

COLLECTIVE AGREEMENT

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS
VANCOUVER LODGE 692**

APRIL 15, 2011 TO AND INCLUDING APRIL 14, 2015

FINNING (CANADA)

TABLE OF CONTENTS

ARTICLE	PAGE NUMBER
1 BARGAINING AGENCY	6
2 DEFINITION OF BARGAINING UNIT EMPLOYEE	6
3 MANAGEMENT	7
4 WORKING CONDITIONS	7
5 HOURS OF WORK, SHIFT PREMIUMS, ETC.	8
6 OVERTIME	9
7 CALL TIME	10
8,9 WAGES	11
10 TRAVEL TIME	11
11 PREPARATION TIME	12
12 LAYOVER TIME	12
13 TEMPORARY TRANSFER	13
14 PERMANENT TRANSFER	14
15 STATUTORY HOLIDAYS	16
16 VACATIONS	17
17 INSURANCE COVERAGE	20
TRAVEL ACCIDENT	20
GROUP LIFE & A.D. & D	20
TOOL INSURANCE & TOOL ALLOWANCE	20
18 MEDICAL AND DENTAL COVERAGE	21
19 INCOME CONTINUANCE COVERAGE	22
20 SICK LEAVE	22
21 BEREAVEMENT LEAVE	23
22 JURY DUTY	23
23 UNION NOTICES AND SHOP STEWARDS	24
24 MOONLIGHTING	24

FINNING (CANADA)

ARTICLE		PAGE NUMBER
25	GENERAL PROVISIONS	25
	ARCTIC PARKAS	25
	COTTON GLOVES	25
	COVERALLS AND SMOCKS	25
	COLD WEATHER	25
	CUSTOMER ASSISTED REPAIR	25
	FIRST AID	26
	LUNCH ROOM	26
	COMPANY OWNED TOOLS	26
	HARD HATS & RAIN JACKETS	26
	SAFETY GLASSES	26
	SAFETY SHOES	27
	WELDING GLOVES	27
	TRAINING SESSIONS, MEETINGS AND INTERVIEWS	27
	WASH ROOM	27
26	SENIORITY AND LAYOFF	27
27	SEVERANCE	30
28	GRIEVANCES AND COMPLAINTS	31
29	ARBITRATION	31
30	DEFINITIONS OF CLASSIFICATIONS	32
31	APPRENTICES	35
32	SAVINGS CLAUSES	37
33	TECHNOLOGICAL OR PROCEDURAL CHANGES	38
34	CONTRACTING OUT	39
35	DEFINED CONTRIBUTION	40
36	DURATION OF AGREEMENT	40

FINNING (CANADA)

ARTICLE	PAGE NUMBER
<u>SCHEDULES</u>	
"A" WAGES AND CLASSIFICATIONS - MECHANICAL DEPARTMENT	42
"B" WAGE RATES FOR APPRENTICES	44
"C" WAGES AND CLASSIFICATIONS - PARTS DEPARTMENT	46
"D" WAGES - OIL LAB	48
"E" WAGES - TOOL LAB	49
"F" WAGES - FILTER CLEANING	50
"G" TUESDAY TO SATURDAY WORK WEEK	51
"H" HOUSING ALLOWANCE	52
<u>LETTERS OF UNDERSTANDING</u>	
LETTER OF UNDERSTANDING #1 – DEFINED BENEFIT PENSION PLAN	53
LETTER OF UNDERSTANDING #2 - TEN (10) HOUR SHIFTS	54
LETTER OF UNDERSTANDING #3 - BACKPACK RESPIRATOR	56
LETTER OF UNDERSTANDING #4 - JOINT SELECTION COMMITTEE	57
LETTER OF UNDERSTANDING #5 - SERVICE CHARGEHAND	58
LETTER OF UNDERSTANDING #6 - TRAINING & DEVELOPMENT	59
LETTER OF UNDERSTANDING #7 - FIRST AID TICKETS AND TRAINING	61
LETTER OF UNDERSTANDING #8 - BANKING OF OVERTIME HOURS	62
LETTER OF UNDERSTANDING #9 - JOINT SAFETY COMMITTEE	64
LETTER OF UNDERSTANDING #10 - BRIDGING OF BENEFIT PAYMENTS	65
LETTER OF UNDERSTANDING #11 – STUDENTS	66
LETTER OF UNDERSTANDING #12 – MODIFIED SHIFTS	67
LETTER OF UNDERSTANDING #13 – SENIORITY DURING CHANGE OF DEPARTMENT	70
LETTER OF UNDERSTANDING #14 – APPRENTICESHIP	71
LETTER OF UNDERSTANDING #15 – TRANSFER FROM ISOLATED BRANCHES	73
LETTER OF UNDERSTANDING #16 – HEAVY EQUIPMENT SERVICE DIPLOMA	74
LETTER OF UNDERSTANDING #17 – WAREHOUSE	76
LETTER OF UNDERSTANDING #18 – PERMANENT PART-TIME EMPLOYEES	77

COLLECTIVE AGREEMENT

BETWEEN: FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

(hereinafter called "the Company")

OF THE FIRST PART

AND: INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS, VANCOUVER LODGE #692

(hereinafter called "the Union")

OF THE SECOND PART

THIS AGREEMENT entered into this 15th day of April, 2011 to and including the 14th day of April, 2015.

WITNESSETH:

THAT in consideration of the mutual covenants and agreements herein set forth, the Parties hereto and the affected employees are mutually agreed as follows:

GENERAL PURPOSE:

The purpose of this Agreement is to maintain a harmonious relationship between the Company and its employees; to provide an amicable and equitable method of settling grievances or differences which might possibly arise, and to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement, and generally, to promote the mutual interest of the Company and its Employees.

WHEREFORE, the Union accepts the responsibility to bind its International and District Officers and Local Representatives to the observance of each and all of the provisions and conditions of this Agreement.

ARTICLE 1 - BARGAINING AGENCY

- 1.01** The Company recognizes the Union as the sole bargaining agency for its employees in the Province of British Columbia and the Yukon (except office staff, salespersons, and those excluded by the Labour Relations Act for the Province of British Columbia) as duly Certified under the said Act, for the purpose of collective bargaining with respect to rates of pay, hours of employment and all other working conditions.
- 1.02** The Representatives of the Union may have access to the Company's shops or yards by applying for permission through the Office, provided that workers are not caused to neglect their work.
- 1.03** The Company agrees that as a condition of continued employment, all employees who are or may be covered by the Certificate of Bargaining Authority issued to the Union by the Department of Labour of the Province of British Columbia and the Yukon must become Members of the Union within thirty (30) calendar days of commencing employment and remain Members during the life of this Agreement.

During the probationary period ninety (90) days the Company retains the right to dismiss the person and said person will not have access to the grievance procedure unless there is a claim of discrimination against them as defined by the Human Rights Code of British Columbia.

An employee re-entering the employment of the Company in the same classification after his/her right to recall has expired will not be subject to another probationary period as long as their absence does not exceed three (3) years.

- 1.04** All present and new full-time employees of the Company who are or may be covered by the Certificate of Bargaining Authority issued to the Union by the Department of Labour of the Province of British Columbia shall pay to the Union as a condition of employment, dues and Initiation or Reinstatement fees by payroll deduction, as may from time to time be established by the Union for its Members in accordance with its Constitution and/or Bylaws. It is further understood that dues and Initiation or Reinstatement fees shall be effective as and from the date of employment with the Company.

ARTICLE 2 - DEFINITION OF BARGAINING UNIT EMPLOYEE

- 2.01** The term "employee" as used in and for the purpose of this Agreement shall include all persons employed in the Company's operations and as covered by the Provincial Government Certification and without restricting the generality of the foregoing shall not include those having authority to hire and discharge employees, office workers, supervisory officials and salespersons.
- 2.02** Wherever the singular or masculine is used in this Agreement, it shall be considered as if

the plural or feminine has been used where the context so requires.

ARTICLE 3 - MANAGEMENT

- 3.01** The Union recognizes and agrees that the management and operation of Finning (Canada), A Division of Finning International Inc. and the direction of the working forces are vested exclusively in the Company.
- 3.02** The Company has and shall retain the right to select its employees, to hire, discharge, classify, transfer, promote, demote or discipline them provided that a claim of discrimination against any employee may be the subject of a grievance and be dealt with as hereinafter provided.
- 3.03** In the event that the Management, in agreement with the Union, decides to introduce an incentive payment plan to any section, department or branch, the rates herein will continue to be the basic rates payable to employees to whom opportunity is given to earn incentive payments under such a plan. The rates herein will continue to apply to all employees who are not offered opportunity to earn incentive payments, and the Management reserves the right to apply such an incentive plan to any section, department, branch or phase of work.

ARTICLE 4 - WORKING CONDITIONS

- 4.01** Employees shall take orders from their respective supervisor/chargehands, or from the general management when supervisors are not immediately available.
- 4.02** Employees shall observe the rules of the Company and shall perform a fair day's work in the category in which the employee is engaged and shall be subject to discipline by the Management for failure to do so.
- 4.03** Employees will not absent themselves from work without advising Management. Employees will not leave company premises during working hours without permission from the supervisor/chargehands. Failure to obtain permission shall be cause for disciplinary action.
- 4.04** No Supervisors or other employee will be allowed to use hand tools or carry out work which would be normally done by Machinists Union Members, except in the instructing or training of employees.
- 4.05** The parties agree that harassment will not be tolerated in the workplace. Every reasonable effort will be taken to insure no employee is subject to harassment in any form. Both parties will jointly co-operate in resolving complaints in a confidential and appropriate manner.

ARTICLE 5 - HOURS OF WORK

- 5.01** The starting and stopping time, as well as the meal period, shall be mutually arranged by the Company and the Union, it being understood that the meal period shall not be less than thirty (30) minutes.
- 5.02** Unless otherwise agreed to between the Company and the Union, the standard work day shall consist of eight (8) hours and the standard work week shall consist of forty (40) hours, Monday to Friday. The first shift shall commence between 6:00 A.M. and 8:00 A.M. Where there are business situations which require discussion and adjustment to hours of work, the Company and Union will meet to discuss appropriate schedule alternatives for that branch. See Schedule "G" for Tuesday to Saturday shift.
- 5.03** In cases where hours must be varied in customers' camps to comply with Provincial Fire Regulations, such work as is carried out under these conditions shall be at straight time for the first eight (8) hours.
- 5.04** If a second shift is employed, the hours of work shall be eight (8) hours per shift, for which a premium of Three Dollars (\$3.00) per hour shall be paid.
- 5.05** If a third shift is employed, the hours of work shall be eight (8) hours per shift, for which a premium of Five Dollars and Ten Cents (\$5.10) per hour shall be paid. The third (3rd) shift shall commence anytime after 4:00 P.M.
- 5.06** It is intended that every employee should have a full shift break between shifts. In the event that an employee is recalled to work before a full shift break occurs, he/she shall be considered as still working on his/her previous shift and shall be paid the appropriate overtime rates for work performed after recall.
- 5.07** No employee shall be permitted to resume work of his/her own accord until a full shift break occurs without permission of his/her supervisor. No employee shall be required to resume work until a full shift break occurs.
- 5.08** Clarification of Shift Break: Employees working overtime will not lose the time taken from their next regular shift to make up the eight (8) hour break.
- 5.09** Subject to exceptions set forth in this Agreement, any employee reporting for work on his/her regular shift shall receive a minimum of four (4) hours pay at his/her regular rate, provided that if four (4) hours work is not available at his/her regular job, he/she shall perform such temporary work as may be assigned to him/her to qualify for such pay.

Any employee completing the first half of his/her regular shift and who commences work on the second half of his/her regular shift shall receive his/her full pay for that shift.

- 5.10** (a) When it is necessary for an employee to be transferred from one shift to another shift, i.e. 1st shift to 2nd shift or vice versa) the Company shall give the employee seventy-two (72) hours notice prior to the changing of shifts. *If seventy-two (72) hours' notice is not provided, overtime rates as provided for in this Agreement will apply for the first day following the change.*

The shift will continue for a minimum of three (3) consecutive normal working days, or the overtime rates as provided for in this Agreement will apply, except in the case of an unforeseen natural disaster or general public emergency.

- (b) Any changes to shift schedules, where an employee's normal days of rest would be changed, shall be posted at least one (1) week in advance of such shift change.

- 5.11** Employees shall be granted two (2), ten (10) minute rest periods during the course of each shift.

- 5.12** The Company premises shall be the place the employee normally reports to and completes his/her shift. Travel to and from work assignments shall normally commence from these premises.

However, if the employee and the manager agree, the employee may proceed directly to *and from* a field job site from his/her home. If the time required to go directly is fifteen (15) minutes or more than would be required to drive to *and from* work, then the start time will be adjusted by the appropriate time frame or the appropriate overtime will be paid.

- 5.13** Day shift Parts Department employees shall work eight (8) hours and a consecutive five (5) day, forty (40) hour week, Monday to Friday inclusive, or Tuesday to Saturday inclusive, between the hours of 6:00 A.M. to 6:00 P.M. Second and third shifts in Parts Department to be governed by Sections 5.04 and 5.05.

