

TransAlta™

COLLECTIVE AGREEMENT

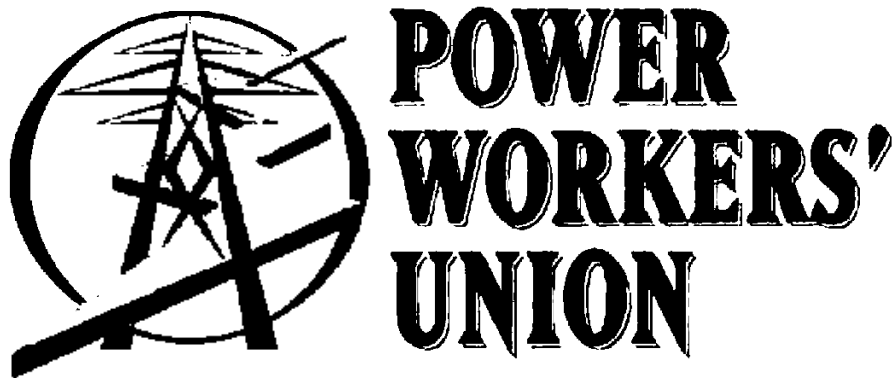
BETWEEN

TRANSALTA GENERATION PARTNERSHIP O.H.S.C. OTTAWA

AND

POWER WORKERS UNION (PWU) – CUPE Local 1000

EFFECTIVE JANUARY 1, 2016 – DECEMBER 31, 2018



COLLECTIVE AGREEMENT

Effective January 1, **2016** to December 31, **2018**

between

TransAlta Generation Partnership O.H.S.C Ottawa
hereinafter designated and referred to as the "Company"

And

Power Workers' Union – CUPE Local 1000
hereinafter designated and referred to as the "Union"

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Article 1 – Purpose

The Company and the Union, working together, are in the competitive business of supplying safe, environmentally sensitive, electrical and thermal energy to varied customers, including hospitals. The Company and Union are committed to developing and maintaining accountable, knowledgeable and healthy employees, aligned with the business objectives, to achieve success. To these ends, it is in the best interests of the Company and the Union to direct their respective efforts towards the safe, efficient and economical operation of the Company's business.

This agreement recognizes and accepts the principles and spirit of teamwork, accountability, respect, integrity and loyalty. It is recognized that successful employer-employee relations must be mutually advantageous, fair, just and of the same spirit of cooperation and friendliness with which this agreement was reached.

Article 2 – Union Recognition

The Company recognizes the Union as the sole and exclusive collective bargaining agent for all employees of the Company in Ottawa, Ontario save and except Assistant Plant Manager, those above the rank of Assistant Plant Manager, Planner/Supervisor and office staff.

Article 3 – Management Rights

The Union recognizes the right of the Company to hire, promote, transfer, discharge, suspend, or otherwise discipline any employee for just cause, subject to the right of the Union to challenge such decisions throughout the grievance/arbitration procedure. The Union further recognizes the right of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities.

Article 4 – Union Representatives

The Union will designate Accredited Union Representatives to handle the administration of this Agreement. Such representatives will be free to visit the OHSC and to conduct normal Union business associated with the administration of this Agreement. The Union undertakes that these representatives will not unduly interfere with work at OHSC.

The Union will designate and the Company shall recognize a Steward and alternate, who shall be from the bargaining unit. The Union reserves the right to remove any Steward or alternate. The Union will notify the Company of the names of such Steward and alternate.

Such Steward and alternate shall be allowed sufficient time with no loss of pay to see that the provisions of this Agreement are observed.

Such Steward and alternate will be responsible for their regularly assigned work on behalf of the Company.

Article 5 – Union Security

All employees, all new employees, and all employees who are not members at the time this Agreement becomes effective but who become members of the Union subsequent to the effective date shall be members of the Union and shall as a condition of employment, maintain such membership. There are no obligations on the Company which conflict with Section 51 (2) of the Ontario Labour Relations Act. In all cases for employees in the Collective Bargaining Unit as defined in Article 2, the Company shall be responsible for the signing of dues authorization and shall deduct from the semi-monthly wages of each employee, an amount equal to the weekly union dues time 52 divided by 24 in effect at the time and shall transmit the monies so deducted to the Secretary-Treasurer of the Union at the times designated by the Union.

