

MEMORANDUM OF SETTLEMENT

B E T W E N:

THE GREATER TORONTO AIRPORTS AUTHORITY

(the “**Employer**”)

- and -

UNIFOR LOCAL 2002

(the “**Union**”)

(collectively referred to as the “**Parties**”)

WHEREAS:

1. The Employer and the Union are Parties to a collective agreement which is effective from August 1, 2019 to July 31, 2023 (the “**Collective Agreement**”);
2. The Employer and the Board of Trustees of the Colleges of Applied Arts and Technology Pension Plan Trust Fund (the “**CAAT Board of Trustees**”) entered into a Participation Agreement dated July 23, 2019 (the “**Participation Agreement**”) to allow the Employer and its Union bargaining unit members to commence participation in the DBplus component of the Colleges of Applied Arts and Technology Pension Plan (“**CAAT DBplus**”) on January 1, 2021.
3. The Participation Agreement was amended by an Amending Agreement dated January 6, 2021 (the “**Amending Agreement**”) to add the definition of “Annual Earnings” to Exhibit 1 of the Participation Agreement, for purposes of clarifying the contributions required to be made to CAAT DBplus in respect of the Union bargaining unit members.
4. The Union filed the following grievances with respect to the transition of Union bargaining unit members from the defined contribution component of the Greater Toronto Airports Authority Employees’ Pension Plan (the “**DC Plan**”) to CAAT DBplus (the “**Transition**”):
 - (a) Grievance No. 333-01-21 dated January 21, 2021 regarding Employer contributions to CAAT DBplus;
 - (b) Grievance No. 333-21-21 dated May 7, 2021 regarding the transfer of eligible participating employees’ account balances held under the DC Plan to CAAT DBplus;(collectively, the “**Grievances**”).
5. The Employer has denied the Grievances; and

6. The Employer and the Union mutually desire to fully and finally resolve the Grievances and any and all issues relating to the Transition by entering into this Memorandum of Settlement (the “**Agreement**”).

THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. Effective January 1, 2023, the fixed contribution rate to CAAT DBplus for both the Employer and the participating employees pursuant to Article 28:09 (the new Article 28:08(b)) of the Collective Agreement and the Fixed Employer Contributions and Employee contributions in paragraph (5) in Appendix K of the Collective Agreement shall be changed to “6.75% of “**Pensionable Earnings**”, which shall be defined as: base salary, retro pay, acting pay, bilingual bonus, maternity leave top-up, and instructor premium received by a participating employee and excludes any and all other monies which are received by a participating member from the Employer that are not specifically and explicitly set out in this definition.”
2. The Employer shall:
 - (a) Immediately commence work upon the signing of this Memorandum of Settlement, towards an amendment to the DC Plan which permits eligible participating employees:
 - (i) to make a one-time election to opt out of and cease membership in the DC Plan, including delivery of the necessary forms to the Employer, no later than **sixty (60)** days after the amendment is finalized and filed with the Office of the Superintendent of Financial Institutions (the “**Opt Out Election**”), with cessation of membership to be effective as of the day immediately following the completion of the sixty (60) day period during which an Opt Out Election may be made (the “**Membership Termination Date**”); and
 - (ii) who make an Opt Out Election to make a further one-time election, including delivery of the necessary forms to the Employer, no later than ninety (90) days after the Membership Termination Date, to transfer all of their account balances held under the DC Plan from the DC Plan:
 - (A) to CAAT DBplus, subject to the agreement of the CAAT Board of Trustees, in order to pay for purchased pensionable service with the Employer thereunder as the purchase price of such pensionable service is determined by the administrator of CAAT DBplus; or
 - (B) pursuant to the transfer options required by the *Pension Benefits Standards Act, 1985* (Canada), to a life insurance company to purchase an annuity or to another registered plan(the “**Transfer Election**”); provided that if an eligible participating employee elects the transfer option under (A) and his or her account

balance under the DC Plan exceeds the amount required to purchase periods of past service with the Employer under CAAT DBplus, only the transfer options in (B) shall be available in respect of any such excess amount;

- (b) upon such amendment being made:
 - (i) promptly establish a process for each eligible participating employee to make and deliver to the Employer the Opt Out Election; and
 - (ii) as soon as possible after the Membership Termination Date, permit each eligible participating employee who makes and delivers to the Employer the Opt Out Election to make and deliver to the Employer a Transfer Election,

the Employer's expectation being that transfers out of the DC Plan pursuant to the Transfer Elections may be effected by the end of May 2022. The Employer wishes for the transfers of account balances to be effected by the end of May 2022; however, it is acknowledged and agreed that the transfers may occur before, in or after May 2022, based upon factors outside the control of the Employer including but not limited to the timeliness of any required amendments to the Employer's Participation Agreement with the administrator of CAAT DBplus, regulatory approvals, the timeliness of each eligible participating employee in making the requisite elections and the ability of the administrator of CAAT DBplus to accommodate the transfers by the end of May 2022.

3. The Union hereby agrees that the Employer may process the Transfer Elections in a timeframe determined by the Employer, including without limitation processing all Transfer Elections upon expiry of the time for eligible employees to make a Transfer Election.
4. The change in the fixed Employer and employee contribution rates under CAAT DBplus referred to in paragraph 1 and the right of an eligible participating employee to elect a transfer of his or her account balance to CAAT DBplus referred to in paragraph 2 are each subject to any required regulatory approvals and the consent of the CAAT Board of Trustees, including but not limited to any required amendments to the Participation Agreement (including the definition of "Annual Earnings" in Exhibit 1 thereunder) and the definition of "Annual Earnings" in the CAAT DBplus plan text as it pertains to the Employer to give effect to the definition of Pensionable Earnings set out in paragraph 1.
5. Other than as agreed to in paragraphs 1 and 2, the remainder of Article 28:09 (the new Article 28:08(b)) of the Collective Agreement and Appendix K of the Collective Agreement shall remain unchanged.
6. References to "eligible participating employees" and "employees" in this Agreement shall be restricted to persons who are Union bargaining unit members.
7. Upon execution of this Agreement, the Union hereby withdraw the Grievances. The Union accepts that the terms of settlement contained in this Agreement constitute a

complete and final resolution of all issues raised in the said Grievances and the facts surrounding the Grievances, as well as all issues between the Employer and the Union regarding CAAT DBplus to the date hereof.

8. The Employer does not, by entering into this Agreement, admit to any wrongdoing or liability, such being specifically denied.
9. This Agreement is without prejudice to the rights of the Union and the Employer in any other matter and shall not be used as a precedent in any other grievance or matter between them.

AGREED AND EXECUTED:

On behalf of the Employer

On behalf of the Union

Name (Signature)

Name (Signature)

Name (Print)

Name (Print)

Date

Date

Name (Signature)

Name (Print)

Date