- 5.14** The Parts Department shall rotate shifts every two (2) months, with a day shift occurring between afternoon and graveyard shifts, or graveyard and afternoon shifts.

- 5.15** One (1) Depot Partsperson to get eight percent (8%) over his/her Classified hourly rate; this to apply only to Journeyperson Partsperson Classification or less, if there is no salaried manager.

- 5.16** Where a second or third shift is employed, the Company will first consider volunteers. If there are not sufficient volunteers, the shifts shall be staffed on a rotating basis, wherever possible.

ARTICLE 6 - OVERTIME

- 6.01** Time worked in excess of the standard hours of work shall be considered overtime, and overtime shall be paid for at double time rates.

6.02 Double time rates shall be paid for work on Saturdays and Sundays, except as provided in 6.03.

Part-time employees will be paid overtime after eight (8) hours in a day, forty (40) hours in a week, Sundays, and Statutory holidays; where practical the Company will attempt to assign two (2) days off when five (5) consecutive shifts (40 hours) are scheduled.

6.03 Double time rates shall be paid for all work performed on Mondays in the same week in which the Tuesday to Saturday shift is worked.

6.04 Double time rates shall be paid for work on Statutory Holidays plus any applicable Statutory Holiday pay.

6.05 No premium shall attract overtime rates.

6.06 Where it is practical, overtime work will be distributed equally among those employees who normally perform the work. Any opportunity which is not worked will be counted as time worked when assessing the distribution. The distribution will be assessed on a quarterly basis. This will be discussed with the Shop Steward, who shall be provided a copy of the overtime records upon request. There will be no payment for any bypassed opportunities.

6.07 When employees are required to work extended hours in excess of ten (10) the Company will pay the cost of a good meal. If an employee chooses not to take a meal break, they will be paid \$20.00. The time required to consume the meal shall not be less than one-half (1/2) hour and this break will occur at the regular meal hour.

ARTICLE 7 - CALL TIME

7.01 Employees called out after their regular shift shall receive a minimum of three (3) hours pay at double time rates. Only one (1) call out will be paid for in each three (3) hour period.

7.02 Employees called in to work on scheduled days off and Statutory Holidays shall receive a minimum of four (4) hours pay at double time rates, plus any applicable Statutory Holiday pay. Only one call in will be paid for in each four (4) hour period.

7.03 (a) An employee may be requested to standby at his/her residence for service, maintenance or parts calls. If the employee agrees and he/she is designated to standby he/she will be paid two (2) hours overtime for each scheduled day off. If the employee agrees and is designated to standby on a workday he/she shall receive one (1) hour overtime for each workday on standby.

(b) An employee shall not receive both call in pay and standby pay for the same day.

7.04 When an employee receives a telephone call at home while he/she is on standby and places a customer order via the telephone or personal computer, the employee will be compensated for a half (1/2) hour at two (2) times the regular hourly rate in addition to stand by pay.

If during the same day a call in is paid clause 7.03 applies.

7.05 Employees called in before their regular starting time shall be paid at double time rates for time worked prior to their regular starting time.

ARTICLE 8

8.01 The provisions of Article 5.10, Articles 7.01 and 7.02 shall not apply in the event of an emergency such as fire, flood, power failure, etc., beyond the control of the Company, or if he/she was previously instructed not to report. In any such event, he/she shall be paid for the actual time worked at prevailing rates according to Classifications.

ARTICLE 9 - WAGES

9.01 Wages and Classifications shall be those agreed upon and set out in Appendices and/or Schedules attached hereto and forming part of this Agreement. Pay days will be every second Friday.

ARTICLE 10 - TRAVEL TIME

10.01 Travel time during the employee's regular shift hours will be paid for at straight time.

10.02 Travel time at double time rates shall be paid outside the regular hours of work for those employees travelling in Company or rented trucks or cars. This provision shall not apply when an employee is travelling by a public carrier or to and from a public carrier.

10.03 Public carriers shall be defined as follows: buses, taxis, aircraft, trains, boats and any vehicle licensed to transport passengers and operated by a licensed operator (exclusive of Company trucks or cars mentioned in 10.02 preceding).

Buses, aircraft or boats that may be chartered or purchased by the Company to transport employees shall be licensed to transport passengers and operated by an operator holding a current appropriate license to do so.

Travel time by employees outside the regular shift hours under 10.03 shall be at time and one-half, as defined in 10.04, 10.05 and 10.06.

10.04 Travel time authorized by the Company or the customer outside the employee's regular shift hours, will be paid for at time and one-half up to a maximum of eight (8) hours in any twenty-four (24) hour period.

10.05 All travel time for the employee's scheduled days off and any holiday will be paid for at time and one-half to a maximum of eight (8) hours in any twenty-four (24) hour period.

10.06 When an employee is required to work at points which require him/her to be absent from his/her home, he/she shall receive transportation, first class accommodation, and travel time as stipulated in other Sections of this Agreement.

The Company will also pay \$60.00/day per diem to cover the cost of meals.

10.07 When employees are required to be in the field overnight or longer, transportation will be provided by the Company so that employees can leave their cars at home, provided the Company does not provide suitable protected parking accommodation, and does not provide block heaters in northern areas.

10.08 The corporate travel policy is applicable for travel outside the continent.

ARTICLE 11 - PREPARATION TIME

11.01 The Company will allow and pay for up to two (2) hours personal preparation time to employees being sent on out-of-town jobs for a period of overnight or longer at regular rates up to time and one-half. However, this clause will only apply if an employee is not provided with one (1) week notice of being sent out-of-town.

ARTICLE 12 - LAYOVER TIME

12.01 Layover time refers to isolation in customer's camps in remote areas only. Providing no work is performed on either Saturday or Sunday, an employee who is required to remain in the field is entitled to a maximum of sixteen (16) hours time at straight time rates. However, if for instance, an employee worked eight (8) hours or more on Saturday, he/she would still be entitled to eight (8) hours for Sunday if he/she did not work on Sunday.

12.02 Waiting time spent by an employee while waiting for common carrier transportation shall be paid in accordance with Article 10.03.

ARTICLE 13 - TEMPORARY TRANSFER

13.01 Temporary Transfers

- (a) Temporary transfers are typically generated as a result of business needs, layoff possibilities, or skills development. Business needs refer to situations where a branch has a need that cannot be accommodated by the branch manpower; layoff possibilities refer to a situation where a transfer may be made to another branch in order to reduce or postpone the impact of an impending layoff; skills development may refer to apprentice training or development of skills and competencies for other employees.
- (b) The Union and the Company agree to encourage employees to volunteer for temporary transfers where such need arises. The employees will be approached in order to find volunteers to fulfill the need.
- (c) Any employee who accepts a temporary transfer will have the conditions of the transfer provided on the appropriate form prior to the transfer. The form will outline details of travel (transportation and time), accommodations and reasonable meals, overtime opportunity, duration of the transfer, job expected to be performed, and allowances.
- (d) Overtime worked while on a temporary transfer may be banked.
- (e) Employees who have accepted a transfer of at least two (2) weeks duration, outside of their immediate region which necessitates being away from home for the term of the assignment will, upon return to the home branch, be eligible to immediately take one (1) **eight (8) hour** shift off for each work week away, up to a maximum of five (5) continuous shifts off. Such time off is to be taken as banked time or vacation. This clause shall not apply where the employee returns from a continuous shift operation and has a break/**full shift cycle off** prior to returning to his/her normal shift **unless otherwise agreed upon with his/her supervisor.**

13.02 Any employee who may be on a temporary transfer to a Company Branch or Depot for a period not exceeding ninety (90) days, shall receive transportation, first class accommodation, and travel time, while on the job, or returning to his/her home station, providing he/she does not terminate employment before his/her posting expires.

The Company will also pay \$60.00/day per diem to cover the costs of meals.

The Union will be notified in writing of all Temporary Transfers. Temporary transfers may be extended past ninety (90) days with Union approval.

- 13.03** Living expenses should be discussed initially with the employee, and each fifteen (15) days thereafter.
- 13.04** The employee may be required to remain on such posting up to a maximum of ninety (90) days. However, during the period of posting, if no work is available during the weekend (Saturday and Sunday) the employee may have the opportunity to return to his/her home station for the weekend, provided permission is granted by the Branch or Depot Supervisor.
- 13.05** If such permission is granted, the Company will provide the cost of ground transportation, or other transportation costs approved by the Company, for the employee to visit his/her home station, and to return to the Branch or Depot in time to resume work at the start of his/her regularly scheduled shift the following week.
- 13.06** On weekends where the employee returns home the Company shall pay in addition to the foregoing, a maximum of three (3) hours pay at the appropriate travel time rate.
- 13.07** Layover time shall not be paid to any employee who may be temporarily transferred to a Company Branch or Depot.

ARTICLE 14 - PERMANENT TRANSFER

- 14.01** Living expenses *and transportation* will be allowed *for employees permanently* transferred by the Company. Expenses *will* be discussed initially with the employee before departure and each fifteen (15) days thereafter, up to a maximum of thirty (30) days.
- 14.02** These amounts must be claimed for through the current Corporate Relocation Policy expense procedures for all days other than those spent on customer jobs where actual expenses are re-chargeable to the customer.
- 14.03** It is intended that all permanently transferred personnel shall have a maximum of thirty (30) days in which to find suitable accommodation.
- 14.04** The Company will also pay the amount necessary to move his/her family and household goods, provided he/she remains in the Company's employ at the new location for a period of not less than *two (2) years*. If the employee leaves the Company of his/her own accord during this period then repayment of moving costs will be prorated on the balance of time up to the *two (2) years*. *Such prorating shall be based on completed months of service in the new location.* (Example: an employee who leaves after *twelve (12)* months would be required to repay 50% of the costs of the move.)

- 14.05** No employee transferred shall move his/her family or household effects at Company's expense without written authority from Human Resources. Moving conditions and costs will be discussed and agreed to by the employee, human resources, and the management of the new branch prior to any move taking place. In the event the employee has a concern about application of this article, the employee may choose to involve the Union in the discussions.
- 14.06** On a permanent transfer to another Branch or Division, an employee's Company seniority will be applied in the appropriate classification in the new Branch or Division.
- 14.07** If an employee wishes to change locations or positions, he/she should make written application to the Human Resources Department in the Head Office of Finning (Canada) a Division of Finning International Inc.

An application does not guarantee an employee the right to a vacancy, rather that the application will be considered when a vacancy does occur.

- 14.08** The Company and the Union agree that opportunities for promotions and career development are key factors in improving job satisfaction for employees. Further, it is the intent of the parties that such opportunities should be made available to all employees, in accordance with the process outlined below:
- a) Where appropriate, permanent job opportunities will be posted in all branches. Where the staff level of a branch is not being increased, the posting may be restricted to that branch and may be restricted to applicants from that location. The postings will use generic content outlining required skills and competencies for the positions. Where specific requirements based on industry or branch needs vary from the generic content, they will be reviewed by Human Resources. A copy of the job posting will be provided to the Shop Steward.
 - b) In filling the promotion or vacancy for a new position, the position may be awarded to the most qualified applicant. Positions shall be filled on the basis of a proficiency certificate where necessary, training, knowledge, experience, skill, ability, suitability and past performance. Unsuccessful interviewed candidates may follow-up hiring managers for feedback on the selection process and shall be advised on opportunities for improvement that will better prepare them for future job postings.
 - c) Where two or more employees are deemed to be reasonably equal, preference shall be given to the most senior applicant.
 - d) In recognition of seniority, preference shall be given to qualified internal candidates prior to consideration of external candidates. This does not however prohibit the Employer from hiring a superior external candidate.

- e) The filling of one vacancy will not be used to create a chain of job postings. After the first vacancy is filled through a posting the employer may fill any subsequent vacancy however most practical. Preference will be given to those employees who have applied under 14.08.
- f) Where the hiring committee participates in accordance with Letter of Understanding #4, committee consensus shall be used to make a decision.

14.09 An employee who becomes incapacitated by an injury or illness which causes him/her to be unable to perform their present job will be given preference for a position which he/she can do or can be trained to do.

ARTICLE 15 - STATUTORY HOLIDAYS

15.01 All employees covered by this Agreement shall receive eight (8) hours pay at their regular straight time rates for each of the following Statutory Holidays in addition to any wages which they may be in receipt of for work performed on such Holidays:

New Years Day	Canada Day	Remembrance Day
Good Friday	1 st Monday in August	Christmas Eve
Easter Monday	Labour Day	Christmas Day
Victoria Day	Thanksgiving Day	Boxing Day

It is understood that employees will not be required to work Statutory Holidays, except as otherwise agreed under specific modified shift arrangements.

15.02 Provided any other Statutory Holiday declared, proclaimed or celebrated by the Federal and/or Provincial Government shall be paid for on the same basis.

15.03 Yukon employees' to receive third Monday in August instead of first Monday in August.

15.04 Statutory Holidays falling on a Saturday or Sunday will be celebrated on the following Monday. Where two (2) consecutive Statutory Holidays fall on a Saturday and Sunday, the following Monday and Tuesday will be celebrated.

