

COLLECTIVE AGREEMENT

BY AND BETWEEN:

FINNING INTERNATIONAL INC.

and

**THE INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL LODGE 99**



Effective May 1, 2010 to April 30, 2012

08621 (10)

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* **CHANGED**

** **NEW**

COLLECTIVE AGREEMENT

Between:

FINNING INTERNATIONAL INC.

Hereinafter referred to as the "Employer",

OF THE FIRST PART

AND

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, LOCAL LODGE 99**

Hereinafter referred to as the "Union"

OF THE SECOND PART

WHEREAS the Union is certified as the Bargaining Agent under Alberta Labour Relations Board Certificate Number 420-2002 for the following:

"All Employees of Finning (Canada) Division except office, clerical, sales and security personnel."

AND WHEREAS the Union is Certified as the Bargaining Agent under Canada Labour Relations Board certificate No. 555-1194 for the following:

"All Employees of Finning LTD. employed in the Northwest Territories, excluding salesmen-in-charge, operations manager, foreman, and those above."

AND WHEREAS the Employer and the Union desire to establish and maintain conditions covering the hours of work, rates of pay and other working conditions in order to maintain a harmonious relationship between the Employer and Employees covered by the terms of this Agreement and desire to provide a method of fair and amicable adjustment of disputes which may arise between them.

NOW THEREFORE THE EMPLOYER AND THE UNION MUTUALLY AGREE AS FOLLOWS:

ARTICLE 1 - BARGAINING AGENCY

- 1.01 The Employer agrees to recognize the Union as the sole and exclusive bargaining agent for purposes of collective bargaining on behalf of the above noted Employees.
- 1.02 The Employer agrees to deal only with the Executive Officers and the Business Representative of the Union in matters relating to changes of any terms or conditions of this Agreement.
- 1.03 If a bargaining unit Employee is required to perform the duties of an Employee normally excluded, for a period of thirty (30) calendar days or longer, that Employee shall be excluded from the bargaining unit until he/she returns to their former duties.

ARTICLE 2 - UNION SECURITY

- 2.01 All Employees for whom the Union is recognized as the sole bargaining agency in accordance with Article 1 shall be required to become a member of the Union immediately, and the Union agrees to accept into membership all those who are so employed.
- 2.02 In the event any Employee refuses to join or fails to maintain membership in the Union, the Employer shall, upon being notified by the Union, dismiss that Employee. Provided, however, that the Employer is not bound to dismiss any Employee who is expelled from the Union for other than reasonable cause.
- 2.03 An Employee shall not be discharged while absent on approved leave or while covered by Worker's Compensation or Long Term Disability benefits for a period of up to twenty-four (24) months, except where the prognosis of the Employee suggests his/her return to the workplace is imminent and therefore he/she shall not be terminated from employment, except that layoff due to lack of work is excluded from this provision.
- * 2.04 An Employee who has become incapacitated by injury or illness which causes him/her to be unable to perform his/her present job will be given preference for a position for which he/she can do or can reasonably be trained to do. Upon return, if the Employee does not work in the position he/she held prior to the injury or illness, their wage will be red circled.
- 2.05 Notwithstanding any other provision of this contract, the failure or refusal of any Employee to pass through or work behind any picket line lawfully established shall not be deemed a breach of this contract, and the Employer shall not discharge, discipline or otherwise discriminate against any such Employee.

ARTICLE 3 - DUES, DEDUCTIONS AND INITIATION FEES

- 3.01 The Employer agrees to deduct from the wages of each Employee, upon written authorization from the Employee (which the Employer shall submit to the Employee for signature at the time of hire), such monthly dues or assessments as are provided therein. This authorization will be forwarded to the Union Office within thirty (30) days of the employee's first day worked.
- 3.02 Notification of any change in dues or assessment shall be given by the Union to the Employer at least thirty (30) days in advance of a change in deduction.
- 3.03 The money deducted each month shall be forwarded to the Union Office not later than two (2) weeks following the date of deduction, together with a statement of Employee's names, Branch number (not Branch as per Article 4.04) and the amount and purpose of each deduction.
- 3.04 The Union may request, by providing thirty (30) days notice, and the Employer will provide a current full bargaining unit list including names, addresses and phone numbers. Such request may be made a maximum of two (2) times per year.

In the interim period the Employer will accommodate, from time to time, the Union making individual requests for the same information relative to small numbers of Employees.

ARTICLE 4 - SENIORITY

- 4.01 A current seniority list by layoff classification per Branch will be provided to the Union monthly upon request. This list shall show seniority date and date of hire as separate fields where an Employee has different dates for these purposes.
- 4.02 Employees who have only held positions outside of the departments relating to the bargaining unit shall not hold bargaining unit seniority.

4.03 Any Employee reverting to bargaining unit status after ninety (90) days has elapsed since the date of transfer shall be classified no higher than the "A" wage rate of any category.