Article 6 – Successor Rights

In the event that the Company sells or merges or amalgamates with any other body, or transfers any part or all of its business to another body, the Company undertakes to ensure that the Employer(s) to whom the business is transferred (New Employer) will be bound by this Collective Agreement; and the Union will continue to be the bargaining agent for the employees of the Employer(s) to whom the business is transferred, as described in the Ontario Labour Relations Act as it exists on the date of signing this Collective Agreement.

Should any union file any application at the Ontario Labour Relations Board in an effort to gain representation rights for employees of the New Employer, neither the Company nor the New Employer shall take any position in such proceedings other than to recognize any right of the PWU to represent the employees.

Article 7 – No Strikes and Lockouts

The Union agrees that neither it, nor its representatives will, during the term of this Agreement, authorize, cause, condone, sanction or take part in any strike, and the Company agrees that it will not cause or direct any lockout of its employees for the duration of this Agreement.

Article 8 – No Discrimination

There shall be no discrimination, interference, restraint or coercion by, or on behalf of the Company regarding any employee because of membership in the Union.

The Company and the Union further agree there shall be no discrimination against any employee for any reason prescribed by the Ontario Human Rights Code.

Article 9 – Mid Term Agreement

This Collective Agreement may be amended at any time with the agreement of the Company and the Union.

Article 10 – Grievance/Arbitration

It is the mutual desire of the parties that any complaint shall be dealt with as quickly as practicable, with full discussion and disclosure in an attempt to avoid the need for a formal grievance.

A formal grievance may be submitted by the Union to the **Plant Manager**, or his designate, within **10** business days after the unresolved issue has been identified. The **Plant Manager** or designate, will meet with the Union, and if applicable, the employee involved, to discuss and resolve the issue. The **Plant Manager**, or designate, will render a decision within **10** business days following the day on which the written grievance was presented to him.

Failing settlement, the grievance may proceed to Arbitration, if requested by either party. The parties shall jointly name a single arbitrator. In the event that the parties cannot agree on the naming of an Arbitrator, the Ontario Labour Relations Board shall appoint an Arbitrator. The Arbitrator shall hear and decide the case within 30 days after receipt of notice to Arbitrate.

The parties shall each pay one-half of the expenses of the arbitrator. The regular salary for the local Union representative and the employee related to the steps 1 will be the responsibility of the Company.

No employee shall be disciplined in any manner, demoted, suspended or discharged except for just cause.

Article 11 – Seniority

Seniority is bargaining unit wide and accumulation of seniority shall begin on the date of commencement of employment in the Bargaining Unit. The parties recognize that accumulation of seniority for existing OHSC employees begins with the date of hire with the Company.

Employees of the Company who are transferred to OHSC from other Company facilities shall start employment with no seniority. All service credits acquired for all other purposes by the employee shall continue at OHSC.

Seniority shall cease for any of the following reasons:

If the employee quits, retires, or is terminated for just cause and the termination is not reversed through the grievance procedure.

Article 12 – Selection

Consideration will be given to regular employees for local vacancies who meet the minimum qualifications and have the ability to perform the work.

In the event that qualifications and ability to perform the work are relatively equal, seniority shall govern.

Qualified temporary employees will be given fair and objective consideration for local vacancies.

Article 13 – Regular, Probationary, Temporary Employees

Regular Employees

Regular employees are those employees who have successfully completed the probationary period.

Probationary Employees

Both parties agree that the business requires highly motivated and skilled employees working as part of a team. To that end, new employees shall be required to serve a probationary period of 6 months. A probationary employee is always hired with the intention of making him/her a regular employee at the satisfactory conclusion of the 6 month probationary period. During that period, the Company will assess whether an employee is suitable to be retained.

Temporary Employees

Temporary employees may be hired for periods up to 9 months to perform work, which would normally be performed by the regular employees. At the request of the company, the union may grant extensions to the temporary work period beyond 9 months.

In the event that a temporary employee is selected as a probationary employee 50% of the time worked as a temporary employee will count towards their probationary period.