NOTE: The provision to celebrate these Holidays as above may be changed to a Friday with mutual consent between the Company and the Union.

NOTE:TUESDAY TO SATURDAY WORK WEEK

If a holiday falls during the work week Tuesday through Saturday, the day off will be provided. If the holiday falls on a Monday, the day off will be taken on the Tuesday.

PROVIDED:

15.05 If the employee has earned wages for fifteen (15) days, during the thirty (30) calendar days immediately preceding the Statutory Holiday, they will be paid a prorated amount for the Holiday.

15.06 Exceptions for the foregoing shall be made in cases where the following conditions prevail:

- (a) The employee is off work due to industrial accident or disease for a period not in excess of two (2) calendar months.
- (b) The employee is prevented from working due to a bona fide illness for a period not in excess of two (2) calendar months. A doctor's certificate shall be submitted as proof.
- (c) Temporary layoff not exceeding two (2) weeks within two (2) weeks of any designated Holiday.
- (d) Where leave-of-absence has been approved and the employee has worked some time during the two (2) calendar weeks preceding the week in which the Holiday occurs.

15.07 Should any of the above-stipulated Statutory Holidays occur during the employee's vacation period, they shall be provided consecutive with his/her vacation period, provided that the employee has informed the Company of his/her intentions at the time of his/her initial vacation request.

15.08 Permanent Part Time employees shall receive Statutory Holiday pay pro-rated to the shift hours worked.

ARTICLE 16 - VACATIONS

16.01 The Company shall give each employee an annual vacation with pay which will be allocated on the basis of seniority and based on the following entitlement:

<u>(1)</u> <u>WEEKS VACATION</u>	<u>(2)</u> <u>YEARS OF SERVICE</u>	<u>(3)</u> <u>PERCENTAGE OF GROSS</u>
2 weeks vacation	1 year of service	4% of gross earnings
3 weeks vacation	2 years of service	6% of gross earnings
4 weeks vacation	7 years of service	8% of gross earnings
5 weeks vacation	14 years of service	10% of gross earnings
6 weeks vacation	19 years of service	12% of gross earnings
6 weeks plus 1 day	25 years of service	12.4% of gross earnings
6 weeks plus 2 days	26 years of service	12.8% of gross earnings
6 weeks plus 3 days	27 years of service	13.2% of gross earnings
6 weeks plus 4 days	28 years of service	13.6% of gross earnings
7 weeks vacation	29 plus years of service	14% of gross earnings

16.02 Employees are entitled to the number of weeks vacation shown in column (1) in the calendar year in which the years of service shown in column (2) are completed. However, new employees may request accumulated vacation after six (6) months, earning at 0.83 days per month. Any time taken will be considered part of the following years vacation.

16.03 Employees shall receive vacation with pay for each vacation period shown in column (1) above or the applicable percentage in column (3) of gross earnings for the calendar year, whichever is greater.

The Company will pay the vacation variance by the *second (2nd) pay period in January*.

16.04 In the event of termination of service with the Company after he/she has had his/her vacation he/she earned for the previous year, he/she shall receive four per cent (4%); six per cent (6%); eight per cent (8%); ten per cent (10%); or twelve per cent (12%) when applicable as the case may be, for his/her pay for the year in which he/she ends his/her employment for which no vacation has been paid.

16.05 The qualifying provisions of service in the current year shall not apply if an employee terminates of his/her own volition or is discharged, for cause and not reinstated under the terms of this Agreement. In cases such as this the appropriate vacation pay will be calculated from his/her starting date.

16.06 If an employee requests, the Company will provide two (2) consecutive weeks vacation in the prime time period (June 15 - September 15). Employees must notify the company on or before March 1st of their summer vacation commitment. These vacation requests will be governed by seniority. Requests after March 1 for prime time will be considered on a first come first served basis without regard to seniority.

Employees shall notify the Company on or before June 1st of their vacation commitment for vacations outside of the prime time period for the remainder of the calendar year. These vacation requests will be governed by seniority. Requests for vacation received after June 1st will be considered on a first come first served basis without regard to seniority.

A vacation review will be conducted by the Company each Fall.

16.07 The Company agrees to consult with their employees and attempt to meet their individual holiday preferences. The Company will also attempt but will not guarantee, three (3) or four (4) or five (5) or six (6) consecutive weeks vacation to eligible employees.

16.08 An employee's scheduled vacation period shall not be changed by the Company within the two (2) month period immediately preceding the start of the vacation period without the consent of the employee concerned.

- 16.09** Each employee shall be required to take the full annual vacation period that he/she is entitled to under the provisions of this Agreement in the current year.
- 16.10** The vacation allowance may be drawn on the working day preceding the vacation providing one (1) week's notice is given by the employee to the payroll department.
- 16.11** The entitlements of an employee under this Section shall at no time be less beneficial than those he/she would be entitled to under the provisions of any government legislation or any orders or regulations made thereunder.
- 16.12** Except as noted below, eligibility for vacation will be maintained and accumulated. Eligibility shall be maintained but not accumulated during absence:
- (a) Due to temporary illness or non-occupational accident exceeding twenty-six (26) weeks.
 - (b) With authorized leave-of-absence.
 - (c) Due to layoff without recall, for a period not to exceed twelve (12) months.
- 16.13** Eligibility refers to the length of service. Formula outlined in columns 1 and 2 (Article 16.02). Vacation pay is predicated on gross pay as it relates to that formula.

16.14 Leave of Absence

Employees with more than five (5) years of seniority are eligible to apply for a leave of absence for the purposes of extending vacation. The leave may be for no more than **six (6)** months and can be taken **once per each seven (7) years**, and no more than one (1) employee per branch may take such leave at one time.

The leave must be applied for in the same manner as the vacation schedule and any remaining vacation and banked time off must be used in conjunction with such leave of absence. The maximum period of absence would be the total of the leave, plus vacation, plus banked time off. Management may approve such requests taking the business conditions into account. The intent of the leave is to allow employees to experience an extended travel opportunity. Requests for leaves for other reasons will be considered on an exception basis.

During such leaves, employees may continue their medical coverage by prepaying one-half (1/2) of their medical premium.

ARTICLE 17 - INSURANCE COVERAGE

- 17.01** Emergency Travel Assistance: The Company will supply a blanket Emergency Travel Assistance Policy, at Company expense. The Policy shall be administered between Finning (Canada), a Division of Finning International Inc. and the insurance provider. The Company agrees that there shall be no change to benefit levels unless negotiated and agreed between the parties.
- 17.02** Group Life and Accidental Death & Dismemberment Insurance Coverage: In the amount of *one hundred and twenty thousand dollars (\$120,000.00)* to cover all permanent employees. The Company shall pay the full cost of this premium. This will give twenty-four (24) hour coverage.
- 17.03** Tool Insurance: The Company will reimburse employees for tools lost with a minimum of Two hundred dollars (\$200.00) and no maximum on any one loss. The exact amount will be based on the evaluation of a claim by insurance adjusters, based on an employee tool list that is on file. Theft must show forced entry on a locked vehicle, or non negligence in transit, or loss on the company premises or rental vehicles. (Fire and Theft). The Company agrees to repair or replace, if necessary, employee owned impact tools.
- 17.04** Tool Allowance: The allowance will be provided to an employee requiring and using a complete set of tools. A complete set of tools comprises a kit of at least eighty percent (80%) of the value of the average Journeyman Mechanic's kit.

Journeyman Mechanics, Machinists, *Electricians*, Apprentices and Specialists will be provided with a tool allowance as outlined below.

Welders will receive Sixty (\$60.00) dollars. He/she will receive the same tool allowance as a Journeyman Mechanic if required to carry a full tool box.

The Company will require a tool list for all people receiving the allowance.

Tool allowance for Mechanics and Apprentices will be paid as follows:

September 1, 2010 – August 30, 2011 \$750.00

- (a) The allowance will be paid once per year on *the second (2nd) pay in* September 1st for the preceding one year period (Eg. Sep 1, 2010 – Aug 31, 2011 is paid on *second (2nd) pay in September, 2011*)
- (b) If an employee resigns before August 31, his/her existing allowance will be prorated. New employees will receive a pro-rated tool allowance in September.
- (c) If an employee is laid off or severed then the allowance will be prorated based on the months that employee worked.

ARTICLE 18 - MEDICAL AND DENTAL COVERAGE

18.01 Medical Coverage: The Company agrees to provide and maintain the provincial medical and extended health care plans and contribute One Hundred percent (100%) of the premium of these plans.

The Company agrees to provide a vision care plan that will allow for a benefit of Three Hundred dollars (\$300.00) per twenty-four (24) months for each family member.

18.02 Dental Coverage: The Company shall provide a dental plan through Sun Life. The Company shall pay One Hundred percent (100%) of the premium; no annual maximum.

Coverage: Basic Dental and white fillings	100%
Prosthetic Appliances, Crowns & Bridges	80%

Employees hired after the date of ratification of this Agreement shall qualify for Prosthetic Appliances, Crowns and Bridges upon completion of one (1) year of service with the Company.

Orthodontic Coverage: The Company shall provide an orthodontics plan after the employee has been continuously employed for one (1) full year. Benefits will be limited to a maximum lifetime benefit of Three Thousand dollars (\$3000) per person. Appliances lost, broken, or stolen will not be replaced.

18.03 On layoff or retirement, medical and dental coverage will continue till the end of the month following the month of the layoff. All other benefits will cease on the employees last day of work. On rehire or recall, coverage starts on the first of the month following rehire or recall.

On termination of employment, all benefits shall cease on the employee's final day of service.

18.04 In the event of a layoff that continues beyond the provisions of Article 18.03 above, employees may continue their medical coverage by prepaying one half (1/2) of their medical premium for one (1) year. If an employee works more than four hundred and eighty hours (480hrs) (not necessarily consecutive) or returns to work on a permanent basis during the one (1) year period he or she may claim a refund of the full amount.

18.05 Employees who work forty (40) hours per week on a continuous basis and who have successfully completed their probationary period are considered Permanent full-time employees and are eligible for all Company Benefits. *Benefit enrolment occurs on the first (1st) of the month following three (3) months of consecutive full-time employment.*

18.06 Employees who work twenty (20) hours per week to thirty nine (39) hours per week on a continuous basis and who have successfully completed their probationary period are considered Permanent Part-Time Employees and are eligible for full coverage on the Medical and Dental Plans and pro-rated coverage on the sick leave, income continuance, L.T.D. and Group Life plans.

18.07 Probationary Period for Permanent Part-Time Employees (Parts)

Employees considered to be working part-time as outlined in Clause 18.06 of the Collective Agreement will have a probationary period considered equivalent to full time employees. Part time employees will have to have worked sixty-five (65) scheduled shifts before the probationary period is considered successfully completed.

18.08 Employees will be provided a copy of the “Guide to Your Group Benefits – for hourly employees of British Columbia and Yukon” upon request to the Branch HR Contact.

ARTICLE 19 - INCOME CONTINUANCE COVERAGE

19.01 The Weekly Indemnity Benefit shall be Sixty percent (60%) of the employees' current base wage rate.

Coverage is contingent upon both the employee and doctor providing the required claim form information showing total disability to the satisfaction of the benefits carrier.

19.02 The Long Term Benefit shall be Twenty-two Hundred Dollars (\$2200.00) per month Please reference contract number 56243.

ARTICLE 20 - SICK LEAVE

20.01 Sick leave will be allowed on the following basis and subject to the following provisions:

20.02 After working two (2) consecutive months, an employee will have earned 4 hours of sick leave credits, and will accumulate four (4) hours per month thereafter to a maximum of forty (40) hours. At the beginning of each year thereafter, employees will receive credit for forty (40) hours' Sick Leave to apply to the current year's service. Sick leave credit will be maintained but not accumulated during lay-off.

20.03 Employees who report sick during any day will have their sick leave allotment reduced by the number of hours not worked during that day.

20.04 Sick leave is not to be used for any purpose other than legitimate illness *and/or* for Doctor and Dentist appointments (*can* be taken in increments). A Doctor's slip may be required. Sick leave *as described above, can also be used for members of an employee's immediate family.*

For the purpose of this clause, immediate family shall include an employee's spouse and children.

- 20.05** All absence due to illness of more than three (3) consecutive days' duration shall require a Doctor's certificate to the employee's Department Manager.
- 20.06** It is the employee's responsibility to immediately notify his or her Department Supervisor of absence due to illness. If there is no notification, absence may be considered absence without pay and the regulations in Article 4.03 may apply.
- 20.07** All sick days not used can be accumulated to a maximum of twenty-five (25) days. This maximum is inclusive of the current year's eligibility. The sick leave accumulation cap shall be a maximum of fifty (50) days for employees who were active participants at the conclusion of the retention bank program maintained during the 2003 – 2006 Collective Agreement.
- 20.08** Accumulated sick leave may only be used after the current year's annual five (5) days sick leave has been used up. The employee may also choose to delay STD payments with the use of accumulated sick leave.
- 20.09** No pay or allowance will be made in lieu of sick leave except in the case of termination due to branch closure or transfer out of the BC/Yukon bargaining unit or after twelve (12) months of layoff without recall.
- 20.10** Any employee with ten (10) or more years service shall be paid all accumulated sick time when the employee retires.