Such Employee may be subject to a dues assessment in accord with the Union's Bylaws. Where such situation exists; the Union shall consult with the Employee and subsequently provide the Employer with a statement of the total amount to be deducted and a schedule of deductions. The Employer agrees to make such deductions and forward the funds to the Union.

4.04 Seniority shall be held only in the Branch where the Employee is currently employed. However, if an Employee transfers to another Branch seniority shall be retained from the date of hire. For the purpose of this Agreement, a Branch is defined as one or more places of business operated by the Employer in a geographical locality or municipality.

* 4.05 **Permanent Employees:** shall serve a probationary period of one hundred and twenty (120) consecutive calendar days. Extension of one hundred and twenty (120) day probation period will be by mutual agreement of the parties. Seniority shall become effective when an Employee completes the probationary period and shall be dated retroactively to the date of hire. Benefits entitlement will be as per Article 15.

Permanent Part Time Employees (applies to Parts Department Warehouse Only): Is any Employee who works less than a full shift or week on a regular basis. An Employee who works twenty (20) hours or more will have benefits and statutory holidays paid on a prorated basis. Permanent Part time Employees, that work less than twenty (20) hours per week, will receive full benefit coverage upon Employee request. The Employee agrees to share the premiums on a 50% Employer and a 50% Employee basis.

The ratio of part time to full time in Branches with twenty-four (24) or more Employees will not exceed one (1) part time Employee, to three (3) full time Employees. The ratio of part time to full time in Branches with less than twenty-four (24) Employees will not exceed one (1) part time Employee, to two (2) full time Employees.

Temporary Employees (applies to new hires only): Part time or full time to a maximum of ninety (90) days. Summer students to a maximum of the University break.

Temporary and part time Employees will not be employed to displace full time Employees.

Temporary Employees and Students employed during their vacation period shall not acquire seniority.

Any Temporary Employee who becomes a permanent Employee will have his/her seniority dated retroactive to the date of hire upon completion of the probation period as a permanent Employee outlined above.

* 4.06a Seniority shall be considered as time worked in the bargaining unit.

Seniority shall be maintained and accumulated during an occupational accident, illness or while on sick leave benefits, maternity/paternity and adoption leave and layoffs.

Seniority will be maintained but not accumulated during an authorized leave of absence except for clause 19.11 where seniority does still accumulate.

If an Employee transfers to a position outside of the bargaining unit, seniority shall be maintained but not accumulated for two (2) years. After the two (2) years all Union seniority will be lost.

4.06b Seniority shall be broken by:

(a) voluntarily quitting the job.

(b) over-extending an authorized leave-of-absence.

(c) discharged for just cause.

(d) if an Employee fails to return to work within two (2) weeks notice requiring him/her to do so following layoff.

- * 4.07 Seniority shall be considered to end when an Employee has been discharged or voluntarily leaves the service of the Employer, or has been laid off for a period exceeding twelve (12) months. In the event it is found that an Employee is wrongfully discharged, that Employee shall not suffer any loss of seniority if reinstated.
- * 4.08 Employees listed in the top 10% of the Union seniority list, not holding a position normally defined as day shift, shall have the option of working straight day shift. Adjustments to the number of Employees who are so entitled shall be made on May 1st and November 1st of each year.

Employees who currently enjoyed the entitlement of Article 4.08, top 10% at the conclusion of the 2005 Collective Agreement Negotiations, will be grandfathered by name so as to continue to enjoy the top 10% entitlements.

