



March 23, 2011

To : Operations manager – Ontario territory
Eligible staff from the Memorandum of Agreement “**Conditions applicable to employees transferred to Transervice Lease Co. regarding the Bell Canada Pension Plan and Post-Retirement Benefits**”

Subject: **Letters of Intent between the Communications, Energy and Paperworkers Union of Canada and Transervice Lease Co.**
➤ **Voluntary Reduced Work Week (RWW)**
➤ **Voluntary Severance Agreement**

This letter serves to announce that on March 2, 2011, the Communications, Energy and Paperworkers Union of Canada and Transervice Lease Co. endorsed two letters of intent applicable to bargaining unit "Auto Equipment Mechanic".

Please read the letters on intent attached and any questions can be directed to the under signed.

Sincerely,

Pierre Bujold
Vice President – Transervice Lease Co.

Shawn Cowan
National Representative - CEP

c.c. M. David Cox, Union Steward - CEP
M. Chris Nascimento, Union Steward - CEP
M. Scott Misener, General Manager - Transervice
Mme Gina Lydak, Assistant Vice President Human Resource - Transervice

Enclosures: Letters of Intent



March 2, 2011

Subject: **Voluntary Reduced Work Week (RWW)**

This is to outline our understanding applicable to the Auto Equipment Mechanic employees bargaining unit regarding the possible institution of a reduced work week on a local basis. The following conditions shall apply:

- A reduced work week may only be instituted with employees qualified within the Memorandum of Agreement "**Conditions applicable to employees transferred to Transervice Lease Co. regarding the Bell Canada Pension Plan and Post-Retirement Benefits**" executed between Bell Canada and CEP on January 29, 2007.
- A reduced work week may be instituted only by mutual agreement between local management and local Union representatives, provided that each employee affected gives his consent to the arrangement.
- It is agreed that every time a reduced work week is to be instituted, the applicable terms and conditions shall be confirmed in a Letter of Agreement signed between the Director – Human Resources and an Officer of the CEP, or their designates.
- Where a reduced work week is instituted, both parties further agree that,
 - employee will remain on the reduced work week program until retirement
 - employee will retain seniority position as described in Article 20 of the current active Collective Agreement (August 19, 2004)
 - annual vacation days will be paid pro rata accordingly with reduced work week option selected where vacation days will be paid in lieu
 - work days will be consecutive and determined to meet business requirements as defined by local management
 - where a paid holiday falls outside the employee's regular scheduled work week, work week will be scheduled to include paid holiday in work week for that week only and then return to established scheduled work week

2 DAYS REDUCED WORK WEEK (RWW2)

- the terms "scheduled tour of duty" and "basic hours of work" shall mean a tour of eight (8) hours of work for 16 hours a week. The one (1) hour at straight time may be added to the employee's reserved hours bank, up to the allowable limit of 30 hours.

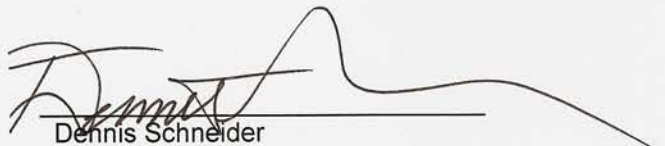
3 DAYS REDUCED WORK WEEK (RWW3)

- the terms "scheduled tour of duty" and "basic hours of work" shall mean a tour of eight (8) hours of work for 24 hours a week. The one and a half (1 ½) hours at straight time may be added to the employee's reserved hours bank, up to the allowable limit of 45 hours.


The option chosen shall be so indicated by the parties in the Letter of Agreement referred to above.

General

- Reduced work week arrangements, other than those outlined above, may be implemented by the parties within the general framework specified in this letter where such an arrangement meets with the approval of both the Director - Human Resources and an Officer of the Union, or their designates.
- Any agreement by the parties under the terms of this letter shall be conditional to the observance of all legal requirements prescribed under any applicable legislation.



Dennis Schneider
Executive Vice President –
Transervice Lease Co.