ARTICLE 21 - BEREAVEMENT LEAVE

- 21.01** If an employee suffers a death in the immediate family he/she shall be granted compassionate leave-of-absence with full pay for *five (5)* days based on regularly scheduled hours of work. Sick leave may also be used for compassionate purposes.

Immediate family means: spouse, mother, father, brother, sister, children, mother-in-law, father-in-law, grandparents and grandchildren, brothers-in-law and sisters-in-law. If the employee affected does not attend services, he/she shall only be entitled to one (1) day as provided in this Section. The employee may be required by the Company to substantiate the death.

ARTICLE 22 - JURY DUTY

- 22.01** An employee called for Jury Duty or as a Crown Witness will not be required to appear in Court and attend his/her regular shift on the same day. If however, they are not selected or required to testify they will report for work.

The employee will be required to submit proof of juror service and forward any payment received to the Company. The Company will make up the difference between Jury pay or witness fees and the employees regular wages for each eight (8) hour shift.

ARTICLE 23 - UNION NOTICES AND SHOP STEWARDS

- 23.01** A notice board will be provided for the posting of all official Union notices exclusively and not to be used for disseminating political propaganda. All such notices shall be submitted to a Company official for approval before posting.
- 23.02** The employees in each Branch will elect one (1) or more Union members from each shop or shift who will be known as Shop Stewards and these will be recognized by the Company.
- 23.03** No Shop Steward, Committee or employee shall be discriminated against or jeopardized in seniority standing or suffer any loss of employment on account of membership or activity in the Union, provided that such activity is not allowed to interfere with the work and production of the Company.

Upon formal request for an unpaid leave of absence, an employee may be granted a leave not to exceed two (2) full business terms as a fulltime officer of the Union. Upon return to the bargaining unit, seniority would be credited to the person. The person would not be guaranteed a specific job, but would be eligible for a job for which he or she was qualified.

- 23.04** When the Company finds it necessary to lay off or discharge a Shop Steward, the Business Representative of the Union shall be notified prior to such layoff or discharge.
- 23.05** Employees shall be entitled to Union representations at any disciplinary meetings with management, or at any meetings that may lead to discipline.

ARTICLE 24 - MOONLIGHTING

- 24.01** The Company and the Union agree in principle to eliminate the practice commonly referred to as moonlighting.
- 24.02** When this practice affects the Company's business or the employee's ability to perform his/her job, it shall be cause for reprimand or dismissal.
- 24.03** When this practice affects the Union, the Company agrees to cooperate with the Union in reprimand and/or dismissal.

ARTICLE 25 - GENERAL PROVISIONS

CLOTHING

25.01 Arctic Parkas. Three (3) Arctic Parkas will be available in the Tool room for coastal crews being sent to the North West Territories or the Yukon in the winter.

25.02 Gloves. Will be supplied as a Tool Crib item in all Branches. Employees may be required to turn in used gloves.

25.03 Coveralls and Smocks. All employees required to wear coveralls or smocks shall have these supplied and cleaned by the Company. Employees are expected to take reasonable care of clothing supplied.

Three (3) pairs of Arctic coveralls will be supplied to field mechanics and sufficient Arctic coveralls will be supplied to cover the requirements of the branch. These will be replaced on surrender of the worn set. *At time of replacement, employees shall have option of one (1) or two (2) piece Arctic coveralls.*

Insulated Boots. The Company will provide up to One Hundred and *Fifty (\$150.00)* dollars per year toward the cost of replacement for CSA approved insulated work boots for employees required to work *outside* with submission of receipts.

25.04 Cold Weather. With the cooperation of employees, the Company will attempt to maintain shop temperatures above ten degrees Centigrade (10° C).

25.05 (a) The Company agrees not to require its employees to perform outside repair work in temperatures below minus thirty degrees centigrade (-30°), unless adequate protection and some form of heat is provided. Tarpaulins, windbreaks, etc., shall be erected before commencement of work and heat must be made available.

(b) NOTE: It must be recognized that an understanding of this nature requires a high degree of cooperation between the employee and the Company. Employees will not arbitrarily stop work without advising their supervisors.

25.06 Customer Assisted Repair

Employees of customers may work on Company premises, in the repair of said customer's equipment, providing:

(a) The Shop Steward will be informed

(b) One (1) employee of the customer per machine and the work shall not exceed sixty (60) days. Should more than one (1) employee of the customer be required the Shop Steward and Management will meet to review the matter and by mutual agreement will determine the appropriate number of said Customer employees.

- (c) Employees of customers must be Members of a recognized Union, and
- (d) Must provide their own tools.
- (e) Must use Company facilities only under the direction of a Finning employee, and
- (f) Must not displace a Member of this Bargaining Unit.
- (g) Will be provided an orientation to the Company and Branch work rules, and must adhere to all Company policies and regulations and adhere to Company Health, Safety and Environmental standards and practices.

25.07 First Aid. Any employee suffering injury while in the employment of the Company must report immediately to the First Aid Department or as soon thereafter as possible, and also report to this Department on returning to work. A copy of his/her accident report will be supplied on request.

25.08 Lunch Room. The Company will supply suitable accommodation where employees may have their lunch.

25.09 Company Owned Tools On layoff, or termination for any reason, no employee will be issued their final pay until they have returned all Company issued tools and property to their supervisor/manager.

SAFETY EQUIPMENT

25.10 Hard Hats and Rain Jackets. The Company will provide hard hats as a tool crib item with extra sweatbands where required.

Also a sufficient number of quality rain suits will be kept in tool cribs for shop and field use. When worn out or damaged, personal rainsuits will be replaced upon presentation to branch management.

25.11 Safety Glasses

Glasses will be supplied to all permanent employees in the following way:

Safety glasses are available at no cost to the employee from an optometrist registered under the Finning (Canada), A Division of Finning International Inc. Plan (BCOA). Frames and lenses can be replaced once every two years. Exception(s); lenses can be replaced more frequently when there is substantial pitting or scratching; damaged frames should be repaired if possible or replaced as required.

Glasses will be obtained through the registered Finning (Canada), A Division of Finning International Inc. Plan which designates the frames and services available through the registered local optometrist.

25.12 Safety Shoes. The Company will provide an allowance of *Two Hundred (\$200.00)* dollars to all bargaining unit employees whose regular work is in shops or Warehouse area are required to wear Regulation Safety Shoes during working hours.

The allowance will be paid once per year to active employees in September for the current calendar year period. Employees must have completed their probationary period in order to qualify for the payment. All employees must be active at the time of payout. However, if an employee is on layoff status, they will be paid this allowance upon return to work.

25.13 Welding Gloves. The Company will replace welders' gloves when legitimately worn out and turned in by the employee.

25.14 The Company shall supply protective clothing when employees are engaged in cleaning equipment.

25.15 Training Sessions, Meetings and Interviews.

- (a) The Company shall pay *time and one-half* rates for all compulsory non-apprenticeship training *and* meetings outside the regular hours of work during the week, *with the exception of interviews and all* travel time *which will be paid at straight time rates*. Meal allowances do not apply for compulsory training sessions of two (2) hours or less during the week and Saturdays.
- (b) It is the Company's intent that voluntary training sessions and meetings be limited to two (2) hours and the Company will supply the cost of a good meal.
- (c) Travel expenses paid by the Company will be airfare or the standard Corporate rate per kilometre, however the employee gets to the training session, meeting or interview.

Call time guarantees do not apply for any training sessions.

25.16 Wash Room Adequate washroom and locker facilities will be provided by the Company and kept in a sanitary condition. Employees will cooperate by observing the simple rules of cleanliness.

ARTICLE 26 - SENIORITY AND LAYOFF

26.01 The parties hereto recognize that employees are entitled to a measure of job security based on length of service. It is further mutually recognized however, that in connection with job security, the skill, efficiency of an employee must also be studied as well as seniority standing.

It is agreed that, other things being equal, laying off work and resuming work will be done according to seniority with the Company, in the particular Branch or Division, in the Classification in which the employee is engaged. However, the following layoff order will be followed when layoffs are required in the Service and/or ~~Parts~~ **Parts** Departments:

- Students
- Casual Labourers
- Part-Time employees (Parts department)
- Journeyman Helpers (Service department)
- Other service or parts classifications in accordance with this agreement

In the event of layoffs, the principle of last person on, first person off, shall prevail provided the employee is qualified and able to perform the available work.

The Company, however, agrees that when it is necessary for layoffs to be made which are not strictly in accordance with the Seniority List, the Shop Steward will be notified if possible in advance, and will be fully informed on the matter if he/she so requests.

Decisions on layoffs, re-hiring, promotions etc., will be the responsibility of the Company, but it is understood that any dispute arising therefrom may be taken up under the Grievance Procedure of this Agreement.

Company seniority for purposes of this clause will be time spent as a Union member.

26.02 Each employee's seniority with the Company shall be broken by:

- (a) Voluntary quitting of job.
- (b) Exceeding authorized leave-of-absence.
- (c) Discharge and not reinstated under the terms of this Agreement.
- (d) Failure to report back to work within one (1) week after notification to return to work, unless failure is proved to be unavoidable.
- (e) Accepting a Company position outside the bargaining unit for a period of more than two (2) years.

26.03 Seniority shall be maintained and accumulated during occupational accident.

26.04 (a) Seniority shall be maintained but not accumulated during authorized leave of absence.

- (b) Seniority shall be maintained and accumulated on leaves due to maternity, parental, or disability.

26.05 A laid-off employee shall retain their seniority and recall rights with the Company for twelve (12) months after date of layoff. Effective July 1, 2003, in order to avoid situations where employees lose seniority standing during layoffs, employees shall accumulate seniority for the duration of such layoffs. However, no time will be credited towards pay increments during layoff.

Employees shall not receive company benefits during layoffs, except as provided in 18.03, 18.04 and Article 27.

The temporary layoff shall be considered uninterrupted for employees who are recalled to less than *two (2)* consecutive weeks of employment.

However, if an employee is re-hired within three (3) years of lay off, his/her seniority rights will be reinstated less the period of absence.

26.06 When an employee is called back from layoff, the Company guarantees that the employee will work for a minimum of one (1) week.

The Company shall make every reasonable effort to contact the most senior employee on layoff:

- (a) By phone to the employee's last known phone number. Then, failing contact:
- (b) By letter requiring proof of receipt by the employee's signature, sent to the employee's last known address.

However, if the work available requires recalling an employee for less than forty (40) hours, contact by letter requiring proof of receipt by the employee's signature may not be required. The affected employee shall be given the option of accepting less than forty (40) hours work or taking a bypass for that particular call. In the case of an out-of-seniority recall, the Shop Steward shall be advised.

If an employee is *recalled* out of seniority as the result of a bypass as shown above, that employee shall remain employed until the specific job he/she was hired to do is complete or forty (40) hours of work is complete, whichever comes first.

If the work required subsequently exceeds forty (40) hours, the Company shall again contact the senior employee and offer the position to him/her, and such contact shall be made in accordance with (a) and (b) above.

When the work available is for forty (40) hours of work or more, an employee may only take two (2) bypasses at their home branch or provisions of Article 26.02 shall prevail.

26.07 Employees who are recalled from layoff to a different branch will be deemed to have returned to their home branch first in order to re-establish their seniority in the home branch.

ARTICLE 27 - SEVERANCE

27.01 An employee who is permanently laid off, or otherwise terminated (except for just cause) will receive severance pay or given notice in writing as set out below.

From six (6) months to two (2) years' completed service – two (2) weeks severance or notice or combination up to two (2) weeks.

For each additional completed year of service, - one (1) week's severance or notice to a maximum of sixteen (16) weeks for sixteen (16) years of service.

The above is payable after twelve (12) months of layoff, at which time the employee loses his or her right to recall.

An employee can claim his/her severance after thirteen (13) consecutive weeks of layoff if he or she terminates employment and waives recall rights under the collective agreement.

Years of service shall be interpreted to mean the total numbers of years of service between the date of employment and the date on which the employee's job ceases.

The employee may elect to receive his/her severance pay either in a single lump sum, or in equal biweekly payments to be spread over as many weeks as are included in his or her severance pay allowance.

27.02 Branch Closure

- (a) In the event that the Company decides to close, restructure, or relocate any of the existing branches or divisions and work is no longer available the affected employee(s) shall be offered the first available job opportunity in his/her classification, in accordance with Article 26.01. Should the affected employee(s) turn down this job opportunity and the relocation travel distance is less than three hundred kilometers (300 km) the employee shall be offered severance on the basis of 27.01
- (b) If suitable employment *cannot* be found within thirteen (13) weeks as in (a), the employee shall receive severance pay in the amount of three (3) weeks per completed year of service to a maximum of one hundred and four (104) weeks pay. ~~or~~ *Alternatively* the employee shall have the option of maintaining recall with the Company for a period of twelve (12) months, *and the provisions of 27.02 (a) shall apply. At any time* during this period he may terminate employment by requesting payout of this severance pay.

