

Letter of Agreement

Between

USW Local 2724

And

Algoma Steel Inc.

RE: Staffing – Future EAF Resources

On November 11, 2021, Algoma Steel Inc., a leading Canadian producer of hot and cold rolled steel sheet and plate products, announced that its Board of Directors has authorized the Company to construct two new state-of-the-art electric-arc-furnaces (EAF) to replace its existing blast furnace and basic oxygen steelmaking operations. That this transformation is expected to reduce Algoma's carbon emissions by approximately 70%.

In light of this announcement and transition, these parties have engaged in discussions on the planning and staffing needs during the construction project and when the EAF becomes operational. As such the parties have agreed to the below on a without prejudice or precedence basis:

1. The creation of any new positions will be done in accordance with the collective agreement.
2. EAF positions will be posted in accordance with the collective agreement.
3. The Parties agree that successful candidates may not need to be moved to their new positions until such time to be determined by the Company and as such will not be eligible to the rate of pay for the EAF job until that time. This timeline will vary based on construction timelines/delays and the training requirements required for the position(s). A meeting will be held by the parties should a disputes or concerns with the length time to move an employee to the new position is brought forward.
4. For greater clarity, the parties agree that, as an example, a three (3) day training session would not normally constitute a permanent move to the successful incumbent's new role. However, training sessions/periods that run for greater than two (2) consecutive weeks would normally result in the permanent move unless the parties discuss and agree otherwise.
5. The Parties acknowledge that a significant amount of training may be required for some of these positions and therefore agree that the successful candidates of new EAF positions will not be eligible to post out of these new jobs for at least 2 years of working on the job. Should however a unique or promotional opportunity arise the parties will meet to discuss that individual employees circumstance.
6. Subsequent vacancies created as a result of employees moving to EAF positions outlined in paragraph 3 above will be filled in the same manner described, which is they may not be moved until a time determined by the Company and they will not be eligible for the new rate of pay until that time.

7. Should the Company determine that some of the jobs to be backfilled under paragraph 5 above would be best filled with a term & task employee then the Company will notify the Union and the parties will discuss those reasons. Requests to back fill with term & task employees will not be unreasonably denied.

This agreement will expire July 31, 2022. This agreement will renew on a yearly basis unless either party communicates a desire to exit with 30 days' notice.

Dated: Feb 9/22

For the Union




Rebecca McCracken



William Slater

For the Company



AJ Pettalia



Steph Luciani