ARTICLE 5 - VACANCIES, POSTINGS, PROMOTION AND LAY-OFF

- * 5.01 Where a vacancy occurs or a new job is created, notice will be posted on bulletin boards, Intranet and Internet sites for a minimum of fifteen (15) working days. The notice shall set out the job classification, location, branch, facility, shift schedule, and qualification required. When the manpower level is not being increased, a posting will include the notation "Restricted to applicants from within the Branch." If a posting is not awarded within ninety (90) calendar days then the posting will be expired.
- * 5.02 Applications for vacancies shall be directed to the Human Resources Department and the applicant must notify their immediate Supervisor. The Employer may reject an application for a posting to another Branch from an Employee who has less than one (1) year seniority or from an Employee who was transferred less than one (1) year prior to the posting. Once the application has been received a confirmation will be provided to the applicant. An employee may also check with their immediate supervisor and/or Branch HR contact if they have any questions on the status of their application.
- * 5.03 All applicants will be notified in writing within thirty (30) working days from the posting closing of their application status, so that applicants may have an opportunity to bid for any other vacancy that may occur pending award of the original vacancy.
- 5.04 When no suitable applicant is found within the Branch where the vacancy occurs, the position may be awarded to an applicant from another Branch or to an outside applicant.
- 5.05 In filling new positions or vacancies, including promotions, the job shall be filled on the basis of seniority, training, experience, and the ability to perform the duties required for the position.
- 5.06 Lay-off criteria will be in reverse order to seniority, which means the least senior Employee of a classification in a Branch affected will be laid-off first, except as noted herein.
- * * 5.06 (a) The parties agree that in the event of a layoff or termination for cause of a member of the bargaining unit, the Employer will notify the Union Office in writing within three (3) working days of the event. The names and classifications of the affected employees shall be provided to the Union and the Union will maintain confidentiality if disclosed prior to the layoff date.
- * 5.07 Employees in the Edmonton and Calgary Power Systems Divisions will be separated from the main shops for the purpose of lay-off.
- 5.08 Recall of laid off Employees will be carried out in order of seniority. The most senior Employee of a classification in a Branch affected shall be recalled first by means of telephone contact and a letter. Where an Employee is not contacted by telephone, a letter requiring proof of receipt by signature shall be sent to their last known address. The Employee must respond within ten (10) calendar days, excluding Saturdays, Sundays and statutory holidays from the date mailed.
- * 5.09 The mandatory recall period will be effective for twelve (12) months following layoff.
- 5.10 Providing an Employee is not working, Alberta Health Care premium sharing and Extended Health Insurance benefits found in clause 15.01, will be provided to the laid off Employee for up to four (4) months on the same premium share/pay basis.
- * 5.10a In the event that the layoff continues beyond the provision in 5.10 above, Employees may continue their medical coverage by prepaying the entire costs of their Alberta Health Care and Extended Health Insurance premiums for eight (8) additional months. If the Employee returns to work on a permanent basis during the one-year period they may claim a refund for the overpaid amount. Dental coverage is valid up to and including the last day of the month in which the premium is collected and/or the layoff occurs.
- 5.11 Job classifications for the purpose of layoffs, and job transfers allowed within those classifications due to a lack of work, are identified in Schedule "B" which is attached hereto.

- 5.12 If there are no Employees on lay-off status at a Branch where a vacancy occurs Employees on lay-off status at other Branches will be given an opportunity to fill the vacancy, provided the Employee has the qualifications and demonstrated ability to perform the job (of which the Employer shall be the sole judge), before the Employer hires from outside.
- 5.13 When business conditions exist, an Employee on layoff may be recalled to perform work for a short term or temporary nature. The nature and duration of the work will be discussed with the Employee prior to the Employee returning to work.

If an Employee refuses a recall for short term or temporary work, the Employee's recall rights per 5.09 will not be affected.

- ** 5.13 (a) A temporary recall period will not exceed fourteen (14) calendar days. On day fifteen (15) the recall will be considered permanent and seniority will dictate who will be recalled for the permanent position.

* 5.14 **BRANCH CLOSURE**

- (A) Employer will advise Union Executive.
- (B) Employer will advise affected Employees.
- (C) Employer will advise all other Branches.
- (D) Employer will make a reasonable effort to place affected Employees in vacancies in other Branches within their job classification.
- (E) The Union will waive the posting requirements of this Collective Agreement for any affected Employees of the Branch that closed.
- (F) Employees may elect to take severance as per Article 22 and end recall rights rather than accepting another position as per (D) above.

* 5.15 **TEMPORARY TRANSFERS**

Any active Employee who accepts a temporary transfer to another Branch will receive transportation, travel time at applicable rates, meals and accommodation for the duration of the assignment. The living expenses, hours of work and rates of pay will be discussed and agreed to prior to the start of the assignment. When the temporary transfer assignment is completed the Employee will return to the position from which he/she left.

Employees that are temporarily transferred to a Branch that has a continuous shift schedule will be placed on the shift schedule of that Branch and will receive the appropriate Branch wages. If Employees are required to work upon return to their home Branch it will be at overtime rates, as required.

The Union will be notified in writing of all Temporary Transfers. Temporary transfers will not extend past 90 days without Union approval.

ARTICLE 6 - HOURS OF WORK AND OVERTIME

- 6.01 This Article, where it defines the normal hours of work and workweek, shall not be construed as a guarantee of hours of work per day or per week, but merely provides the basis for the calculation of overtime. Neither shall it serve as a restriction on the scheduling of a longer or shorter day or workweek.
- 6.02 The Employer agrees to notify and meet with the Union before making a change in the normal hours of work or shift rotation schedules, and further agrees that seven (7) days notice shall precede the effective date of any changes. Establishment of a new or different shift, which requires modification or signing-off of any provision in this Agreement, shall be subject to mutual agreement between the Union and the Employer. The Union will reasonably consider all requests by the Employer to add new or different shifts.
- 6.03 The normal workday consists of eight (8) hours, and the normal workweek consists of forty (40) hours, Monday through Friday. Hours worked in excess of eight (8) hours per day or forty (40) hours per week will be paid at the overtime rate of one and a half (1.5) times the regular hourly rate, unless the Employee is working on an approved shift in excess of those hours. Overtime hours worked on Sunday and General Holidays will be paid at two (2) times the regular hourly rate, unless the Employee is working on an approved shift on those days. (For Employees working on a continuous shift see Letter of Understanding).
- * 6.04 A day shift shall be considered any shift commencing between the hours of 6:00 AM and 9:00 AM; an afternoon shift will be any shift commencing between the hours of 9:01 AM and 5:00 PM. The ratio of day shift versus afternoon shift worked shall be no less than 1 to 1, respectively, wherever possible.
- 6.05 The hours of work shall be consecutive with the exception of a ten (10) minute rest break during the first four (4) hours of the shift, an unpaid lunch break not to exceed one (1) hour, and a ten (10) minute rest break during the last four (4) hours of the shift. Lunch breaks are paid when on twelve (12) hour continuous shifts.
- 6.06 When overtime work of more than one (1) hour but less than two (2) hours is to be performed, immediately before or after a regular shift, the Employee shall be given a ten (10) minute rest break adjacent to the shift.

