

**MEMORANDUM OF AGREEMENT**  
**RETIREMENT OFFER**

**BETWEEN:**

BELL ALIANT REGIONAL COMMUNICATIONS, L.P.  
(the "Company")

- and -

CEP ATLANTIC COMMUNICATIONS COUNCIL  
(the "Council")

**Whereas** the Company and the Council through the Common Interest Forum have explored the issues of workforce demographics and career advancement opportunities for bargaining unit employees;

**And whereas** the Company and the Council agree that it would be mutually beneficial to provide a retirement offer for retirement-eligible bargaining unit employees in order to:

- provide those employees interested in retiring the chance to do so earlier than they might otherwise have been able to; and
- plan an orderly transition of the workforce.

**And whereas** the Collective Agreement signed between the parties allows them to negotiate and agree in writing upon voluntary severance initiatives, in the form of a retirement offer;

**And whereas** the Company and the Council through the Common Interest Forum have settled on the elements of a retirement offer open to all unionized employees who are now or will be retirement-eligible by the end of 2013;

**Now therefore** the parties agree as follows:

**1. Eligibility:**

- a. The Company will offer a retirement offer that will be open to all unionized employees who are now or will be retirement-eligible by the end of 2013.
- b. "Retirement-eligible" means eligible to retire with an unreduced pension under the Defined Benefit (DB) Pension Plan or at age fifty (50) under the Defined Contribution (DC) Pension Plan. No bridging of service will be permitted under the terms of the retirement offer.

- c. Employees who have retired since April 6, 2011, the date the Parties began to discuss the possibility of a retirement offer, who were or would have been retirement-eligible before the end of 2013, will be eligible for the retirement offer.
- d. Employees who, as of the date of signing of this Agreement, have an approved or pending retirement application for a Departure Date before December 31, 2013 and who are or will be retirement-eligible before the end of 2013, will be eligible for the retirement offer.
- e. Employees will not be eligible for the retirement offer if at the time of the signing of this Agreement or at the time of the application they are in receipt of LTD benefits, or if they are on an approved Leave of Absence or in receipt of WCB income benefits for more than 12 months.

## 2. Retirement Offer:

- a. The offer will be announced on August 17, 2011. Eligible employees will have until September 21, 2011 at 5:00 p.m. Atlantic to apply for the retirement offer. There will be no extensions to this deadline.
- b. The choice to apply for the retirement offer will be permanent and irreversible once the application is submitted.
- c. In order to apply for the retirement offer, employees will be required to indicate a Preferred Departure Year. The Preferred Departure Year can be no earlier than the year in which the employee becomes retirement-eligible.
- d. The incentive payment will vary depending on the employee's Preferred Departure Year:
  - i. Where the employee's Preferred Departure Year is 2011, the incentive payment will be a lump sum payment of 52 weeks of pay.
  - ii. Where the employee's Preferred Departure Year is 2012, the incentive payment will be a lump sum payment of 39 weeks of pay.
  - iii. Where the employee's Preferred Departure Year is 2013, the incentive payment will be a lump sum payment of 26 weeks of pay.

- e. The Company will, in its sole discretion, assign the employee a Departure Date.
  - i. The Departure Date will not fall before the date on which the employee becomes retirement-eligible.
  - ii. The Departure Date may fall after the employee's Preferred Departure Year. In such a case, the amount of the employee's incentive payment will be based on the Preferred Departure Year, and not the actual Departure Date.
  - iii. The Departure Date will be no later than April 30, 2014.
- f. It is anticipated that 400-500 employees will apply for this retirement offer. The Parties agree that if the numbers are materially different, they will meet and discuss the implications.
- g. On October 14, 2011, the Company will notify employees who apply for the retirement offer of the Departure Date assigned by the Company.
- h. Employees who retire under the retirement offer will be paid out for any unused vacation entitlement at the time of their retirement.
- i. For employees whose Preferred Departure Year is 2011 and whose Departure Date is scheduled after 2011, and for employees whose Preferred Departure Date is 2012, the Company will ensure that the employee has the opportunity to work at least a number of days in 2012 equal to the amount of service lost by the employee in the 2004 strike.
- j. Employees who are considering the retirement offer and who consult with a financial advisor are eligible to be reimbursed for up to \$200 for financial planning services, upon producing a receipt for services received from a financial planning professional. They will be reimbursed either through their final financial settlement package upon retirement from the Company, by submitting a claim through Ariba, or through their manager.
- k. Retirement-eligible employees in the Defined Benefit Pension Plan will have access to the PeopleSoft Self Service Pension tool in order to prepare pension estimates in considering the retirement offer. These employees will not receive pension estimates from the Company. Employees in the Defined Contribution Pension Plan will have access to their pension details using the SunLife

tools and statements available to participants in the Defined Contribution Plan.