- (c) Notwithstanding the above provisions, the Company agrees to give the Union a minimum of thirty (30) days' written notice of any branch or location closure. If adequate notice is not provided to the Union, affected employees will be credited an additional one (1) year of service towards their severance calculation in (b) above.

ARTICLE 28 - GRIEVANCES AND COMPLAINTS

28.01 An employee will have access to the grievance procedure for alleged dismissal without just cause, or any alleged violation of this Collective Agreement.

28.02 *All grievances and complaints not settled by the Supervisor shall be reduced to writing by the employee(s) and filed with the Company through the Shop Steward or Shop Committee within ten (10) days of occurrence. Any grievance or complaint not so filed shall be deemed to have been waived and shall not be entitled to consideration.* An honest effort to settle all grievances without stoppage of work shall be made in the following manner:

Step 1: Through discussion with the employee, Shop Steward and the immediate Supervisor/Manager.

Step 2: Failing settlement within five (5) days at Step 1, the employee and/or his/her representative shall meet and endeavour to settle the matter with the Branch Management.

Step 3: Should no satisfactory settlement be reached within seven (7) days at Step 2, the employee's representative will discuss the grievance with Human Resources who will arrange for a meeting with Senior Management and the Union Business Representative.

28.03 When grievances cannot be finally adjusted by the Company and the Union representatives, the matter shall be submitted, within seven (7) days to an Arbitrator appointed as hereafter provided.

28.04 A three (3) year statute of limitations will apply to any information contained in an employee's personnel file.

ARTICLE 29 - ARBITRATION

29.01 The Party desiring arbitration shall submit a list of four (4) Arbitrators and shall notify the other Party in writing of the name and address of the persons so nominated and particulars of the matter in dispute.

29.02 The Party receiving the notice shall within five (5) days thereafter notify the other Party of its selection, if any, from the Arbitrators submitted.

29.03 Failing agreement, the two (2) parties shall confer to select an Arbitrator and failing for three (3) days to agree upon a person willing to act, either of them may apply to the Honourable Minister of Labour to appoint an Arbitrator.

29.04 The Arbitrator shall sit, hear the Parties, settle the terms of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the Chairman, provided the time may be extended by agreement of the Parties.

29.05 If the Arbitrator finds that an employee has been unjustly suspended, discharged, or laid-off, that employee shall be reinstated by the Company without loss of pay and with all his/her rights, benefits and privileges which he/she would have enjoyed if the suspension, discharge or layoff had not taken place, provided that if it is shown to the Arbitrator that the employee had been in receipt of wages during the period between discharge, suspension or layoff and reinstatement, the amount so received shall be deducted from wages payable by the employer pursuant to this Clause.

AND PROVIDED THAT the Arbitrator shall have authority to order the employer to pay less than the full amount of wages lost if, in the opinion of the Arbitrator, such lesser sum is fair and reasonable.

29.06 The Arbitrator shall have power to determine whether a particular issue is arbitrable under this Agreement.

29.07 If the award of the Arbitrator is subsequently set aside by a court of competent jurisdiction the question shall, at the request of either Party, be submitted to another Arbitrator appointed pursuant to and with all the powers provided by this Clause.

29.08 The expenses and remuneration of the Arbitrator shall be paid by the Parties in equal shares.

29.09 Without restricting the specific powers herein before mentioned, the Arbitrator shall have all the general powers of an Arbitration Board.

29.10 Upon mutual agreement, the parties may utilize a three (3) person panel of Arbitrators. In such case, each party shall appoint a designate within five (5) days, and the two (2) designates selected shall agree upon a Chairperson within five (5) additional days. Failing agreement upon a Chairperson, the parties shall apply to the Honourable Minister of Labour as outlined in 29.03 above.

ARTICLE 30 - DEFINITIONS OF CLASSIFICATIONS

30.01 For the purpose of this Agreement the various classifications comprising the International Association of Machinists and Aerospace Workers are defined as follows:

(A) Service Department Classifications

30.02 RESIDENT: A mechanic who is employed in a location where there is no Company premise established and performs work out of their place of residence.

30.03 A CHARGE HAND: is an employee who is assigned to instruct others in the performance of their work and is held responsible for the quality and quantity of the work; however, they will not be involved in final written warnings. Chargehands shall be a separate classification for the purposes of seniority; however, where layoffs become necessary within the Branch, Chargehands shall not be assigned additional work of others that he/she does not normally perform.

30.04 JOURNEYPERSON A journeyperson must be able to carry out any work in his/her trade as required by the Company with the aid of issued drawings or relevant information. Trades will be recognized as standard industrial trades. The following Journeyperson groups will be recognized as separate classifications:

- Mechanic
- Welder
- Machinist
- Electrician
- Painter

The Company will recognize Journeypersons hired with the appropriate British Columbia Tradesman Qualification tickets and/or Interprovincial Tickets, as Journeypersons and these Journeypersons shall start at the Journeyperson's rate as listed in the Collective Agreement if their qualifications meet company standards.

30.05 PROVISIONAL JOURNEYPERSON is one whose ability and qualifications to carry out any work in his/her trade are unknown to the Company at the time of his/her employment. The six (6) months provisional period will allow him/her to train up to our Journeyperson standards, at which time he/she will become a Journeyperson on successful passing of the test, re-classified or terminated. The shop steward and employee will be informed in writing if the Company employs a person with a Journeyperson Ticket in this category.

It is recognized that any time during the six (6) month "training up" period the Supervisor can recommend that the Provisional Journeyperson write the "Journeyperson Qualifying Test" and on successful passing, shall be re-classified as a Journeyperson. During this period a Provisional Journeyperson may be required to perform all the work normally performed by a qualified Journeyperson. This time period may be extended by mutual agreement.

NOTE: This definition does not guarantee six (6) months' continuous employment for a Provisional Journeyperson.

30.06 GAS COMPRESSION MECHANIC: is a Journeyperson who maintains and repairs gas compression equipment.

30.07 A SPECIALIST is a person who is employed in a branch or subdivision of a recognized trade; or who performs some particular line of work commonly recognized as work connected with a recognized trade. Specialists will be allowed to apply for upgrading to a Journeyperson job where the category exists.

30.08 A JOURNEYPERSON'S HELPER is a person employed to perform limited skill work. Examples of limited work are:

- guard and quick-attach attachment removal and installation;
- steam cleaning;
- general clean up to shops, yards, machines;
- pick-up truck driving;
- sandblasting;
- lube and oil;
- basic servicing

A Journeyperson's Helper may also assist a Journeyperson in the performance of his/her duties both in the shop and in the field. He/she may work independently while in the shop, but shall be under the direct supervision of the Chargehand. He/she shall work under the direction of a Journeyperson while in the field.

He/she will not be employed to displace any of the other mechanical classifications, and no helper shall be retained while persons in a higher mechanical classification are on layoff.

He/she will not, nor will he/she be expected to have his/her own personal tools. Where a basic tool box is required for the Journeyperson Helper, this shall be provided by the Company.

The ratio of Helpers to Journeypersons shall be no more than one (1) to four (4) in a branch.

30.09 CASUAL LABOURERS: may be employed up to two (2) months. They will not receive benefits, except as provided by the Employment Standards Act.

30.10 P.M. PERSON: A Journeyperson or Specialist who is employed to set up, perform and administer Preventative Maintenance programs.

30.11 ESTIMATOR: A person employed to estimate the cost of repairs on equipment requiring service and parts.

30.12 TOOL ROOM ATTENDANT: A person employed to maintain and distribute tools and literature to all appropriate people. They will also be responsible for rental and loan out agreements.

30.13 TRACK PRESS OPERATOR: A person employed to assemble and disassemble tracks.

30.14 HYDRAULIC PERSON: a Journeyperson or Specialist who is employed to perform work on hydraulic cylinders.

(B) PARTS DEPARTMENT CLASSIFICATIONS:

30.15 PARTS CHARGEHAND: is an employee who is assigned to instruct others in the performance of their work and is held responsible for the quality and quantity of the work; however, they will not be involved in final written warnings. Chargehands shall be a separate classification for the purposes of seniority. Where layoffs become necessary within the Branch, Chargehands shall not be assigned additional work of others that he/she does not normally perform.

30.16 PARTS JOURNEYPerson: A person employed to carry out all duties in the Partsperson trade.

30.17 PARTS WAREHOUSEPERSON: A Parts Warehouseperson will generally perform duties involved in receiving, shipping, binning and other warehouse duties.

Warehousepersons will be allowed to apply for upgrading after five (5) years service providing they pass the necessary qualifying examination and vacancies exist. They must be prepared to take the necessary courses and pass the various examinations to qualify as a Journeyperson Partsperson. Wages will be at existing rate for two (2) months after starting the program, then altered to the twenty-four (24) month apprentice rate.

30.18 NOTE: PART-TIME PARTSPEOPLE are those employees who work a regular relief roll. This usually covers the weekend work such as a Friday night shift, or an all-day Saturday shift. Most often these employees are recruited from the ranks of the summer help.

30.19 PERMANENT PART-TIME (PARTS DEPT. ONLY): An employee who works a regular shift that totals one-half (1/2) or more of the scheduled shift hours shall receive Statutory Holiday pay prorated to the actual shift hours they work. They shall accrue vacation pay in accordance with Article 16 of the Collective Agreement, except that they shall receive the appropriate percentage of gross earnings based upon their actual earnings.

ARTICLE 31 - APPRENTICES

31.01 A ratio of four (4) Journeypersons to one (1) Apprentice will be maintained on the following basis:

- 31.02** For mechanical apprentices, the mechanical staff employed by the company shall be the group in which the ratio is applied. For the parts apprentice, the ratio of four (4) journeypersons to one (1) apprentice will apply in branches with more than four (4) parts employees. In a branch with four (4) or less parts staff, there will be a maximum of one (1) apprentice. This ratio may be changed by mutual agreement based on altered business activity that requires accelerated training to fill journeyperson vacancies.
- 31.03** Apprentices in their final year shall be classified as Journeyperson for ratio purposes.
- 31.04** For apprentice staff, promotion for pay purposes, as shown on Schedule "B" Wages of Apprentices, shall be based on completion of determined hours of service, provided that if an Apprentice is not deemed to have reached a satisfactory minimum standard, he/she will be given an additional one hundred sixty (160) hours in which to reach the standard set in the Apprenticeship Training Programs. A written test will be given to establish his/her qualifications.
- 31.05** *The Company will cover the costs of tuition, books and normal rate of pay for the first attempt at each appropriate Apprenticeship schooling level, and if required, both re-writes. If the Apprentice fails at any level of the apprenticeship program, a joint discussion with the Apprentice, Union Business Representative and the Manager will be arranged by the Company. If it is determined that more schooling is required the Apprentice will be responsible for those costs except in the case of proven extenuating circumstances agreed to by both parties.*

For trades that allow challenge exams, if an employee chooses to challenge any level of the apprenticeship, the Apprentice will be responsible for all costs and lost time. If the Apprentice is successful on his/her first attempt at challenging the exam the Company will reimburse the Apprentice for costs and normal rate of pay. If an Apprentice is unsuccessful on the challenge exam, he/she will not be permitted to challenge any other level and will be required to attend each appropriate schooling level.

An Apprentice who has not satisfactorily passed any required examinations on the completion of the scheduled hours of cumulative service, may be required to serve an additional six (6) months maximum in order to qualify as a Journeyperson. This period may change depending upon what the **Industry Training Authority** dictates.

- 31.06** An Apprentice having served his/her required time and having passed any necessary examinations and who meets the on-floor standards of the Company, will be classified as a Journeyperson.
- 31.07** During periods when Apprentices are attending authorized training classes at vocational school annually, the Company will pay for all tuition fees, books and mandatory supplies.
- 31.08** The Apprentices working on night shift shall be permitted to attend regularly scheduled in-plant training sessions, provided the sessions are within the current training curriculum.

31.09 After an Apprentice is accredited for two (2) years, he/she may be required to work in the field, but in no case can he/she be put in charge of a job or put in charge of other workers.

31.10 Apprentices will be considered a separate classification for lay off purposes until they are certified. This means the Company will retain an apprentice with less seniority than a journeyman in the event of lay off as long as the apprentice to journeyman ratio is maintained in each branch. And according to the following:

- A 3rd/4th year Apprentice with less seniority than a Journeyman will be retained as long as the Journeyman has less than four (4) years of seniority:
- A 1st/2nd Apprentice with less seniority than a Journeyman will be retained as long as the Journeyman has less than two (2) years of seniority.

The same conditions will apply to parts apprentices within the term of their indenture ship (now three (3) years). If the time of indenture ship changes then the classification protection will change accordingly.

31.11 The Company will *pay the cost of* direct travel, travel includes air fare, bus fare from home to the city of the course). It does not include taxis, airline limousines, daily transport while attending class.

The Company will pay the Apprentice a maximum of Four Hundred Dollars (\$400.00) per week to cover all living and city travel and weekend expenses while the apprentice attends school *as per the Apprenticeship expense guidelines*. Receipts will be required.

31.12 Parts apprentice program shall conform to the Provincial Department of Labour Apprenticeship standards: i.e. formal training, examinations, hours indentured.

31.13 In order to qualify for a Journeyman Certificate, the graduating Apprentice will be required to pass a Qualifying Examination consisting of a written theoretical test, a performance discussion and a sign off/approval from Management. The written portion of this examination will meet the conditions of and be approved by the *Industry Training Authority*.

ARTICLE 32 - SAVINGS CLAUSES

32.01 No provision of this Agreement shall be used to remove working conditions or reduce wages presently in effect.

32.02 Nothing herein contained shall preclude higher wages being paid to employees of special ability as determined by the Company.

- 32.03** Should any part hereof or any provisions herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation, or by decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and such remaining portions shall continue in full force and effect.
- 32.04** Picket Lines. It shall not be a violation of this Collective Agreement if Members of this Union respect and/or honour a legal picket line.
- 32.05** The Article Headings of this Collective Agreement shall be used for the purpose of reference only, and shall not be used as an aid in the interpretation of this Agreement.

ARTICLE 33 - TECHNOLOGICAL OR PROCEDURAL CHANGES

- 33.01** Recognizing the dynamic changes facing the Company and the Union over the term of the collective agreement a committee of three (3) persons representing the Company and three persons representing the Union will meet on a quarterly basis to address and resolve emerging issues. The purpose of the meetings is to provide for continuing consultation and cooperation on ways to achieve sustainable improvements in Customer Service while striving to enhance the working climate and job opportunities for employees.
- 33.02** Both the Company and the Union agree that it is important to discuss the introduction and implications of technological change in the workplace where that change will affect Employees. Where the Company intends to introduce technological or procedural change in the workplace, it will meet with the Union to discuss the implications of the change ninety (90) days prior to implementation.
- 33.03** Technological change will be considered the introduction of new or modified equipment, or work processes, which will displace employees in a branch. The Company will provide information about the new technology and the impact on the Employees.
- 33.04** Where jobs are made redundant, the affected employees will be given an opportunity to move to other positions provided there are openings and they are capable of performing the job functions.

Employees who move to a lower classification shall have their wages red circled.

- 33.05** An important purpose of this article is to assist employees in adapting and retraining to meet technological change in the workplace.
- 33.06** When Technological change occurs, the Company shall provide adequate opportunities for training and skill development for the affected employee(s) so that they may be equipped to fill other jobs within the Company that are commensurate with their ability, qualifications and seniority. The Company and the Union will encourage the employees to participate in skills upgrading. This may involve attending a course inside or outside the Company. The Company will assume the cost of any agreed to course.

33.07 If an employee is not able to be placed in a suitable position, severance pay shall apply, in accordance with the provisions of Article 27.02 (Branch Closure) of this Collective Agreement.

33.08 Any changes to wage categories, rates or layoff classifications necessitated by the introduction of the change will be negotiated by the Union and the Company.

ARTICLE 34 – CONTRACTING OUT

34.01 Principles

The Parties recognize the importance of maximizing employment within the Bargaining Unit and will work toward this goal in concert with meeting customer needs and ensuring shareholder return.

1. The Employer agrees that it will only contract out work for valid business reasons in response to competitive demands and further not for the purpose of eroding or undermining the Union and/or the Bargaining Unit.
2. The Employer agrees that it will meet and have consultation with the Union prior to making a decision to contract out work of the Bargaining Unit.
3. The Employer and the Union agree they will meet and make a good faith effort to develop alternatives that may retain such work under the jurisdiction of the unionized employees.

34.02 Enhanced Protections

Where despite ongoing good faith efforts, the Employer determines that in order to meet its goals that contracting out is the appropriate action and as a result layoffs will occur, the Employer shall:

1. Meet with the Union, a minimum of one hundred and twenty (120) days in advance of taking such action;
2. Provide an opportunity for Employees to move to other available positions within the bargaining unit that they are capable of performing;
3. Assist an Employee who may need some skills upgrading to assume another position within the bargaining unit. This may involve attending a course inside or outside the Employer. The Employer will assume the cost of any agreed to course;
4. Provide outplacement counseling to all Employees laid off due to contracting out;

5. Provide severance on layoff as outlined in Article 27;
6. Provide HR resources to facilitate movement of Employees, coordination of re-training and outplacement counseling and payment of severance.

ARTICLE 35 - DEFINED CONTRIBUTION PLAN

35.01 The Company shall maintain a Defined Contribution Pension Plan, and all employees other than those in the Defined Benefit Plan shall participate in the Defined Contribution Plan. Contributions shall be made on behalf of employees at no less than five *and three quarter* percent (5.75%) of earnings, full cost of such contributions shall be borne by the Company.

35.02 Employees may voluntarily contribute up to a maximum of six percent (6%) toward their Defined Contribution Pension Plan of which the employer will match at a rate of one fourth (1/4) of the first four percent (4%) to a maximum of one percent (1%).

35.03 The Company agrees to provide a copy of the plan text to the pension plan members upon request.

ARTICLE 36 - DURATION OF AGREEMENT

36.01 This Agreement shall be in full force and effect from and including APRIL 15, **2011** to and including APRIL 14, **2015** and shall continue in full force and effect from year to year thereafter subject to the right of either Party to this Collective Agreement within four (4) months immediately preceding the date of APRIL 14, **2015** or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party, require the other Party to commence collective bargaining with a view to the conclusion of a renewal or revision of this Collective Agreement or a new Collective Agreement.

36.02 Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike, or the Company shall give notice of lockout, or the Parties shall conclude a renewal or revision of the Collective Agreement or a new Collective Agreement.

36.03 During the life of this Agreement, or while negotiations for a further Agreement are in progress, there shall be no strikes or stoppages of work on the part of the Members of the Union, nor any lockout on the part of the Company.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

SCHEDULE "A"
FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.
WAGES - MECHANICAL DEPARTMENT

<u>CLASSIFICATION</u>	<u>APR.15/11</u>	<u>APR.15/12</u>	<u>APR. 15/13</u>	<u>APR. 15/14</u>
Gas Compression Technician**	37.23	38.35	39.50	41.08
Resident 9%	40.58	41.80	43.05	44.77
Double Chargehand 15%	42.81	44.09	45.41	47.23
Chargehand 12%	41.69	42.94	44.23	46.00
Journeyman	37.23	38.35	39.50	41.08
Estimator	37.23	38.35	39.50	41.08
Provisional Journeyman				
1 - 3 Months	34.38	35.41	36.48	37.94
3 - 6 Months	35.74	36.82	37.92	39.44
Specialist	34.89	35.94	37.02	38.50
Equipment Operator	31.35	32.29	33.25	34.58
Maintenance Assistant	30.37	31.28	32.22	33.51
Maintenance Support Staff	27.00	27.81	28.64	29.79
Journeyman Helper 0 - 6	20.13	20.74	21.36	22.22
Journeyman Helper 6-12	21.65	22.30	22.97	23.89
Journeyman Helper	23.17	23.87	24.58	25.57
Track Press Operator 0 – 6	22.34	23.01	23.70	24.65
Track Press Operator 6-12	26.20	26.98	27.79	28.90
Track Press Operator – 1 Year rate	30.07	30.97	31.90	33.17
Casual Labourers	19.94	20.53	21.15	22.00
Student	16.14	16.63	17.12	17.81

Field Rate Two Dollars and fifty-five cents (\$2.55) per hour field rate to be paid above classification rate to all Service Department employees covered by this Agreement when working off Company Premises. The field rate will not attract overtime rates.

LeadHand 5% above Journeyman Rate. The premium shall attract overtime rates.

Shift Differential Three Dollars (\$3.00) per hour on the second shift.

Shift Differential Five Dollars and ten cents (\$5.10) per hour on the third shift.

**Gas Compression – In consideration of the safety hazards and working conditions inherent in gas compression work, employees who work on gas compression equipment shall receive a nine percent (9%) premium on all hours worked. This premium shall attract overtime.

First Aid	Level 3 Ticket	\$1.05 per hour
Premiums:	Level 2 Ticket	\$.90 per hour

People required to take courses during their normal work period will be paid during the course. Books and fees will also be paid.

Dual Ticket Premium

Where, as a results of business needs, the Company requires an employee to hold dual certification, the employee shall hold classification seniority within his/her primary trade certification. The primary trade of the employee shall be determined at the time he/she posts into the position (ie: an employee who posts into a position as a mechanic-electrician shall be classified as a mechanic and shall be laid off as a mechanic; an employee who posts into a position as an electrician-mechanic shall be classified as an electrician and shall be laid off as an electrician). Employees may not use their seniority to displace employees classified in the trade of their secondary trade certification. If the company requires the use of a dual ticket, a One Dollar (\$1.00) per hour premium will be provided. This premium will not attract overtime.

SCHEDULE "B"

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

WAGES

APPRENTICES

(Four year schedule)

Apprentices shall be required to complete the Total Hours as shown below in order to qualify for completion of their Apprenticeship and to be considered a Journeyperson. For the purposes of progression to the next increased wage rate, the Apprentice shall be required to complete the required number of Progression Hours.

The Apprentice shall be credited with all actual hours worked. Overtime hours shall count toward the Hours worked, but shall not be counted as double hours. There shall be no credit for vacation hours, statutory holidays, or time taken off work due to illness or personal absences.

For any Trades not specifically outlined below, the number of hours shall be those established by the BC Industry Training Authority (ITA).

Program	Total Hours	Progression Hours
Heavy Equipment Technician	6000	750
Diesel Engine Mechanic (only applies to Br. 21 and Br. 14)	6392	799
Industrial Electrician	6000	750
Machinist	6600	825
Parts Technician	5040	840

Wages - Mechanical Department

Mechanical Apprentices		April 15/11	April 15/12	April 15/13	April 15/14
1 st Year	Period 1	\$18.62	\$19.17	\$19.75	\$20.54
	Period 2	20.49	21.10	21.74	22.61
2 nd Year	Period 3	22.35	23.02	23.71	24.66
	Period 4	24.21	24.94	25.69	26.71
3 rd Year	Period 5	26.06	26.84	27.65	28.76
	Period 6	27.92	28.76	29.62	30.81
4 th Year	Period 7	29.79	30.68	31.60	32.86
	Period 8	33.50	34.50	35.54	36.96

Wages - Parts Department

Parts Apprentices		April 15/11	April 15/12	April 15/13	April 15/14
1 st Year	Period 1	\$16.57	\$17.06	\$17.58	\$18.28
	Period 2	18.22	18.77	19.33	20.10
2 nd Year	Period 3	21.54	22.18	22.85	23.76
	Period 4	23.19	23.89	24.60	25.59
3 rd Year	Period 5	26.49	27.28	28.10	29.23
	Period 6	29.81	30.70	31.62	32.89

An Apprentice will still be required to meet the on floor standards of the company in accordance with Article 31 prior to being classified as a Journeyperson.

The Company agrees to credit an Apprentice at the beginning of his/her term, any previous relevant schooling and/or work experience as recognized and approved by the B.C. Apprenticeship Board.

SCHEDULE "C"

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

WAGES - PARTS DEPARTMENT

<u>CLASSIFICATION</u>	<u>APR.15/11</u>	<u>APR.15/12</u>	<u>APR. 15/13</u>	<u>APR. 15/14</u>
Chargehand	37.09	38.20	39.34	40.92
Journeyman Partsperson	33.13	34.13	35.15	36.56
TRUCK OPERATOR (light)	30.89	31.81	32.77	34.08
TRUCK OPERATOR (heavy)	31.37	32.31	33.28	34.61
HOSE MAKER (Specialist)	34.89	35.94	37.02	38.50

PARTS SALESPERSON: to receive five percent (5%) above Journeyman Partsperson Rate.

Is an individual that spends at least fifty percent (50%) of their time directly involved with customers. This premium shall attract overtime rates

Leadhand – 7% above Parts Journeyman rate. Premium shall attract overtime rates.

PARTS WAREHOUSEPERSON	28.34	29.19	30.07	31.27
0 - 6 months	20.13	20.74	21.36	22.22
6-12 months	20.85	21.48	22.12	23.01
12 - 18 months	21.57	22.22	22.88	23.80
18 - 24 months	23.03	23.72	24.43	25.40
24 - 30 months	24.69	25.43	26.19	27.24
30 - 36 months	26.42	27.21	28.02	29.15

*Leadhand: 5% above Parts WarehousePerson rate. Premium shall attract overtime rates.

* Any new hire and promotion

WAGES for Regional Parts Distribution Centre Employees hired after June 30th, 2003

<u>CLASSIFICATION</u>	<u>APR.15/11</u>	<u>APR.15/12</u>	<u>APR. 15/13</u>	<u>APR. 15/14</u>
Chargehand	26.41	27.20	28.01	29.13
Parts Warehouseperson	23.58	24.28	25.01	26.01
0-6 Months	18.62	19.17	19.75	20.54
6-12 Months	19.79	20.38	21.00	21.84
12-18 Months	20.98	21.61	22.25	23.14
18-24 Months	22.16	22.83	23.51	24.45

Leadhand: 5% above Parts Warehouseperson rate. Premium shall attract overtime rates.