- 6.07 When overtime work of two (2) hours or more is to be performed, immediately before or after a regular shift, the Employee shall be given a ten (10) minute rest break adjacent to the shift.
- 6.08 When overtime work of four (4) hours is to be performed, immediately before or after a regular shift, the Employee shall be given a thirty (30) minute unpaid rest break adjacent to the shift. Where practical the Employee will be provided a meal and beverage without charge and if not practical or possible the Employee will be eligible to claim \$15.00. The Employee will also be given a fifteen (15) minute paid rest break and a beverage after each consecutive two (2) hours of overtime work.
- * 6.09 Overtime shall be distributed as equitably as possible first among all Employees within the department and then amongst Employees capable of performing the work within the Branch or division. If a concern arises in the branch, overtime hours will be reviewed with the Shop Steward.
- 6.10 Unscheduled call-in at the end of a regularly scheduled workday will be paid at a minimum of three (3) hours overtime pay. When a person is called in on a scheduled day off or a statutory holiday and is required to work, that person will be paid a minimum of four (4) hours at the regular overtime rates in addition to any statutory holiday pay. However, the Employer may require the Employee to work the three (3), or four (4) hour period.
- 6.11 Parts Countersales Employees assigned to scheduled standby duty shall receive \$5.00 per hour for each hour of standby duty.
- (A) If a phone call is received at home and no order is placed, the time is considered covered by the standby pay.
- (B) If an order is placed from home via telephone or Personal Computer then the Employee will be compensated at two (2) hours at the applicable overtime rates. Only one call-in shall be paid each two hour (2) period.
- (C) If an Employee is required to go to the Employer's premises as a result of the call, the Employee shall be compensated at four (4) hours at the applicable overtime rates or the actual hours worked, whichever is greater. Only one (1) call-in shall be paid in each four (4) hour period.
- (D) Where appropriate and practical, those Employees assigned to scheduled standby duty will rotate.
- 6.12 No other Employee shall be scheduled or required to be on standby. Where standby may be agreed to by the Employee and the Employer, the Employee shall receive standby pay at \$5.00 per hour for each hour of standby.
- 6.13 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.
- 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.
- Clarification of Shift Break: Employees working overtime will not lose the time taken from their next shift to make up the eight (8) hour break.
- 6.14 **TRAINING**
- Any travel time for required training will be paid at straight time rates. Any appropriate expenses incurred to travel to and attend training courses will be reimbursed by the Employer.

ARTICLE 7 - SATURDAYS, SUNDAYS AND HOLIDAY PAY

- 7.01 Where an Employee is not regularly scheduled to work Saturday, the rate of pay for work performed on such days shall be one and a half (1.5) times the regular hourly rate. Where an Employee is not regularly scheduled to work Sunday, the rate of pay for work performed on such days shall be two (2) times the regular hourly rate.
- 7.02 When an Employee is required to work on a designated Holiday the rate of pay for work performed on a Holiday shall be two (2) times the regular hourly rate, in addition to regular pay for the Holiday.

ARTICLE 8 - PAID HOLIDAYS

8.01 All holidays currently recognized in the Collective Agreement will be taken as follows:

- (a) If the holiday falls on a normally scheduled workday, then it will be taken on that day.
- (b) If the holiday falls on a scheduled day off, it will be taken on the next scheduled workday.

Holidays will be observed on the following dates:

* 8.01.1 Statutory Holiday Schedule

Statutory Holiday Schedule	<u>2010</u>	<u>2011</u>	<u>2012</u>
New Years Day	Fri – Jan 1	Mon – Jan 3	Mon – Jan 2
Family Day (AB only)	Mon – Feb 15	Mon – Feb 21	Mon - Feb 20
Good Friday	Fri – Apr 2	Fri – Apr 22	Fri – Apr 6
Victoria Day	Mon – May 24	Mon – May 23	Mon – May 21
Aboriginal Day (NWT only)	Mon – Jun 21	Tue – Jun 21	Thu – June 21
Canada Day	Thu – Jul 1	Fri – Jul 1	Mon – Jul 2
Citizens Day	Mon – Aug 2	Mon – Aug 1	Mon – Aug 6
Labour Day	Mon – Sep 6	Mon – Sep 5	Mon – Sep 3
Thanksgiving	Mon – Oct 11	Mon – Oct 10	Mon – Oct 8
Remembrance Day	Thu – Nov 11	Fri – Nov 11	Mon – Nov 12
Christmas Eve	Fri – Dec 24	Mon – Dec 26	Mon – Dec 24
Christmas Day	Sat – Dec 25	Tues – Dec 27	Tue – Dec 25
Boxing Day	Sun – Dec 26	Wed– Dec 28	Wed – Dec 26

- 8.02 In order to receive pay for a Holiday the Employee must work on his/her last scheduled shift preceding and the first scheduled shift following the Holiday, unless failure to work on those days is accounted for by a letter in writing from a qualified medical practitioner to the effect that the Employee was unable to work due to illness, or if in the opinion of the Employer the Employee had a reasonable excuse for failing to work.
- 8.03 Notwithstanding 8.02 an Employee is eligible for this payment provided that a regularly authorized leave of absence has been approved for the date preceding and/or following the Holiday. Such leave must be approved in advance of the Holiday by the Employee's Supervisor.
- 8.04 A limited banking of overtime hours will be permitted. The terms and conditions of this will be covered in a letter of understanding between the Employer and the Union.

ARTICLE 9 - VACATION WITH PAY

- 9.01 Employees shall earn and receive vacation with pay subject to terms and conditions set out as follows:
- 9.02 Preference for vacation shall be based on seniority, provided that in order to maintain an efficient Branch the Employer may change scheduling of vacation periods if necessary.
- 9.03 During the months of July and August a minimum of two (2) weeks continuous scheduled vacation is available. Longer periods may be approved at the Supervisor's discretion if the workload allows. During the remaining months all entitled vacation may be scheduled in a continuous period.

Vacation requests submitted prior to April 15th of the current vacation year will be governed by seniority preference. Requests after April 15th will be considered on a first come first serve basis.

Vacation period requests of less than five (5) days are subject to workload conditions and require express approval of the Supervisor.

- 9.04 When a designated holiday occurs during a vacation period, the Employee may take an extra day at the beginning or end of the vacation period. The immediate Supervisor must be notified concerning the Employee's intention prior to commencement of vacation.

9.05 Employees who have been employed continuously for specified periods are eligible for paid vacation as follows:

Employment Period	Vacation Entitlement	
1 year or more	2 weeks	4.0% of gross earnings
2 years or more	3 weeks	6.0% of gross earnings
7 years or more	4 weeks	8.0% of gross earnings
14 years or more	5 weeks	10.0% of gross earnings
19 years or more	6 weeks	12.0% of gross earnings

The following schedule is effective May 1, 2004:

26 years	6 weeks + 1 day	12.4% of gross earnings
27 years	6 weeks + 2 days	12.8% of gross earnings
28 years	6 weeks + 3 days	13.2% of gross earnings
29 years	6 weeks + 4 days	13.6% of gross earnings
30 years or more	7 weeks	14.0% of gross earnings

9.06 Where an Employee is absent from work for any reason, other than STD, LTD, Maternity/Paternity Leave or WCB, for a period exceeding ninety (90) consecutive days, vacation credit accumulation will cease between the ninety first (91) day to the date when the Employee returns to work. Employees who are off work on STD, LTD, Maternity/Paternity Leave or WCB will continue vacation credit accumulation for up to one year only.

9.07 An Employee is not allowed to work in lieu of taking annual vacation.

* 9.08 The basis of the calculation for the vacation pay will be 2% of the gross wages for every week of vacation to which the Employee is entitled. The Employee will be paid his/her regular pay for every week of vacation to which he/she is entitled. The variance between the regular pay and the 2% of the gross wages per week can be paid at any time by regular pay cheque upon a written request of seven (7) days notice. Any residual variance will be paid on or before January 31st.

Definition: Gross Wages

For the purpose of this Agreement, gross wages will mean all straight time pay, including any income from Short-term disability (STD), overtime pay, (including that banked), vacation pay (including vacation adjustment), premiums, shift differentials, field pay, regional wage adjustment, holiday pay, call in and standby.

9.08a An Employee who has been off work on STD, LTD or WCB and upon return has insufficient wage entitlement to provide regular pay for his/her vacation credits, arising from Article 9.06; shall be paid a top up to his/her existing wage entitlement to the equivalent of straight time pay for the Article 9.06 vacation credits used.

ARTICLE 10 - APPRENTICESHIP ASSISTANCE

* 10.01 Apprentices attending school shall be paid at their normal rate of pay (8 hours per day straight time) while attending apprenticeship technical training. In addition to their normal rate of pay, Apprentices that are required to go to school away from their normal place of residency will receive a living subsidy from the company for up to \$250.00/ week to assist in covering living and travel and weekend expenses while the apprentice attends school. The Apprentice needs to provide receipts and the Apprentice's manager must approve the expense report.

* 10.02 Pay rates applying to the four year Apprenticeship Program will be: 60% first year; 70% second year; 80 % third year; 90% fourth year; of the Journeyperson "A" rate. For a three year program the applicable rates will be: 65% first year; 75% second year; 85% third year of the Journeyperson "A" rate. If the Employer does not allow the Apprentice to attend school, the normal increased rates of pay will be paid to that Apprentice retroactively to the anniversary date, upon successful completion of the test for the applicable year. If an apprentice is assigned to work in the Field, the % of pay rate will reflect that of a Journeyperson Field rate, after 2 weeks, as per 13.07.

Apprentices cannot be assigned on a temporary basis to the field for any period longer than 90 days. After 90 days they must have received a posting or return to the shop they came from.

10.03 An Apprentice having served his/her required time and having passed government examinations will be classified as Journeyperson "A".

** 10.03(a) 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.

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.

ARTICLE 11 - GENERAL PROVISIONS

- 11.01 It is agreed between the parties hereto that, except as provided herein, time off shall not be given in lieu of overtime unless in the discretion of the Employer it is deemed necessary or advisable to do so and the Employee agrees.
- 11.02 Without limiting the Union's recognition of Management as found in Clause 14 hereof, the Employer agrees that no member of the Union shall be in a position to exercise any function of management relating to discipline or discharge of any Employee.
- 11.03 Foremen, Supervisors and other Employees outside the bargaining unit shall not perform bargaining unit work, except in the case of instruction or emergency.
- * 11.04 **Service Department Protective Clothing:**
- (A) Coveralls will be supplied and cleaned without charge to those who normally wear coveralls. There will be sufficient number to ensure clean coveralls are available.
 - (B) Immersion suits and fireproof coveralls will be made available as a tool room item for those required to wear them on job assignments.
 - (C) Field Serviceperson Uniforms. For those Employees in this classification for sixty (60) days or more uniforms will be issued, upon request.
 - (D) Field servicepersons will be provided without charge three pairs of arctic coveralls (or pants and jacket) and cold weather protective gloves. Replacement coveralls and gloves will be supplied upon surrender of an unserviceable pair of coveralls and gloves.
 - (E) Arctic coveralls (or pants and jacket) and cold weather protective gloves will be available in each Branch for other servicepersons on temporary field assignments. Upon agreement between the shop steward and branch management other arrangements may be made as appropriate.
 - (F) Welders will be provided, without charge, protective gloves and a fresh air welding helmet. Employees will be encouraged to wear fresh air helmets for welding work. Replacement will require surrender of unserviceable items.
- * 11.05 Parts department Employees who are required to wear uniform shirts shall have them supplied by the Employer without charge. Cleaning of the shirts shall be the Employee's responsibility. The Employer agrees to supply and clean smocks or coveralls without charge for Parts department Employees and tool room attendants where required. Arctic coveralls (or pants and jacket) and cold weather protective gloves will be supplied to parts department Employees where the work assignment dictates the need.
- * 11.06 All Employees whose regular work involves repairing or warehousing activities are required to wear CSA approved safety footwear; whether in the shop, warehouse or performing these activities in other locations.
- Employees are eligible for an (May 1, 2010 - \$160; May 1, 2011 - \$200) allowance towards the cost of new safety footwear. New Employees will become eligible after six (6) months of service. The allowance is restricted to a once in any twelve (12) month period and will be payable on the first (1st) pay period in May of each year.
- All employees must either be active or on STD/WCB at the time of payout. However, if an employee is on LTD or layoff status, they will be paid one payment of this allowance upon return to work.
- 11.07 All Employees attending Parts or Service meetings will be paid their regular pay, during normal working hours.
- 11.08 If an Employee chooses, he/she may review their Branch personnel file with their Supervisor on an annual basis. Any disciplinary notice older than one (1) year will be removed from the file provided there has been no further discipline imposed during the period.
- * 11.09 A tool allowance will be paid to Employees who are required to supply personal hand tools for their position, in the groups listed below:

Field person	\$600.00
Mechanics/Apprentices	\$600.00
Benchhands (CRC GF Prod. Mech)	\$285.00
Welders/apprentices	\$400.00
Licensed maintenance persons/Machinist/Apprentices	\$175.00
CRC GF Production Specialist	\$400.00
Component Rebuild Prod. Helpers	\$125.00
Trackpress Operators	\$175.00
Unlicensed maintenance persons	\$175.00
Electrician/Apprentices	\$600.00

All employees must either be active or on STD/WCB at the time of payout. However, if an employee is on LTD or layoff status, they will be paid one payment of this allowance upon return to work.

This will be provided to Employees through the payroll effective May 1st of each year. This will be a taxable benefit where the Employee has the ability to purchase any brand of tools. To qualify, the Employee must have completed the three (3) month probationary period.

The Employee will take their personal air tools home and the Employer will supply an Employer owned tool. If required for business purposes, the Employee may bring their own personal air tool to work. Prior to the Employee bringing in their own air tool, they must have management approval. Employees responsible for tools provided by the Company must ensure that the tools are returned to the Company in event of layoff or termination.

- 11.10 Employees called for jury duty or as a Crown witness will receive their regular rate of pay for the time spent in this service when it occurs on regular scheduled workdays.
- * 11.11 When work is required to be performed in temperatures below -25 Celsius, adequate protection and some form of heat will be provided to Employees. Both the Employer and Employee agree to cooperate to make certain the work can be completed in a safe and timely manner.
- 11.12 Employees will submit expense reports within one (1) week of incurring expenses when possible and payment of expenses will then be made within two (2) weeks of submission of the report.
- 11.13a **Tool Insurance:** The Company will reimburse Employees for lost or stolen tools with a minimum value of two hundred dollars (\$200.00) and no maximum on any loss. The Employee shall be responsible for maintaining a written up-to-date tool list, which will be kept on file at the Branch. The exact amount of loss will be based on the evaluation of a claim by insurance adjusters based on the Employee tool list that must be on file. Theft must show forced entry on a locked vehicle, toolbox or storage area, or non-negligence on the Employee's behalf.
- * 11.13b **Tool Boxes:** Employees will be reimbursed for damaged or stolen tool boxes to a maximum value of three thousand dollars (\$3,000.00).

ARTICLE 12 - NO DISCRIMINATION

- 12.01 An Employee will not be transferred, dismissed or discriminated against for any lawful Union activity, or for serving in a responsible capacity with the Union, or for reporting to the Union any violation of the provisions of this Agreement.
- 12.02 Any Employee alleging wrongful transfer, dismissal or discrimination, may place his/her alleged complaint before Union representatives and if it is merited the complaint shall become a grievance and be subject to the grievance procedure as established in this Agreement.
- 12.03 The Employer and the Union agree there will be no discrimination, intimidation or coercion exercised or practiced by the Employer or by the Union, or by any of the representatives, with respect to any person because of race, color, religious beliefs, sex, age, marital status, ancestry, or place of origin of that person, or to a person having a mental or physical handicap.
- * * 12.04 The parties agree that harassment is not tolerated in the workplace. Every reasonable effort will be taken to assure no employee is subject to harassment in any form. Both parties will jointly co-operate in resolving and investigating complaints relating to bargaining unit employees in a confidential and appropriate manner.

ARTICLE 13 - RATES OF PAY

- * 13.01 The Employer agrees that during such times as this Agreement is in force it will pay all persons covered by the terms of this Agreement who are hourly Employees the rates set forth in Schedule "A" - WAGE CATEGORIES, which is attached

hereto and made part of this Agreement, and if any Employee is receiving a wage rate in excess of the rates herein contained such wage shall not be reduced by reason of the signing of this Agreement.

The rates in the Collective Agreement will reflect the increase listed below.

0% general Increase	Effective May 1, 2010
2.75% general increase	Effective May 1, 2011

- 13.02 In the event that work classifications other than those set forth in Schedule "A" are instituted, the Employer and the Union shall meet and negotiate a rate of pay for such work.
- 13.03 The Employer agrees to hold job discussions twice annually prior to January 1st and July 1st for all Employees who are covered by this Agreement and are Class "B" rate in any category.
- 13.04 The job discussion will consist of an evaluation of the Employee's performance and a personal interview with the Department Supervisor. The Supervisor conducting the interview shall state, in writing, on the job discussion form, the developmental action required of the Employee to attain the Class "A" rate. An Employee not satisfied with the results of the interview may discuss the matter with the next level Supervisor or Manager.
- * 13.05 Payday shall be every second week on Friday. All accumulated earnings and work hours reported in a two (2) week period shall be remitted on the payday of the week following the pay period. Any errors or omissions shall be paid within 7 working days of the Company being notified of the error. The employee must submit details of the error in writing to their Supervisor or designate.
- 13.06 Employees at PDC in Edmonton whose normal workweek includes regular hours of work on Saturday or Sunday, will earn a weekend premium as outlined in Schedule "D" for all hours worked on that shift.
- 13.07 All Parts and Service Employees filling in a premium position get the premium rate of pay for the number of hours spent in that position. A minimum time of two (2) weeks is required and this would not apply to Apprentices on rotation.

Parts persons scheduled to cover for in store sales will receive the premium wage rate for the time spent in the position.
- ** 13.08 The Union and the Company will meet and discuss each individual situation where an employee is removed from a third party site as it occurs.