Article 14 – Vacation

Vacation entitlement shall be 4 weeks (160 hours) for every regular employee. Vacation entitlement is earned from January 1 to December 31. Vacation may be taken from the commencement of the entitlement period (calendar year). In the event that an employee ceases employment at some time during the calendar year, he/she shall only be entitled to the pro-rated amount earned to the date of termination. Employees hired during the calendar year earn vacation on a prorated basis.

Individual Time Off (ITO):

In addition to the 4 weeks vacation each regular employee may take up to 5 paid days off (40 hours), per year. Employees who work a portion of a calendar year are eligible for ITOs on a pro-rated basis.

Article 15 – Continuous 12-hour Shift Vacation

Employees who regularly work a continuous 12-hour shift schedule are eligible for additional paid vacation time off as follows

After 1 year continuous shift	8 hours maximum
After 2 years continuous shift	16 hours maximum
After 3 years continuous shift	24 hours maximum
After 4 years continuous shift	32 hours maximum
After 5 years continuous shift	40 hours maximum

Article 16 – Holidays

The Company recognizes and pays for the following holidays for each employee: New Year's Day, Family Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day.

Employees who regularly work a continuous 12-hour shift schedule and are scheduled off on any of the holidays shall receive an additional 12 hours pay.

Employees who are scheduled on vacation when a holiday occurs will not have their vacation balance reduced for that day.

Article 17 – Hours of Work and Overtime

The Company and the Union agree that flexibility in work schedules benefits both the employee and the Company. The nature of the business requires regular periodic maintenance shutdowns that are generally scheduled on weekends.

Employees may be assigned to either work a continuous shift schedule comprised of 12-hours shifts or a work week consisting of 5 x 8 hour day shifts Monday to Friday (40) hours or a combination of both to facilitate training, vacation and any other absences. Start and stop times are as flexible as circumstances permit.

Any request to change any employee's regular work schedule will be discussed with the affected employee(s) and the Union at least 5 calendar days in advance.

The first two shifts of the altered work schedule will be paid at overtime rates if there was insufficient notice.

Subject to the above and exceptions noted below, an employee, normally scheduled to an 8-hour day, will earn overtime at the rate of double time (regular salary/2080*2) for all work performed over and above 8 hours of work per day, including travel time if called in, and all work performed on Saturday, Sunday and Statutory Holidays

Subject to the above, and exceptions noted below, an employee, scheduled to 12-hour shifts, will earn overtime at the rate of double time (regular salary/2080*2) for all work performed over and above his regular schedule, including travel time if called in, and all work performed on Statutory Holidays and scheduled days off.

Travel time outside normal working hours will be paid out at two times (2) regular rate of pay.

Exceptions to overtime:

All employees will be paid regular time rates for all time spent in non-mandatory training and for attendance at staff meetings.

Mandatory training will be paid at double time.

All employees will be paid at regular time rates for all reasonable travel time, required for training and all reasonable travel time required to attend staff meetings.

Employees of regular 12-hour continuous shift schedule are entitled to two additional, paid shifts off and 24 hours lieu after every 12 weeks of continuous shifts. If this cannot be achieved, overtime earned can be taken as pay, lieu time, or a combination thereof, within reasonable limits.

When an employee's scheduled day is an 8 hour shift and the employee provides the first 8 hours of vacation coverage for a 12 hour shift, the remaining 4 hours of required coverage will be paid at regular overtime rates.

Subject to company approval, employees working straight days may request an alternate work schedule that may include 9 or 10 hour days Monday to Friday. Alternate work schedules may be for specific periods of time designated at the sole discretion of the Company.

Article 18 – Standby/Callout

The I/E Specialists will provide 24-hour standby coverage each day. Coverage over 50 percent of the days in a given year must be with mutual agreement between the employee and the company

The Mechanical Specialist will provide 24-hour standby coverage for a minimum of 50 percent of the days in any given year. Any coverage over 50 percent must be with mutual agreement between the employee and the company.

Qualified OHSC employees will be canvassed at the beginning of the year to identify availability for standby/callout requirements not covered by the I/E Specialists or Mechanical Specialists.

The employee on standby must be available and able to be on site within a reasonable time from being called.

The employee on standby will earn 1 regular hour of pay for each day of coverage Monday to Friday and 2 hours of regular pay for each day of coverage for Saturday, Sunday, and Statutory Holidays.

An employee, responding to a callout will earn 2 times the regular rate for all time worked including reasonable travel time to and from the workplace, with a minimum of 4 hours regular pay.

An employee, responding to a callout from another TransAlta site with less than 24 hours notice, will earn 2 times the regular rate for all reasonable travel time to the workplace.

Article 19 – Reduction of Staff

In the event that during the term of this agreement a reduction of regular employees is necessary the Company will give the Union a minimum of 3 months notice of such reductions. Prior to any actual reductions in staff the Company and the Union will meet to discuss the establishment of the appropriate procedures with respect to this issue like displacements, layoff/recall, severance, transfer to other Company facilities and any other alternatives.

Reductions of staff will be achieved through attrition or volunteers to the extent possible.

If there are any unresolved issue(s) regarding the appropriate procedures after the abovementioned discussions have taken place either party may refer any outstanding issue(s) to a mutually agreed to interest arbitration process.

Article 20 – Salary

Salaries will be paid as per the attached schedule.

Article 21 – Contract Term

This agreement is in effect from January 1, 2016 until December 31, 2018.

Salary Schedule 2016 - 2018

All employees will be paid on a salary basis calculated on 2080 hours/year as follows:	2016	2017	2018
Designated Shift Engineer (DSE Level1)	\$104,301	\$105,866	\$107,719
Designated Shift Engineer (DSE Level 2)	\$100,248	\$101,752	\$103,533
Assistant Shift Engineer,	\$94,709	\$96,130	\$97,812
Assistant Shift Engineer (Probationary)	\$89,974	\$91,324	\$92,922
Assistant Shift Engineer, Stationary Engineer 4 th Class	\$85,237	\$86,516	\$88,030
Day Shift specialist (Mechanical, Electrical, Instrumentation) Level 1	\$99,536	\$101,029	\$102,797
Day shift specialist (Mechanical, Electrical, Instrumentation) Level 2	\$90,378	\$91,734	\$93,339
Day shift specialist (Mechanical, Electrical, Instrumentation) Probationary	\$85,858	\$87,146	\$88,671

SALARIES:

A 0% increase to base salary, effective **January 1, 2016**, 1.5% effective **January 1, 2017** and 1.75% effective **January 1, 2018** of each year rounded to the nearest dollar as per the attached schedule.

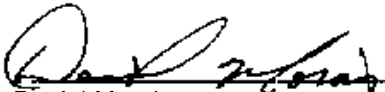
IN WITNESS WHEREOF, the Company and the Union have caused these presents to be executed by their duly authorized representatives on the **28th day of October, 2015**, at Ottawa, Ontario.

Signed on behalf of

Signed on behalf of

TRANSALTA GENERATION
PARTNERSHIP

THE POWER WORKERS' UNION
CUPE Local 1000



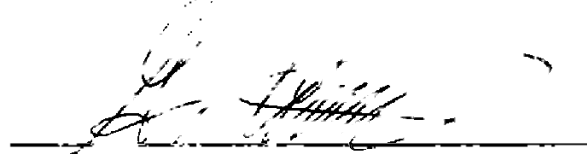
Daniel Morais
Plant Manager/Chief Operating Engineer,
Mississauga



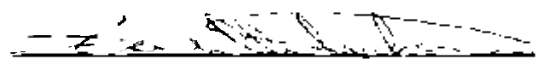
Bob Simpson
Principal Steward



Louis Lavoie
Plant Manager/Chief Operating Engineer,
Ottawa



Guy Asselin
Bargaining Committee Member



Rachelle Stenhouse
Manager, Human Resources, Gas, Renewables
& Operations Services



Brad Carrduff
Vice-President Sector 2

NOT TO BE REPRODUCED IN THE COLLECTIVE AGREEMENT

Letters of Agreement

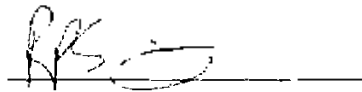
Mid-Term Agreement RE: Lead I&E Specialist and Lead Mechanical Specialist

In an effort to assist the Plant Manager during significant outages or when operational requirements dictate, the Company and Union agree to establish the position of Lead Specialist, subject to the following:

- a) The Lead Specialist will be appointed by the Company.
- b) The Lead Specialist will receive the equivalent of 15% of base pay on top of regular pay for all hours worked in this capacity.
- c) The position will be primarily on Day Shift consisting 5 x 8 hours days Monday to Friday, however the Lead Specialist may be required to cover occasional off-shifts as needed.
- d) The Company will establish the term of the position as required, however the assignment may be extended or reduced at Company discretion.

Dated at Ottawa, 8th day of October, 2015.

For the Union
(PWU, Local 1000)



Bob Simpson
PWU

For the Company
(TransAlta – O.H.S.C)



Louis Lavoie
Plant Manager/Chief Operating Engineer, Ottawa
TransAlta Generation Partnership

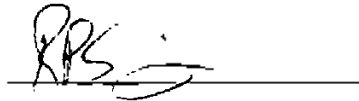
Mid-Term Agreement RE: Lead Operator

In an effort to assist the Plant Manager during significant outages or when operational requirements dictate, the Company and Union agree to establish the position of Lead Operator, subject to the following:

- a) The Lead Operator will be appointed by the Company.
- b) The Lead Operator will receive the equivalent of 15% of base pay on top of regular pay for all hours worked in this capacity.
- c) The position will be primarily on Day Shift consisting 5 x 8 hours days Monday to Friday, however, the Lead Operator may be required to cover occasional off-shifts as needed.
- d) The Company will establish the term of the position, as required, however, the assignment may be extended or reduced at Company discretion.

Dated at Ottawa, 8th day of October 2015.

For the Union
(PWU, Local 1000)



Bob Simpson
PWU

For the Company
(TransAlta – O.H.S.C.)



Louis Lavoie
Plant Manager/Chief Operating Engineer, Ottawa
TransAlta Generation Partnership

October 8, 2015

Continuation of Current Policies

Current policies that apply to employees in the PWU bargaining unit will continue to apply to the employees and will not be changed as a result of the implementation of this collective agreement. This does not prohibit changes to the policies for other reasons. It is understood that this letter does not provide grievance rights to company policies.

Signature:

A handwritten signature in black ink, appearing to read 'Louis Lavoie', is written over a solid horizontal line.

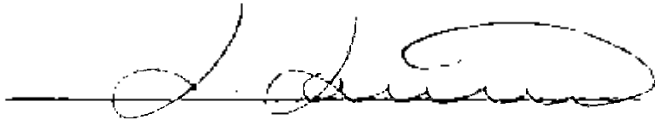
Louis Lavoie
Plant Manager/Chief Operating Engineer, Ottawa
TransAlta Generation Partnership

October 8, 2015

Pension and Benefits Advisory Committee

The company agrees to provide a position on the Pension and Benefits Advisory Committee to an employee in the PWU bargaining unit as designated by the Union. The scope of committee discussion includes pension and benefits including salary maintenance policies.

Signature

A handwritten signature in black ink, appearing to read "Louis Lavoie", written over a horizontal line.

Louis Lavoie
Plant Manager/Chief Operating Engineer, Ottawa
TransAlta Generation Partnership

October 8, 2015

LETTER OF AGREEMENT

The following guidelines will be used should TransAlta be required to manage the shift schedule.

Banked Time – Day Shift Specialist

The following Banked Time agreement shall take effect on **January 1, 2016** and shall remain in effect until **December 31, 2018**. This agreement shall apply to all PWU represented employees as follows:

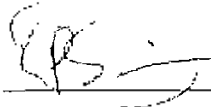
An employee who has accumulated overtime hours shall receive this in earnings or may elect to bank the overtime hours.

The banked hours will be taken at a time which is mutually agreeable to the company and the employee. Banked time cannot be taken when overtime is required to cover the shift that the individual is requesting off.

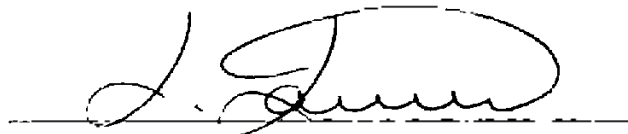
The employee can bank up to **60** hours and can only renew the **60** hours or a portion thereof after it has been used for time off or paid out

An employee may carry over up to **24** hours of banked time **at the rate it was earned** into the following year. Any banked time in excess of **24** hours will be paid out

Signatures:



Bob Simpson
PWU



Louis Lavoie
Plant Manager/Chief Operating Engineer Ottawa
TransAlta Generation Partnership

OHSC Overtime Sharing

Overtime coverage will be determined, where possible, using the following guidelines. These are guidelines only.

1. Overtime will be evenly distributed where reasonably possible among all employees provided they are able to satisfactorily perform such work.
2. Overtime will be offered to the employee having the lowest overtime hours performing the craft under which the normal work falls (example: a vacant assistant shift engineer's shift would first be offered to the engineer having the least overtime hours, then the engineer with the next lowest hours, and finally the day specialist with the lowest overtime hours, provided they are qualified (another example: a mechanical failure requiring a call in (other than the regular call-in procedure) would first be offered to the craftsman under which the job falls having the least overtime hours, then the next least hours, and finally other workers trained for the task having the least overtime hours). Nothing in these guidelines will prevent any employee who is working in the plant from performing any work if they are qualified to do so.
3. Overtime worked in another plant will be considered as worked at OHSC for overtime sharing.
4. For shift workers, the shift schedule will not be altered for the sake of overtime equalization.
5. Lieu time will be considered as overtime for overtime sharing
6. On call pay will not count as overtime.
7. Statutory holiday pay will not count as overtime
8. An Overtime equalization list will be maintained as part of the time sheet.
9. Shift workers called to provide coverage for a shift vacancy with less than 24 hours notice will receive travel time

Signatures:



Bob Simpson
PWU



Louis Lavoie
Plant Manager/Chief Operating Engineer, Ottawa
TransAlta Generation Partnership

OHSC Vacation

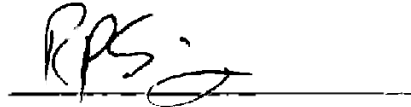
Vacations will be scheduled using the following points as guidelines only. The safe and efficient operation of the plant must be maintained at all times.

1. Vacation requests should be submitted within reasonable time to allow regular time coverage wherever possible, and must be approved by the **plant manager**. When such a request is submitted, the **plant manager** will render a decision as soon as possible. Plant requirements must be considered when the **plant manager** determines if a vacation request can be approved.
2. **June**, July and August will be considered "Prime Time". All vacation requests for prime time must be submitted by April **1st**. All reasonable efforts will be taken by the employees and management to fulfill vacation requests during "Prime Time." Vacation will be granted based on seniority where there is a conflict. Prime Time vacation requests after April **1st** will be granted on a first come first serve basis.
3. Employees, with input from the **plant manager**, will develop a prime time vacation schedule by **April 15th**. All reasonable efforts will be taken to have the "Prime Time" vacation planner and schedule approved by the **plant manager** by **April 30th**. All reasonable cost saving measures will be employed.
4. Vacation coverage will be divided as evenly as possible between employees. No one should be forced to work more than their share, but if mutually agreed with other members, one is free to voluntarily cover more shifts. If employees cannot agree on coverage, the **plant manager** can and will delegate who will cover specific shifts or if coverage cannot be arranged the vacation request will not be approved.
5. Overtime costs should not be a reason to refuse vacation although all reasonable efforts must be exercised to keep cost under control (day specialist covering A.S.E. day shifts, one man shifts, etc.).
6. No employee should be forced to change crew assignment for vacation coverage; the normal shift schedule should remain intact. However, there may be instances where such an arrangement may be voluntarily accepted (two members of the same crew want the same day off, one of the adjacent crew staff covers first crew).
7. All employees should be entitled to a minimum two (2) consecutive weeks vacation during "Prime Time". Some may prefer to take shorter and more frequent periods and may do so as long as there is no negative impact on other employees, i.e. taking every prime time weekend off will only be permitted if other staff members volunteer coverage or under single man operation. If there is no scheduling conflict and overtime is kept at a reasonable level, a third week of prime time can be authorized by the **plant manager**.

8. Vacations will not regularly be granted during the Christmas period (December 15 to January 7th). Coverage should be on a voluntary basis for this time of year. The **plant manager** must approve exceptions.

9. Vacations will not regularly be granted during plant maintenance outages of more than one week. Coverage should be on a voluntary basis for this time of year. The **plant manager** must approve exceptions

Signatures:

A handwritten signature in black ink, appearing to read 'RPS', written over a horizontal line.

Bob Simpson
PWU

A handwritten signature in black ink, appearing to read 'L. Lavoie', written over a horizontal line.

Louis Lavoie
Plant Manager/Chief Operating Engineer, Ottawa
TransAlta Generation Partnership

October 8, 2015

Bonus for 1st Class Operating Engineer Ticket – Acting Chief Engineer

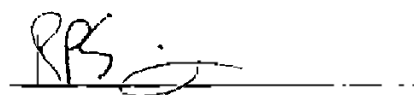
The Company has a requirement to ensure the availability of a 1st Class Operating Engineer at all times during the operation of the Ottawa facility.

The Company and Union agree to the following:

- In December, the Plant Manager will canvass Competent 1st Class Operating Engineer ticket holders to cover as Acting Chief Engineer.
- Interested competent candidates will be required to sign off on their commitment to assume the Acting Chief Engineer responsibilities and such commitment will last for 1 calendar year.
- Competent 1st Class Operating Engineer ticket holders will receive, as compensation, \$240 per month for agreeing to be available to cover as Acting Chief Engineer.
- The opportunity to perform the responsibilities will be shared amongst competent interested 1st class ticket holders.
- The period for which an interested employee will be required to perform the duties will be mutually agreed between local management and the employee affected. **However, it is expected that a total of up to two consecutive weeks of prime time vacation will be covered.**
- Current recipients of any other ticket bonus are not eligible for the ticket bonus to cover as Acting Chief Engineer

This agreement will continue for the life of the collective agreement

Signatures



Bob Simpson
PWU



Louis Lavoie
Plant Manager, Chief Operating Engineer, Ottawa
TransAlta Generation Partnership

October 8, 2015

Two-Ticket Bonus and Plant Incentive Plan

This letter is to confirm that the existing plant incentive plan of 14.2% consisting of 8% plant performance and 6.2% merit, will be continued until **December 31, 2018**

The existing two ticket bonus of \$240.00 per month will remain in effect until **December 31, 2018**.

The following outlines the calculation for the plant performance component of the bonus. It is understood that if changes are made to the calculation, employees will be notified prior to the calendar year.

Ability to meet plant availability without incurring undo coverage costs:	2%
Production:	2%
Safety:	1%
Revenue:	1%
Cost Savings:	2%

Signature:



Louis Lavoie
Plant Manager, Chief Operating Engineer, Ottawa
TransAlta Generation Partnership

Operator Shift Vacancies On-Call Coverage

As the Ottawa facility is now a 'peaker' plant operation, on-call coverage will be required to cover Operator **shift vacancies such as:**

- **Vacation**
- **ITO**
- **Limited lieu time (3 shifts)**
- **Bereavement leave**
- **Approved Medical Leave**

The Company and Union agree to establish the following procedure to ensure adequate coverage:

- When Operator **vacancies are** scheduled, off-shift Operators must sign-up to provide on-call coverage for **all** open shifts.
- **Operator on-call/standby coverage for lieu time will be voluntary.**
- **Up to 3 lieu time shifts per Operator can be covered with on-call.**
- Daily plant operation requirements will be known one day in advance by 5:30 p.m. The coverage Operator will be notified by the Shift Operator by text or phone whether they are required and at what time. All employees are required to keep their contact information up to date.
- Should the plant not be scheduled to run one day in advance, the Operator covering the **shift vacancies** will remain 'on-call'. If the Operator does not receive a 'call-in', they will receive two (2) hours pay at straight-time as a 'call-in' allowance. If the Operator is required to work, he will receive two (2) hours pay at straight-time as a 'call-in' allowance, plus applicable overtime rates for hours worked.
- Overtime worked & on-call pay can be taken as lieu time.
- When the plant is scheduled to run, a coverage Operator is required to be at the plant a minimum of four (4) hours in advance of the scheduled run time.
- Should Operator coverage be required across a scheduled shift change, the first coverage Operator will work until the shift change, but will be paid a minimum of four (4) hours at the applicable overtime rate. The second coverage Operator will report at the regularly scheduled shift start time.
- If two Operators are scheduled to work and the plant is not dispatched to run, one Operator has the option of using Lieu-time, Vacation or ITO.
- Lieu-time will not be covered with overtime.

