

Letter of Agreement
Between
United Steelworkers Local 6571 (the "Union")
-and-
Gerdau – Whitby (the "Company")

Effective upon the signing date of this document, the parties to the Collective Agreement agree that the following guidelines will apply when determining the eligibility and entitlement of employees to the respective Retirement Allowance/Buyout. The layout of this document is in a question and answer format in an effort to provide a clear explanation and a better understanding of the process.

What is the Retirement Allowance/Buyout?

The Retirement Allowance/Buyout is part of the Collective Agreement. For each year of the current contract, there will be seven (7) \$25,000 allowances paid to employees that are retirement eligible.

What happens if not all of the Retirement Allowances are issued?

If there are unused allowances in any year of the contract, as per the Collective Agreement, they will roll-over to the following year.

What does it mean to be retirement eligible?

As per the *Pension Plan for Hourly Rated Employees of Gerdau – Whitby Division*, Section 8.03, employees can retire with an unreduced early retirement benefit in accordance with Section 7.02 of the Plan if his credited service totals 30 years or more and he is 55 years of age.

The "Plan" also includes a "window" provision that allows employees, regardless of their age, to retire as long as they have attained 30 years of credited service on or before their actual retirement date. Employees that require the "window" to retire will be required to submit their application to retire during the three (3) month period between October 1 and December 31.

How do I apply to be considered for a Retirement Allowance/Buyout?

Employees that want to be considered for a Retirement Allowance/Buyout must sign off on their intention to retire with a representative of the Human Resources Department between October 1st and October 31st of each respective year of the current Collective Agreement.

Do I have to retire between a specific period of time?

Yes. Employees that want to be considered for the Retirement Allowance must have an actual retirement date between November 1st and March 1st of the following year.

When will employees be notified if they will be awarded a Retirement Allowance?

The Human Resources Department will compile a list of all employees that submitted their name to be considered for a Retirement Allowance on November 1st each year. This list will be reviewed with the Joint Pension Committee and the Retirement Allowances will be awarded based on plant seniority, as per the Collective Agreement.

When will the Retirement Allowance be paid?

Retirement Allowances will be paid following the employee's actual retirement date. The employee will have the opportunity to direct all or a portion of the allowance into an RRSP.

What if I rescind my application to retire?

In accordance with the application of the Pension Plan, employees that rescind their application to retire must do so prior to commencing their 4 weeks of pre-retirement vacation.

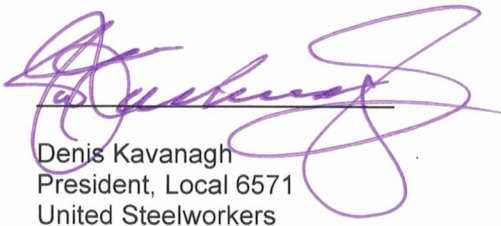
Employees that are awarded a Retirement Allowance will have one opportunity to subsequently make the decision to rescind their application to retire.

Should an employee make the decision to rescind their application to retire, the respective Retirement Allowance shall be offered to the next senior employee(s) among those who were not successful when applying for the Retirement Allowance.

Employees with questions or concerns should speak directly with one of the members of the Joint Pension Committee:

Denis Kavanagh, John Catto or Ben Burghout for the Union and Natasha Cotter or Victoria Charette for the Company.

DATED AT WHITBY THIS 20th DAY OF SEPTEMBER 2018.


Denis Kavanagh
President, Local 6571
United Steelworkers


Natasha Cotter
Human Resources Manager
Gerdau - Whitby