after a reasonable period of familiarization.
- (h) Notification of recall shall be sent by courier to the person's last known address. It shall be the responsibility of each person on a recall list to advise the Human Resources Division of any change in their address.

For the PSAC- July 3, 2018

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LETTER OF UNDERSTANDING

BETWEEN:

NORDION INTERNATIONAL INC.

Hereinafter known as the "company"

AND:

THE PUBLIC SERVICE ALLIANCE OF CANADA LOCAL 70367

National Component representing certain employees of

the Company, hereinafter known as the "union"

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It is understood that effective November 1, 1991 a pension plan (Option One) will be provided to all current employees who elect to transfer, within one year, their funds from the Public Service Superannuation Act plan to the new Company Plan. This plan (hereinafter called "Option One") will provide an equivalent level of benefits as provided by the Public Service Superannuation Act, at the current level of employee contributions.

All employees hired after November 1, 1991 and current employees who elect not to transfer their funds from the Public Service Superannuation Act plan will be required to participate in Pension Plan Option Two. Current employees may elect Option Two in lieu of Option One.

Option One and Option Two referred to above as a outlined in the "Outline of Nordion International Inc. Retirement Plan" as distributed on October 18, 1991.

In addition, Option One and Option Two referred to above will conform with the Pension Benefits Standards Act.

Dated at Ottawa, this 25 day of November, 1991.

For the Union