** Note: Employees who are in a warehouse classification as of the date of ratification will maintain the current wages of the warehouse classification and will receive all wage increases as outlined in the schedules/wages section of this document.

1. All existing employees as of the date of ratification shall be grandfathered at existing rates.
2. Two tiered wage structure shall apply only to employees in the regional parts distribution centers.
3. Employees hired in the RPDC shall progress to top rate over a two years period; such employees who subsequently transfer out to a branch warehouse shall progress over one year to the regular warehouse rate.
4. The Company agrees there shall be no closure of RPDC during the life of this Collective Agreement.
5. Employees who transfer into the RPDC shall be entitled to wages paid at the appropriate rate of pay based upon their date of hire.
6. The parties acknowledge that all RPDC provisions shall apply only to the Branch 9 Surrey location.

SCHEDULE "D"

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

WAGES - OIL LAB

<u>CLASSIFICATION</u>	<u>APR.15/11</u>	<u>APR.15/12</u>	<u>APR. 15/13</u>	<u>APR. 15/14</u>
Lab Interpreters*	28.58	29.44	30.32	31.53
Lab Technicians (Certified)	25.91	26.68	27.48	28.58
Lab Technicians (Uncertified)	24.24	24.97	25.72	26.75
Lab Clerk	21.57	22.22	22.88	23.80
Lab Interpreters - (hired prior to April 15, 1997)	34.46	35.49	36.55	38.02

* Any new hire or promotion

SCHEDULE "E"

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

WAGES - TOOL LAB

<u>CLASSIFICATION</u>	<u>APR.15/11</u>	<u>APR.15/12</u>	<u>APR. 15/13</u>	<u>APR. 15/14</u>
Tool Lab Assistant 0 – 6	20.13	20.74	21.36	22.22
Tool Lab Assistant 6-12	21.25	21.88	22.54	23.44
Tool Lab Assistant - 1 year	22.37	23.04	23.73	24.68
Tool Lab Calibrator Level 1	24.70	25.44	26.20	27.25
Tool Lab Calibrator Level 2	26.81	27.62	28.44	29.58
Tool Lab Calibrator Level 3	28.94	29.81	30.71	31.93
Tool Lab Technician (trade ticket)	33.16	34.15	35.17	36.58
Tool Lab Chargehand	37.14	38.25	39.40	40.98

Leadhand: 5% above Tool Lab Technician rate. Premium shall attract overtime rates.

SCHEDULE "F"

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

WAGES - FILTER CLEANING

<u>CLASSIFICATION</u>	<u>APR.15/11</u>	<u>APR.15/12</u>	<u>APR. 15/13</u>	<u>APR. 15/14</u>
Helper 0 - 6	20.13	20.74	21.36	22.22
Helper 6-12	21.25	21.88	22.54	23.44
Helper 1 year	22.37	23.04	23.73	24.68
Filter Clean Chargehand	27.00	27.81	28.64	29.79

Leadhand: 5% above Helper 1 Year rate. Premium shall attract overtime rates.

SCHEDULE "G"
FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

G.01 Service Employees' Tuesday to Saturday Work Week:

A work week to cover Tuesday to Saturday operation for Service Employees only, shall be operated under the following conditions.

Employees hired prior to January 1, 1971 are not required to work a scheduled Tuesday to Saturday shift. There will be no discrimination against those who refuse to work this shift.

Employees hired after January 1, 1971, but prior to October 15, 1985 the Company may schedule a maximum of three (3) employees in each branch or depot throughout the Province and six (6) employees in the Greater Vancouver Branches. Employees hired after October 15, 1985 will be excluded from this limit.

Employees hired after October 14, 1985 will be required to work a Tuesday to Saturday shift if requested.

For each Service Employee accepting a Tuesday to Saturday work week, the tour of duty shall not exceed thirty (30) consecutive calendar days at any one time except where the employee wishes to remain on this shift and so signifies in writing

Five (5) consecutive days, Tuesday to Saturday inclusive, shall be worked.

G.02 All Departments: Tuesday to Saturday Shift Premium

A Premium of *One Dollar and Fifteen Cents (\$1.15)* per hour for all hours worked shall be paid above the normal Classification rate to employees of all departments who work a Tuesday to Saturday shift.

In addition to the above, if a second or third shift is employed, then the standard shift premium shall also apply.

SCHEDULE "H"
FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

HOUSING ALLOWANCE

This allowance will be paid to Employees who maintain a residence in the community of the Branch where they are employed.

<u>Location</u>	<u>April 15, 2011</u>
Whitehorse	\$400.00
Fort Nelson	\$400.00
Tumbler Ridge	\$400.00

LETTER OF UNDERSTANDING #1

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Defined Benefit Pension Plan

1. The present Defined Benefit Pension Plan shall continue to be available for existing employees/participants in the Defined Benefit Pension Plan. The Company believes the Union and its members who belong to the Finning (Canada), A Division of Finning International Inc. Retirement Plan should be provided updated information on an annual basis.
2. The Company agrees that the Union can nominate from the membership two Finning employees who will become members of the Pension Committee. These members will be invited to attend the pension committee meetings to gather information and participate in the discussion and decisions with respect to investment performance.
3. The Company agrees to provide a copy of the plan text to pension plan members upon request.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #2

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

RE: TEN (10) HOUR SHIFTS

In order to improve the Company's competitiveness and flexibility in providing customer service, while providing increased job security for employees, the parties agree to the following:

Competitiveness and Improving Customer Service

In order to improve customer service, facilitate growth and meet the customer requirements, the Company has the option of scheduling work on ten (10) hour shifts. The shifts will be four (4) consecutive ten (10) hour work days. The shift will be staffed first by volunteers. In the event sufficient volunteers are not obtained then the shift will be staffed by reverse order of seniority, skills and ability considered, on a rotation of up to one (1) month duration. The Company will provide a minimum of one (1) week notice in advance of implementing this shift.

- (a) A premium of ninety cents per hour (\$.90) hour worked will be provided to a Wednesday to Saturday shift. Afternoon shift premium will apply as necessary.
- (b) Vacation days will be taken at ten (10) hours on the 10-hour shifts and same as we currently do on 8's. Vacation entitlement is for forty (40) hours per week be it on 8s or 10s, the only difference is the number of days taken off. (1 week = 40 hours = 4 days).
- (c) Employees on the ten (10) hour shift shall be paid the appropriate overtime rates for all hours outside of their scheduled ten (10) hour shift and for all hours worked on scheduled days off.
- (d) Breaks on the ten (10) hour shift will consist of three (3) - ten (10) minute breaks and a lunch break of thirty (30) minutes.
- (e) When on training courses etc., the employee on ten (10) hour shifts may revert back to the eight-hour (8hr) shift for the duration of that work week.

LETTER OF UNDERSTANDING #2

(Continued)

- (f) Sick time will be paid up to ten (10) hours per day to a maximum of forty (40) hours per week.

- (g) Statutory Holiday pay will be calculated as follows:

When a Statutory holiday falls on a scheduled work day ten (10) hours at the straight time hourly rate will be paid. If an employee works the Statutory Holiday he/she will be paid overtime rates as per the collective agreement in addition to the Statutory Holiday pay.

When the Statutory Holiday falls on a scheduled day off such holiday shall be observed on the next scheduled work day.

- (h) When employees are required to work extended hours in excess of eleven (11) the Company will pay the cost of a good meal. If an employee chooses not to take a meal break, they will be paid \$20.00. The time provided to consume the meal shall not be less than one-half (½) hour.

- (i) Shift times will commence as per the collective agreement.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #3

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Welder: Backpack Respirator and Fresh Air Helmet

The Company shall provide a Backpack Respirator/Fresh Air Welding Helmet to welders on an as-required basis.

Employees will be encouraged to wear a respirator for all welding work.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #4

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Joint Selection Committee

The Company and the Union agree that where a joint committee is involved in the selection process to interview candidates when jobs are posted, the committee will normally consist of four (4) Finning people, two (2) of whom will be members of the bargaining unit.

The hiring Manager and the Shop Steward will meet to determine the composition of the joint committee. To be selected for this joint committee the person must be genuinely interested, be prepared to contribute positively to the committee hiring decision and attend the interviewing training. The final decision will be by committee consensus.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #5

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Service Chargehand

An employee who posts to another branch as a Chargehand and then at a later date wishes to move back to a Journeyperson's position will be encouraged, first to consider a move back to their original branch, or to post to a different branch with full seniority. If there is a Journeyperson opening at the current branch and a posting occurs, if successful this person will maintain seniority but exclude their Chargehand time for layoff purposes. The maximum seniority excluded will be two (2) years, which shall be reinstated within the current branch after working two (2) years.

If the Chargehand is promoted from within the branch, and at a later date moves back to a Journeyperson's position within the branch, their seniority will include the time spent in that branch as a Chargehand for layoff purposes.

Other service Chargehand issues will be negotiated individually in branches where they occur.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #6

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Training and Development

The Company and Union agree that the training and development of employees is important to the continued success of the organization. Training and development may include specific course training (e.g.: technical, quality, health & safety, etc.), different job assignments in our branches or participation in activities such as corrective action teams or performing as instructors, leadhands or chargehands.

Both the Company and the Union will promote the ongoing development of people. Both parties agree that it is essential for employees to have an employee performance discussion on an annual basis. During the dialogue between the manager and the person, each will have the opportunity to discuss work-related issues concerning job performance and objectives and plans for employee development over the next year. The constructive discussion would assist in identifying any training, job growth and promotional opportunities.

Finning's employee development philosophy is to provide cost effective work related training to employees, in order that they can increase competencies in relevant product lines and provide better service for the customer.

The company will provide relevant product and technical training and relevant operational and customer service skills development programs.

Priority for training will be on the following basis:

Technicians

1. Field/resident mechanic
 2. backup field mechanics
 3. shop mechanics
- all other classifications as required

Parts Sales

1. counter sales persons
2. backup countersales person

Training and development for partpersons, service personnel and related classifications shall be provided as needed, on general and specific product lines, on sales and customer service related processes that add value, and on new technology, including computer data base systems related to administration and marketing.

Training courses for support classifications shall be provided on an as needed basis in order to assist them in better performing the responsibilities of their position. This may include ongoing training in new technologies, regular upgrading of certifications and re-testing (e.g.: re-tests for welding tickets, etc.).

Assignment of training will be by the *Management* in conjunction with his/her staff and assisted by the training department to determine the course(s) for each employee. The company will attempt to provide courses to employees on an equitable basis as needed. The training budget is determined annually through the budget process based upon branch revenue and needs. Once each year the *Management* will discuss with each person his/her potential training needs.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #7

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: First Aid Tickets and Training

Current level 3 designated first aid attendants providing this service in a branch not requiring level 3 coverage will be permitted to maintain their level 3 with the appropriate paid allowances, fees and wage rate. All other first aid attendants will be paid allowances, fees and wage rate to maintain the appropriate certificate for their branch size, location, and category.

Other employees who presently hold a first aid certification shall be eligible to maintain their certification. The course will be taken on the employee's own time and expense. Upon successful completion of the training course, they shall be reimbursed only for the cost of their training fees.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #8

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Banking of Overtime Hours

1. Overtime hours must be paid in wages at the O/T rate or banked. At the employee's option, this may be banked in full or one hour at straight time pay and one hour in the bank for each O/T hour worked.

The maximum hours in an employee's bank at any time may be three hundred and *twenty* (320) hours. These hours may only be used as time off at a mutually acceptable time to both parties. If there is no agreement then either party may demand full payout and the closing of the banking account.

2. Banked time can not be taken or added to regular vacation during the prime time vacation period. Banked hours can not be used as sick time.

If an employee does not use his/her three hundred and twenty (320) hours for mutually agreed upon time off in the calendar year, he/she may carry it forward to the next year.

3. Stored hours are costed at the rate they are earned and in the order they are earned but will not include premiums or differentials as they are paid in the actual pay period.
4. Retroactive pay adjustments for banked hours will be paid in a lump sum on a paycheque, the bank will not be adjusted.
5. If an hourly employee becomes salaried all banked time must be immediately cashed out.
6. Maximum hours in the bank may be adjusted on a branch by branch basis based upon business conditions only by mutual agreement between both parties.

Note: Any current employees with banked time above 320 hours as of the signing of the Collective Agreement will be permitted to use the time in their banks, but will not be able to bank any more hours until the bank drops below 320 again.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #9

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Joint Safety Committee

The union and the company agree that the elimination of all accidents from the workplace is a critical achievement and recognize the value of working cooperatively to achieve this end.

Further, the parties recognize the importance of demonstrating active leadership in creating and sustaining a healthy and safe environment.

To this end, the Business Rep and the G.M. Human Resources will jointly chair a Union / Management committee. The committee will meet quarterly to discuss the progress in achieving this goal.

In addition to their main goal of accident prevention and ensuring a safe workplace for all employees, this committee will also provide input and feedback into development and implementation of a Modified Work Duties program. Such Modified Work Duties program applies to employees who have suffered disabilities, regardless of whether they arise out of workplace incidents or other circumstances.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #10

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Bridging of benefit payments

The parties understand that there may be delays in the processing of employee claims while on WCB or WI. In order to ease any financial stresses to the employee the following process applies.