Shawn Cowan
National Representative - CEP

Full Time - Reduced Work Week Comparison						
	ONTARIO Pay Period			ONTARIO ANNUAL		
	Full Time	RWW 2 DAYS	RWW 3 DAYS	Full Time	RWW 2 DAYS	RWW 3 DAYS
SALARY	2,468.25	987.30	1,480.95	64,174.50	25,669.80	38,504.70
FEDERAL	(518.33)	(112.86)	(210.39)	(13,476.64)	(2,934.36)	(5,470.10)
PROVINCIAL						
CPP	(84.87)	(42.08)	(66.51)	(2,206.55)	(1,094.02)	(1,729.21)
EI	(29.32)	(17.08)	(25.62)	(762.36)	(443.97)	(666.22)
QPP						
QPIP						
NET	1,835.73	815.29	1,178.43	47,728.95	21,197.45	30,639.17
Variance		(1,020.44)	(657.30)		(26,531.50)	(17,089.78)
VACATION BUY OUT AMOUNTS					2,961.90	4,442.85
NUMBER OF 7.5 hrs. DAYS					12	18




March 2, 2011

Subject: **Severance Agreement**

This is to outline our understanding applicable to the Auto Equipment Mechanic employees bargaining unit regarding acceptance to resign in exchange for lump sum payment. The following conditions shall apply:

- This severance agreement is for all employees qualified within the Memorandum of Agreement "**Conditions applicable to employees transferred to Transervice Lease Co. regarding the Bell Canada Pension Plan and Post-Retirement Benefits**" executed between Bell Canada and CEP on January 29, 2007 referred as **(Bell-CEP MOA)**.
- All qualified employees will be receiving eight (8) weeks prior to reaching their respective milestone date as defined in the **(Bell-CEP MOA)** a Separation Agreement and Release letter indicating Separation Pay Amount and end of employment date, to be signed and returned to Director - Human Resources within the next two (2) weeks. By default, end of employment date will be milestone date.
- All qualified employees still employed and having surpassed their respective milestone date or have executed their entitlement as defined in the **(Bell-CEP MOA)** will be sent within the next two (2) weeks upon execution of this Agreement a Separation Agreement and Release letter indicating Separation Pay Amount and end of employment date, to be signed and returned to Director - Human Resources within two (2) weeks. By default, end of employment date will be 30 days after issuance of Separation Agreement and Release letter has been submitted to employer.
- In consideration of this Agreement, volunteering employees will be entitled to a Separation Pay Amount equivalent to three (3) months of salary.
- Separation Pay Amount upon employee's request may be deposited in a RRSP.
- Separation Pay Amount will be subject to normal withholding for applicable taxes.
- Any agreement by the parties under the terms of this letter shall be conditional to the observance of all legal requirements prescribed under any applicable legislation.


Dennis Schneider
Executive Vice President –
Transervice Lease Co.


Shawn Cowan
National Representative - CEP



Separation Agreement and Release

In consideration of the fact that I, [specify Name of Employee] ("The Employee"), have voluntarily and of my own free will, elected to accept a Separation Pay in the amount of [specify \$], and that [specify name of Company] (hereinafter "the Company") has agreed to pay me the above amounts, I acknowledge and agree to the following:

1. I understand that as of [specify date] my employment with the Company will cease.
2. I have been advised by the Company that I am being separated from the payroll pursuant to the terms of the attached **Severance Agreement** executed between the Company and CEP on [specify date] and that I am entitled to a severance payment in accordance with the **Severance Agreement**.
3. I understand that the Separation Pay is being paid as consideration for executing and agreeing to the terms contained in this Separation Agreement and Release and that this is a benefit to which I would not have been entitled had I not signed this Separation Agreement and Release.
4. I acknowledge that the Company has not discriminated against me, breached any express or implied contract with me, or otherwise acted unlawfully toward me.
5. I, my heirs and executors release and discharge the Company in any claims of whatsoever as it relates to matters contained within this Separation Agreement and Release.
6. I understand that this Separation Agreement and Release in no way affects any rights I may have for benefits under the Company's Pension Plan or any other applicable benefit plan.
7. I have or will immediately return to the Company, or before my termination date, all Company property, including, but not limited to, access card, files, records, computer access codes, computer programs, instruction manuals, tools, and other property in connection with my employment with the Company.
8. The construction, interpretation and performance of this Agreement shall be governed by the laws prescribed under any applicable legislation of the province in which I am working of the date of my separation from the Company's payroll.
9. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be unenforceable in any respect under the law of any province or Canada, such unenforceability shall not affect any other provisions of this Release, but, with respect only to that jurisdiction holding the provision to be unenforceable, this Release shall then be construed as if such unenforceable provision or provisions had never been contained herein.
10. This Separation Agreement and Release contains the entire agreement between the Company and me and fully supersedes any and all prior agreements or understandings pertaining to the subject matter hereof. I represent and acknowledge that in executing this Separation Agreement and Release I have not relied upon any representation or statement not set forth herein.

BY SIGNING THIS SEPARATION AGREEMENT AND RELEASE, I ACKNOWLEDGE MY UNDERSTANDING AND ACCEPTANCE BY SIGNING BELOW.

DATE:

Employee Signature:

[Employee Name Printed]:

WITNESS:

DATE: