

**MEMORANDUM OF AGREEMENT
RETURN TO OPERATIONS**

Between:

GATEWAY CASINOS & ENTERTAINMENT LIMITED

(the “Employer”)

And:

**MOVE UP (CANADIAN OFFICE AND PROFESSIONALS EMPLOYEES UNION)
LOCAL 378**

(“MOVEUP”)

WHEREAS

- A. MOVEUP represents certain Surveillance employees under separate collective agreements (the “MOVEUP Collective Agreements”) at each of the following operations: Cascades Langley (“Langley”); and Cascades Penticton (“Penticton”); (collectively, the “Affected Operations”).
- A. The Government of British Columbia and/or the British Columbia Lottery Corporation (“BCLC”) ordered all casinos, restaurants and bars to temporarily close due to the COVID-19 pandemic (the “Order”), including the Affected Operations;
- B. The Employer complied with the Order, closed the Affected Operations, placed employees on inactive status and continued benefits for eligible employees;
- C. The COVID-19 pandemic and the Order have had a profound impact on the gaming and hospitality industry and on the Employer in particular, and this impact will continue for the foreseeable future, including after the Affected Operations are allowed to reopen;
- D. The parties would like to ensure that employees are provided with a range of options during this difficult time, both while the Affected Operations are closed and following their return to operations, and would also like to ensure such return to operations is effected in a manner which both respects the MOVEUP Collective Agreements and sets up the Affected Operations for renewed success; and
- E. The Federal Government has introduced the Canada Emergency Wage Subsidy (“CEWS”) to assist employees to remain on an employer’s payroll, and to assist an employer with the costs associated with keeping employees on payroll, whether employees are actively at work or on an inactive status;

NOW THEREFORE, all parties agree as follows, on a without prejudice and precedent basis to

any matters outside of those agreed to in this agreement (including but not limited to any future pandemic, natural disaster or otherwise):

Closure Leave

1. Subject to this agreement, employees are deemed to be on a Closure Leave from the date of closure of the Casino to the day after the later of the day the Order is vacated and the Province of British Columbia and BCLC permit the Employer to operate slots and bingo, at the Casino (the "Closure Leave Period"). For greater clarity, the Closure Leave Period will continue at the Affected Operations until such time as restaurants, tables, and slots are opened.
2. The Employer will continue to provide extended benefits for an employee on Closure Leave until August 31, 2020, after which time benefits coverage can be continued if the benefits premiums are paid for by the employee. The employee on Closure Leave will not be eligible for, nor covered by, any sick leave, nor will they be entitled to use, accrue or accumulate any paid leaves. Employee and Employer contributions to insured health plans other than the health and dental plan will not occur for employees on Closure Leave.
3. Employees are not on Closure Leave:
 - (a) at any time after the Closure Leave Period ends;
 - (b) when they are assigned to active duty at their respective casino ("Active Duty");
 - (c) when they elect or are assigned to paid inactive duty in accordance with this agreement ("Paid Inactive Duty"); or
 - (d) when they terminate the employment relationship voluntarily.
4. Employees who are not assigned to Active Duty or Paid Inactive Duty at the end of the Closure Leave Period, or who are not placed on Voluntary Leave, will be deemed laid off with all required notice and will have recall rights as set out in this agreement. For clarity, recall rights will begin immediately after the last day of the Closure Leave and will have the duration as set out in this agreement.

Voluntary Leave

5. At an employee's request, the Employer may grant an unpaid leave of absence of up to twelve (12) months' duration from the end of the Closure Leave Period ("Voluntary Leave"). Requests for Voluntary Leave must be made in writing. The Employer will exercise its discretion reasonably, having regard to the operational needs of the Affected Operations, any reason(s) the employee may provide for the leave request, and any other relevant consideration.

6. An employee who is on Voluntary Leave will not be entitled to recall rights for the duration of the Voluntary Leave.
7. At the end of the Voluntary Leave, an employee will be deemed laid off with all required notice and will have recall rights as set out in this agreement. For clarity, recall rights will begin immediately after the last day of the Voluntary Leave and will have the duration as set out in this agreement.

Paid Inactive Duty

8. The Employer will contact employees via its Dayforce Payroll System to offer the option of Paid Inactive Duty.
9. By no later than July 13, 2020, employees may elect in writing, as directed by the Employer, to be assigned to Paid Inactive Duty that will begin June 7, 2020. An employee on Paid Inactive Duty will be paid the lesser of:
 - (a) \$847.00 per week; or
 - (b) 75% of the employee's Baseline Remuneration as defined in the CEWS program (i.e. eligible pay received by the employee from the Employer from January 1, 2020 to March 15, 2020).
10. This payment is inclusive of any entitlement to vacation pay and statutory holiday pay and is paid to employees on each pay period, less applicable deductions. This payment will be prorated for the week that the Paid Inactive Duty begins or ends or is interrupted for any reason, if permitted by the CEWS program.
11. Union dues will be deducted from amounts paid to an employee on Paid Inactive Duty and will be remitted to MOVEUP in accordance with existing practice and the Collective Agreement.
12. If an employee is assigned to Active Duty, the Employer may also assign that employee to a Paid Inactive Duty that is effective the first day of the CEWS four (4) week claim period that the Active Duty assignment begins, or such other date as determined by the Employer within that same claim period. This Paid Inactive Duty will cease upon assumption of Active Duty.
13. If an employee was assigned to Active Duty that comes to an end, the Employer may assign that employee to Paid Inactive Duty without layoff notice for the remainder of the CEWS four (4) week claim period in which the Activity Duty ceased. Prior to the end of that claim period, the employee must elect to remain on Paid Inactive Duty or the employee will be placed on Closure Leave or, in the event that the Closure Leave Period has already expired, will be deemed to be laid off with all required notice and with recall rights as set out in this agreement, unless they request and are granted a Voluntary Leave.

14. Employees on Paid Inactive Duty may be required to participate in up to two (2) days of training in advance of a return to Active Duty. This training will be considered to be fully paid in the event the employee has received at least one (1) complete week of Paid Inactive Duty prior to the assignment to Active Duty. All other training will be paid for in accordance with the Collective Agreement.
15. Employees on Paid Inactive Duty are entitled to benefits continuation until August 31, 2020, and may elect to have such benefits continued thereafter at their expense. As there is no expectation of active work they will not be eligible for, nor covered by, any sick leave, nor will they be entitled to use, accrue or accumulate any paid leaves. Employee and Employer to insured health plans other than the health and dental plan will not occur for those employees.
16. Paid Inactive Duty is employment under the Collective Agreement and will not be considered a layoff for any purposes whether under the Collective Agreement or the *Employment Standards Act*.
17. Employees on Paid Inactive Duty must immediately advise the Employer if they obtain alternate employment, and will be removed from Paid Inactive Leave as of the date that alternate employment began and placed on Closure Leave, or in the event the Closure Leave Period has ended, will be deemed laid off with all required notice and will have recall rights as set out in this agreement.
18. Paid Inactive Duty will end for an employee as set out above or at the earlier of August 29, 2020 or the end of the final four (4) week period that the Employer is eligible for reimbursement under CEWS. The employee will then be placed on Closure Leave or, in the event that the Closure Leave Period has already expired, will be deemed laid off with all required notice and will have recall rights as set out in this agreement, unless the employee requests and is granted a Voluntary Leave.

Return to Active Duty

19. Any employee who returns to Active Duty at the Affected Operations will be compensated as set out in the Collective Agreement, including, but not limited to, all wages for hours worked, vacation pay, and health and welfare benefits.
20. Employees on Closure Leave, Paid Inactive Duty and layoff will be subject to recall to Active Duty in accordance with this agreement.
21. Employees on Paid Inactive Duty must report to Active Duty as assigned within 48 hours' notice of such assignment. All other employees shall be subject to the normal recall timelines set out in the Collective Agreement.
22. Notwithstanding that any employee recalled to Active Duty will be entitled to notice of recall as set out in this agreement, the Employer may ask the employee to waive such notice and if the employee does so, the employee may be returned to Active Duty and

to a shift prior to a more senior employee who was also recalled but elected to rely on the applicable notice entitlement (e.g. 48 hours' notice or the applicable notice in the Collective Agreement).