- **Should operator coverage be required for scheduled lieu time the shift will be canceled or converted to vacation therefore assuring that no overtime costs are associated with lieu time coverage.**
- **Shift workers called to provide coverage for a shift vacancy, who are not receiving the on-call premium, with less than 24 hours notice will receive travel time.**
 - **TA-001 will be withdrawn.**
- This policy can be cancelled upon the request of either management or the Power Workers' Union. It is expected that either party considering notice to cancel this arrangement shall first discuss the issue giving rise to their concern with the other party. If the issue(s) cannot be resolved to the agreement of both parties within **180** calendar days notice, the party giving notice may cancel the Operator Vacation On-Call Coverage arrangement.

Dated at Ottawa, on the 8th day of October, 2015.

For the Union
(PWU, Local 1000)

For the Company
(TransAlta – O.H.S.C.)



Bob Simpson
PWU



Louis Lavoie
Plant Manager/Chief Operating Engineer, Ottawa
TransAlta Generation Partnership

Addendum:

The following items were discussed and agreed upon:

- Lieu time will not result in overtime being incurred.
- Operators will continue to schedule and arrange vacation coverage per current guidelines.
- Upon request, a maximum of 24 hours banked lieu-time may be paid out on the next pay period.
- Lieu time may not be taken in excess of banked hours (no negative balances).
- A maximum of 24 hours banked lieu-time may be carried over to the following year **at the rate it was earned.**

In the event the Company is required to manage the shift schedule:

-Lieu time will only be granted on a 'day before' basis after 5:30pm, once the plant is confirmed that it will not be dispatched the following day.

-Advance booking of lieu-time may be allowed through authorized 'mutuals' or when the person booking lieu-time is available to work if required.

-The employee can bank up to 60 hours, and can only renew the 60 hours or a portion thereof after it has been used for time off or paid out.

Letter of Understanding Between
TransAlta Generation Partnership

&

PWU

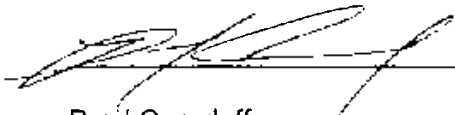
Re: Reduction of Plant Operators

In an attempt to manage disruption to the workforce, the parties agree to the following process in order to achieve a reduction of two operators.

- 1) Operators will receive an exit package outlining the terms of their offer by November 1st, 2015.
- 2) Operators will be able to review their packages and note their desire to accept by returning a signed release to the company no later than November 15th, 2015.
- 3) The two most senior operators (senior choice/junior force) who accept their offers through return of their release will be notified by December 1, 2015. The last date of employment for these two employees will be January 1, 2016.
- 4) Severance terms will be offered as Human Resource Policy 5.4.7-0, last revised on July 17, 2015.
- 5) Employees over the age of 55 will be eligible for retiree benefits up to age 65
- 6) Subject to approval by TransAlta, an employee entitled to severance pay may elect to take a lump sum severance payment, or severance may be divided into two (2) equal installments, the first on the date of termination (January 1, 2016) and the second on or about January 15, 2017 (the following year).

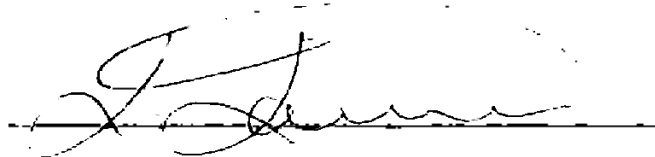
Dated at Ottawa, 15th day of October 2015.

For the Union
(PWU, Local 1000)



Brad Carnduff
Vice-President Sector 2

For the Company
(TransAlta – O.H.S.C.)



Louis Lavoie
Plant Manager/Chief Operating Engineer, Ottawa
TransAlta Generation Partnership