If an employee is off work due to a WCB or WI claim, and there has been a delay of at least one (1) month in duration of processing the claim, where the employee has not received payment of the benefit, the employee may apply to the Branch HR contact, for a bridging payment. If approved, the payment will be no more than what the employee would have earned from the benefit and shall be no more than is earned in vacation pay and it must be repaid upon receipt of the benefit payment.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #11

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Students

Any person who is classified as a Student must be registered full-time and be attending an educational institution. Full-time enrolment for the purpose of this letter of understanding is considered to be an average of three (3) courses per semester or full time in any technical trade school.

Student status will be reviewed each spring.

Any student working twenty (20) or more hours a week on a regular scheduled basis other than during school breaks (spring break, Easter, the summer period, and Christmas), will receive the same rate of pay as those employed as Casual Labourers. They will be eligible for benefits on a pro-rata basis, based on their actual hours worked.

Students will not be deducted any Union dues and will receive the Student pay rate as outlined in Schedule A.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #12

BETWEEN:

**FINNING (CANADA), A DIVISION OF
FINNING INTERNATIONAL INC.**

- AND -

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Modified Shifts

The parties recognize that in certain circumstances business conditions or customer needs warrant a modified shift or change to hours of work. In such cases, the parties shall discuss the terms and conditions required to be changed. The following process shall apply:

1. Company must establish that there is a business case justifying reasons for requesting a modified shift.
2. The Company shall make a formal request in writing to the Union.
3. The parties agree that a co-design process should be utilized, wherever possible: employee and employer representatives within the branch or location requesting the change shall meet to discuss the best way to address the needs of the situation in the case at hand.
4. The Union shall meet with the Company to discuss the business reasons for such request, and will endeavour to agree upon terms and conditions that will address the needs of the situation. In some cases the Union may require a ratification process by the affected employees at the branch or location.

When the parties agree to a modified 12 hour shift, the following conditions will apply:

- a) The shift will initially apply to employees designated and agreed to by the Company and the Union. Any subsequent vacancies will be posted.
- b) When employees are required to work extended hours in excess of thirteen (13) the Company will pay the cost of a good meal. If an employee chooses not to take a meal break, they will be paid \$20.00. The time required to consume the meal shall not be less than one-half (1/2) hour.

- c) Subject to exceptions set forth in this Agreement, any employee reporting for work on his/her regular shift shall receive a minimum of six (6) hours pay at his regular rate, provide that if six (6) hours work is not available at his regular job, he shall perform such temporary work as may be assigned to him to qualify for such pay. Any employee completing the first half of his regular shift and who commences work on the second half of his/her regular shift shall receive his full pay for that shift.
- d) Change of Schedule: When a change to an employee's work schedule takes place, the effective date of the new schedule will commence after the employee's previously scheduled days of rest. Where the employee works his scheduled days of rest, the applicable overtime rates will apply.
- e) When a Statutory Holiday falls on an employee's scheduled day off, the employee shall be paid twelve (12) hours at his hourly base rate for the holiday. When a Statutory Holiday falls on an employee's scheduled workday and he does not work, the employee shall be paid twelve (12) hours at his hourly base rate for the holiday.

When a Statutory Holiday falls on an employee's scheduled workday and he works, the employee shall be paid twelve (12) hours at his regular base rate for the holiday, and shall be paid at the overtime rate for the full twelve (12) hours for that day. If the employee leaves early of his own accord, he shall only be paid overtime for actual hours worked.

- f) Vacations will be converted to hour entitlement and will be taken in blocks of hours. Employees will be entitled to the number of weeks of vacation as outlined in the Collective Agreement, at the appropriate percentage (%) of gross earnings.

Under the 7/14 on or 7/14 off shift schedule one (1) week off (84 hours) is equal to two (2) weeks off (80 hours) under the Collective Agreement. Therefore, an employee with two (2) weeks of vacation would take off one (1) week (84 hours) under the above schedule and would be paid eighty (80) hours or four percent (4%) of gross earnings, whichever is greater.

When an employee does not have enough vacation hours remaining to take a full set off, time off may be supplemented by an employee's bank time upon agreement with management as per LOU #8. Employees must schedule a full set to be able to use bank time off. If vacation requests are less than a full set then the employee will have his vacation hours reduced by the amount of hours used for vacation.

- g) Bereavement leave will be calculated on a twelve (12) hour basis to a maximum of sixty (60) hours. Qualification remains as per the Collective Agreement.
- h) Employees shall be entitled to three (3) paid lunch/rest breaks during each shift. The total lunch/rest period shall not exceed sixty (60) minutes.
- i) Training: Training on a scheduled day off will be paid as per 25.15 of the Collective Agreement and only paid for the actual hours in training.

5. All other terms, including shift length, shift times, etc. will be covered in a Letter of Understanding specific to the situation and shall not have precedent value for future situations and/or negotiations between the parties.
6. Any other terms and conditions will be covered by the Collective Agreement.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #13

BETWEEN:

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

-AND-

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Seniority during change of department

Where an employee transfers as a result of a job posting from one department to another (ie: mechanical department to parts department or vice-versa), company seniority shall apply within the department to which the employee transfers.

Where an employee must be accommodated into another department or classification due to a disability, it is not the intent of the parties that existing employees within the department or classification should be laid off from their position as a direct result of such accommodation. In such circumstances, the employee's company seniority shall be applied within the department or classification after one (1) year.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #14

BETWEEN:

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

-AND-

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Apprenticeship

Objective: the company and the Union agree that proper training and development of the apprentice should take place over the term of the apprenticeship.

In the early part of their term, the apprentice will work with and shadow a certified journeyman mentor on their jobs. It is the apprentice's responsibility to keep their task record books up to date. It is also understood that the apprentice should not be used on limited skill work for extended periods of time (ie: steam cleaning, shop clean-up, and sand-blasting.)

At the beginning of their apprenticeship the apprentice will be credited period 1 credit as per Schedule "B" for pre-apprenticeship training, plus any hands-on practical experience that is relevant to their trade. The exception to this would be that an apprentice upon completion of the Caterpillar "Think Big" program would be credited with 1800 hours of time credits, subject to any additional hours each specified individual may have completed. The amount of time credited will be discussed between the apprentice, the shop steward, and the management subject to the approval of the apprenticeship board.

It is the company's responsibility to schedule the apprentice's time line and training. The apprentice will not be held back on wage increments because of training schedule short falls. The normal apprenticeship should be complete by four years (4yrs) less the credited time.

In order to provide exposure to a variety of tasks and work situations, the apprentice shall be hired into a branch, which shall be considered his/her home branch, but shall be expected to work within other branches on a regional basis. The apprentice for the duration of his/her apprenticeship must be prepared to move to alternate branches within his/her regional assignment; such moves shall be for the purpose of training and skill development, but may also be used in cases where there is insufficient work within the home branch.

The parties agree that retaining apprentices during slow work periods and layoff situations is a common goal. The parties also acknowledge that job security for existing employees is a major issue. In times of work shortages, apprentices may be transferred to alternate branches within their regional assignment area; however, apprentices may not be transferred into branches where there are employees on layoff.

The Company will provide the apprentice with two (2) weeks notice prior to a transfer to an alternate branch within his region. Reasonable living expenses will be allowed for apprentices transferred by the Company. Living expenses to be discussed initially with the company before departure and each fifteen (15) days thereafter.

For the purpose of this letter of understanding, the regions will be as follows:

Region 1 - Lower Mainland and Vancouver Island

Region 2 - Kamloops, Cranbrook, Vernon, Castlegar and Sparwood

Region 3 - Williams Lake, Quesnel, MacKenzie, Houston, Terrace, Prince George, Whitehorse, Fort St. John and Fort Nelson.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #15

BETWEEN:

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

-AND-

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Transfers from Isolated Branches

The parties acknowledge the difficulty the Company has in attracting employees to isolated branches. It is in the interest of the Company, the Union, and the employee to provide terms and conditions that will make an isolated branch more attractive to the employee.

Employees of Fort Nelson and Whitehorse branches who reside in those locations shall receive two additional paid vacation days per year. Payment for such days shall be in accordance with the provisions of Article 16 – Vacations of the Collective Agreement, to a maximum of .8% of Gross Earnings.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #16

BETWEEN:

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

-AND-

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

The Parties agree without prejudice or precedent to other similar and/or identical matters to the following:

Heavy Equipment Service Diploma ThinkBig (“ThinkBig”)

Grand Prairie Regional College (GPRC) is responsible for and free to accept students into the *Think Big program located at the Fairview Campus in Fairview, Alberta*, and to monitor and determine the progress of the students through the Program, including expelling students from the Program. Finning (Canada) will have the discretion according to its operational requirements to determine where each student will receive their work experience at any given time. Such assignments will not be subject to the posting requirements of the collective agreement.

GPRC and/or Finning (Canada) may from time to time find it necessary to provide certain incentives or such as bursaries or tool allowances in order to attract the best possible students to the Program. The Union will be advised of these as they are implemented.

The terms of *the Think Big* program *are as follows:*

1. Commencing September 1, 2008, students enrolled in the *ThinkBig* Program being offered by the *GPRC* in conjunction with Finning (Canada) shall while engaged in their work experience terms be paid the same hourly rate as first year apprentices (6-12 months) in their respective location.
2. The Students while engaged in their work experience terms shall be treated as temporary employees for each successive term that shall not be longer than three months each. Note: Students will not be placed in branches where any permanent employee is on layoff.
3. (a) For greater certainty while engaged in their work terms, Students will be:
 - i) entitled to work overtime;
 - ii) paid 4% vacation pay on each cheque;
 - iii) paid for statutory holidays;
 - iv) be provided personal protective equipment and coveralls (for which the Students will be responsible, including cleaning);
 - v) eligible to apply for postings as outside candidates.

- (b) Students will not, until they have completed the *ThinkBig* Program and been hired:
 - i) accrue seniority during their successive terms;
 - ii) be considered apprentices covered by Article 31;
 - iii) be eligible for permanent employment status or severance pay
 - iv) be eligible for group insurance or pension benefits.
 - v) be eligible for boot allowance, first aid certificate premium, regional wage adjustment, or custom ear plugs.
- 4. In lieu of Article 17.03 and 17.04, Students will be loaned tools for use during their work terms, in accordance with current practice.
- 5. Students who have successfully completed the requirements of the *ThinkBig* Program and who are hired as regular employees and will enter employment with Finning (Canada) with 1800 hours of time credit due to a full completion of this program, subject to any additional hours each specific individual may have completed (may qualify for more time credit).
- 6. This Letter of Understanding, unless altered or amended by agreement, will continue unless and until the Finning (Canada) involvement in the *ThinkBig* Program at **GPRC** is ended and the enrolled students have completed the program.
- 7. It is agreed that this Letter of Understanding is not to be considered a precedent for deciding future cases involved similar situations.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #17

BETWEEN:

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

-AND-

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

Re: Warehouse

The parties agree that we recognize the importance of adding value to the classification of Warehouseperson. Also in certain situations on as needed basis, to assist the Journey Partsperson in performing some of the shop and customer credits. Therefore on a without prejudice basis the Warehouseperson may perform shop, core inspection and customer credits on the following basis set out below:

1. It is understood by the parties that the credits performed by the Warehouseperson are normally performed by the Journey Partsperson and that this shall not set precedent of this work being removed from the parts sales function.
2. The Warehouseman shall not perform these functions when a Journey Partsperson are on layoff.
3. This Letter of Understanding may be reviewed quarterly to address any issues that may arise from the Warehouseperson performing these credits.
4. The Letter of Understanding shall remain in effect for the duration of the current collective agreement.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company

LETTER OF UNDERSTANDING #18

BETWEEN:

FINNING (CANADA), A DIVISION OF FINNING INTERNATIONAL INC.

-AND-

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

The Parties agree without prejudice or precedent to other similar and/or identical matters to the following:

Re: Permanent Part-Time Employees

1. Rate Progression - for those positions that have 6 month increments, permanent part-time employees will progress through the wage schedule by the accumulation of hours equivalent to that of 6 months of full time work, which is equal to 1040 hours.
2. Seniority Date – permanent part-time employees will have their seniority date adjusted on an annual basis in December, when requested by the Union, or upon transition to full-time employment. Seniority will be reconciled to reflect part-time hours and adjusted to reflect the equivalent of a full years service.
3. Vacation – permanent part-time vacation hours will be pro-rated based on the regularly scheduled hours of work. Example: If an employee is regularly scheduled for 32 hours per week, and is entitled to 2 weeks vacation, they will have 64 hours, not 80 hours loaded in January.
4. This Letter of Understanding will be reviewed at the conclusion of the Collective Agreement dated April 15, *2011* to April 14, *2015*.

DATED AT VANCOUVER, B.C. THIS _____ DAY OF _____, 2011.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE #692**

**FINNING (CANADA), A
DIVISION OF FINNING
INTERNATIONAL INC.**

Business Representative

For the Company

Business Representative

For the Company