23. Notwithstanding the Collective Agreement, recall rights for the first instance of recall to Active Duty following reopening of the Affected Operations will continue for thirty-six (36) months. Once recalled to Active Duty, the recall period will revert to that established in the Collective Agreement or thirty-six (36) months from the date of reopening of the Affected Operations following the COVID-19 closure, whichever is longer.
24. Recall may be effected by telephone call or telephone voice message. Employees are responsible for ensuring they provide the Employer with current contact information to enable recall to Active Duty. The Employer will keep written records of any telephone calls or telephone voice messages left with an employee to effect recall to Active Duty. The Employer may also recall an employee by Registered Mail, in which case the date of recall shall be seven (7) days from the date the Registered Mail is sent.
25. Recall will occur by seniority within the classification, subject to the employee already having the required training, and having the skills and ability to do the job. For greater clarity, where there are specific functions within a classification which require specific training, skill and ability, then an employee may be recalled out of seniority order to meet the needs of the business. Failure to report to work once recalled will result in waiver of recall and seniority rights.
26. Notwithstanding the foregoing, the Employer recognizes the unique circumstances associated with COVID-19, and will in good faith consider requests for a leave of absence instead of recall. When such a leave is granted, the Employer will extend the recall period for that employee by the duration of the employee's leave.
27. Initial shift scheduling will be managed by the Employer. The Employer will schedule employees in successive two (2) week periods after reopening. Scheduling of hours will occur by seniority, subject to the employee having required training, skills and ability. The Employer reserves the discretion to schedule employees at particular times in a day or week, to ensure it can meet the needs of the business.
28. The parties agree to consult in good faith on implementation of shift picks, which they anticipate will begin between four (4) and twelve (12) months following reopening. Shift picks will be for six (6) months' duration, or such other period as agreed by the parties. The parties further agree to revisit the duration and timing of shift picks as required to meet the needs of the business. In consultation with MOVEUP, the Employer may implement different shift pick posting and selection processes than set out in the Collective Agreement or previous practice of the parties.
29. On a monthly basis following the first date that employees are recalled to employment under this agreement, or such other time as mutually agreed, the parties will review and

discuss the scheduling needs of the operation, for the purpose of determining in good faith whether changes should be made to the scheduling terms of this agreement.

Vacation

30. For the remainder of 2020, the Employer may allow employees to take vacation, including on a retroactive basis to mid March 2020, in its sole discretion. The Employer will exercise its discretion reasonably, having regard to operational requirements and other business concerns. Unused vacation time and pay will be carried into 2021.

Additional Terms

31. On return to operation the limit on Supervisors or Managers performing bargaining unit work will be applied only where the duration of such activity exceeds two (2) hours in length in any one shift.
32. Seniority will continue to accrue during the Closure Leave, any Voluntary Leave, a Paid Inactive Duty, Active Duty, and layoff contemplated by this agreement. Nothing in this agreement prevents or disentitles an employee from accessing any leave established under the *Employment Standards Act* whether such leave may occur during any Closure Leave, Voluntary Leave, a Paid Inactive Duty or while on Active Duty under this agreement.
33. Given that the effects of COVID-19 on the business are recognized to continue well into the future, no termination pay or notice in lieu shall be owed to any employees who are not returned to Active Duty prior to expiry of the employee's recall rights. The basis for such exemption is that the contracts of employment are impossible to perform due to COVID-19.
34. MOVEUP waives any entitlement or right to claim damages or other relief for the failure of the Employer to provide s. 54 notice in relation to the closure of the Affected Operations, the loss of employment of any its members following such closure, or the changed terms as set out in the agreement, and the parties agree that this agreement shall for all purposes be considered to be an Adjustment Plan as set out in the Code.
35. In the event that any of the Affected Operations are required to close again due to COVID-19, or in the event that operations are limited by the provincial government or BCLC, the parties agree to revisit the terms of this agreement in good faith. The parties further agree that in the event of a future complete or partial closure due to COVID-19, the layoff notice provisions of the collective agreement will not apply.

Dated at _____ this ____ day of _____, 2020

MOVEUP

Gateway Casinos & Entertainment Limited