3. Recognizing that current and anticipated workload in Customer Experience will require that the company fill a portion of the vacancies created by this retirement offer, the Company commits as follows:

- a. The Company will, by end of May 2014 at latest, post and fill positions totaling at least 78% of the total number of Customer Experience employees who depart under this retirement offer.
- b. The Parties agree that, for the purposes of this Memorandum of Agreement, "Customer Experience" includes all employees reporting into the following Directors and Team Leads:
  - i. Andrew Boyles, Director Network Operations
  - ii. Ivan Broz, Director Managed Services
  - iii. Patricia Gagnon, Director Network Engineering
  - iv. Dale Grimes, Director Regional Services Newfoundland and Labrador
  - v. Brian Higgins, Director Resource Management
  - vi. Andrew Hines, Director Regional Services Nova Scotia
  - vii. Bruce Howatt, Director Regional Services PEI and New Brunswick
  - viii. Sheldon MacDonald, Director Network Strategy, Capital Management and Security
  - ix. Cindy MacDougall, Director Enterprise Service and Operations
  - x. Don MacKay, Acting Director Regional Services Nova Scotia
  - xi. Raymond Mackey, Director CE Development
  - xii. Andrew Pothier, Director CE Performance Reporting and PMO
  - xiii. Rebecca Campbell, Senior Manager Customer and Service Introduction
  - xiv. John Power, Senior Manager IT Operations

4. In order to ensure minimal disruption of the workforce as a result of retirements under this retirement offer, the parties agree that the following terms will apply to all postings which result directly from a retirement under this retirement offer:

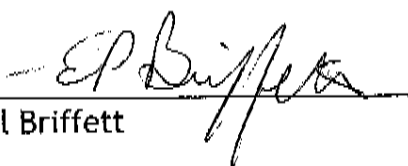
- a. Notwithstanding Article 13.01 of the Collective Agreement, vacancies will be posted for 5 business days.

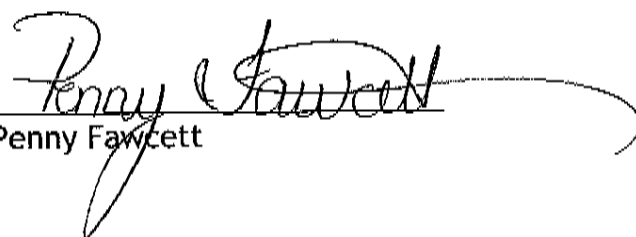
- b. Applications for postings will be binding, which means that the successful applicant will automatically be awarded the job with no right of refusal.
  - c. Employees are permitted to apply for more than one posted position, but in doing so, must rank the applications in order of preference.
  - d. Where an employee would be the successful applicant for more than one position, the employee will be awarded the job which the employee ranked as the highest preference, and removed from consideration for other postings.
  - e. Any employee who is the successful candidate for a job under this process will be required to remain in the new job for a minimum period of 58 weeks from the date the job is awarded. However, such an employee will be eligible to submit applications for new job postings beginning the 51<sup>st</sup> week of that 58 week period.
  - f. If this modified process is not sufficient to ensure minimal disruption of the workforce as a result of the retirement offer, the parties agree to work together on any necessary modifications to the process.
  - g. Employees who apply for the retirement offer will not be eligible to apply for any other job postings, commencing on the date their retirement application is submitted.
5. In order to ensure minimal disruption in customer service arising out of this retirement offer, the parties agree that there will be a Project Term workforce established, to be fully staffed with external hires. The locations, numbers of employees and duration of assignment will be determined and the Company commits to review and discuss these details with the Council as those details are available. This workforce is designed to assist with capacity gaps arising out of the retirement offer. The size of the workforce will not exceed 150 employees and the duration will not exceed 24 months.
6. The Company confirms that should any other retirement offer be presented to bargaining unit employees in Atlantic Canada on or before December 31, 2013, and an employee who retires under this retirement offer would have received a larger incentive payment if the employee had been eligible to participate in that later retirement offer, such an employee will be entitled to the difference between the payment in this retirement offer and the greater payment. (A "greater payment" refers

to a comparison of the number of weeks' pay, and not the monetary amount of the payment.)


- 7. The parties agree that, if anything in this Memorandum of Agreement is in conflict with the Collective Agreement, this Memorandum of Agreement overrides and there will be no grievances. However, any alleged violation of this Memorandum of Agreement may properly be the subject of a grievance.

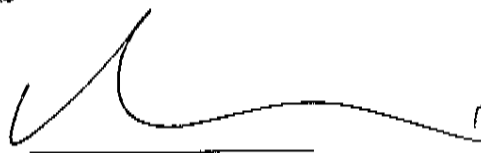
For The Council:

  
Phil Briffett

  
Penny Fawcett

For the Company

  
Fred Crooks

  
Chuck Hartlen

In Truro, Nova Scotia, as of August 9, 2011.