ARTICLE 14 - MANAGEMENT RIGHTS

- 14.01 The Union recognizes the right of the Employer to exercise the functions of management including, without limiting the generality thereof, the right to hire new Employees and to direct the working force, to promote and demote, transfer, lay-off due to lack of work, suspend or otherwise discipline or discharge for just cause any Employee, subject to the right of the Employee to lodge a grievance in the manner and to the extent herein provided. The Employer agrees to give to the Union reasonable notice of discharge for cause of any Employee.
- 14.02 The Union also recognizes the right of the Employer to operate and manage its business in all respects in accordance with its obligations and to make and to alter from time to time reasonable rules and regulations, to be observed by Employees, which shall not be inconsistent with the provisions of this Agreement.
- 14.03 The Employees and the Union agree that the foregoing enumeration of Management's rights shall not exclude any other recognized function of management not specifically covered by this Agreement.

ARTICLE 15 - GROUP INSURANCE, SICK BENEFITS AND BEREAVEMENT LEAVE

15.01 Entitlement to benefits in this clause commence as follows: after three (3) months of employment eligibility for Alberta Health Care premium share, Extended Health insurance plan coverage, and Long Term Disability insurance; after completing six (6) months of employment an Employee is eligible for Dental Plan coverage, Accidental Death & Dismemberment Insurance, Life Insurance and Optional Insurance.

A benefit review committee will be set up to discuss coverage levels, premiums and concerns about benefits coverage on an on-going basis and will be comprised of three (3) representatives from the Union and three (3) representatives from the Employer. The committee will meet two (2) times per year.

15.02 Group Insurance - The Employer agrees to share premiums for Alberta Health Care insurance coverage. The Employer will pay seventy-five (75%) percent and the Employee will pay twenty-five (25%) of the cost for all current premiums. Premium arrears for coverage prior to employment with the Employer is the Employee's responsibility.

The Employer agrees to maintain an Extended Health Insurance plan, with the Employer paying seventy-five (75%) percent and the Employee paying twenty-five (25%) percent of the premium cost.

Dental Plan - The Employer agrees to maintain a Dental benefits program providing coverage with limits and conditions set forth in the plan for group dental insurance.

Unless modified by mutual agreement between the Employer and the Union, the plan shall cover dental expenses in accordance with the current Sun Life Alberta Dental Reimbursement Guide.

The Employer shall pay seventy-five (75%) percent and the Employee shall pay twenty-five (25%) percent of the premium cost.

The Employer agrees to maintain a Life Insurance plan and shall pay the premium costs thereof, except that the portion of the premium assessed for Dependent Life Insurance is payable in total by the Employee.

The Employer agrees to maintain an Accidental Death and Dismemberment plan and shall pay the total premium cost thereof.

The Employer has established an Employee Assistance Program to assist Employees in dealing with personal and family issues. Information on the program may be obtained at each Branch.

* 15.03 **(a) SICKNESS & DISABILITY BENEFITS**

The Employer agrees to maintain an Employer paid Short Term Sickness plan, and all Employees covered by this Agreement shall be entitled to benefits subject to the following provisions and conditions:

- Employees must report to their immediate Supervisor or designate prior to the start of shift, and claims will be calculated from the time a report was made.
- Telephone or personal contact must be maintained on a daily basis for absences less than five (5) consecutive days. For absences greater than five (5) consecutive days, contact must be maintained on a weekly basis.
- Sickness or disability lasting more than five (5) days must be substantiated with a third party Short-term application form completed by a qualified doctor indicating that the claimant is unable to work.
- Sick leave is not to be used for any purpose other than legitimate illness. However, sick leave can also be used for Doctor and Dentist appointments, to be used in 1 hour increments. A Doctor's slip may be required at the employees' expense. Employees shall make every effort to schedule appointments at the beginning or end of their shifts.
- If it is necessary for the Employee to provide additional written information to satisfy the claims adjudicator with respect to the Employee's claim and there is a charge for obtaining that information the Employer agrees it will pay the cost to a maximum of \$75.00.

It is recognized by both the Company and Union that excessive use of sick time is not the intent of this benefit. As such the parties agree and support the implementation of an Attendance Management Program.

This program may include:

- Employees being asked to substantiate excessive days of illness with a doctors certification at the employees expense;
- Other measures as required on a case by case basis.

These issues will be discussed between the employee and manager as part of on-going attendance management meetings.

The following scale of benefits is applied each time a claim is made. The scale covers a maximum of eighty (80) working days in a one hundred and five (105) calendar day period, and claims exceeding one hundred and five (105) calendar days in duration will be submitted to the LTD benefit plan.

LENGTH OF SERVICE	NUMBER OF FIRST WORK DAYS NOT PAID	WORK DAYS AT FULL PAY	WORK DAYS AT % OF PAY
0-3 Mths	EI benefits only during probationary period		
3-12 Mths	3	2	75-75%
1-2 Yrs	2	13	65-75%
2-3 Yrs	1	34	45-85%
3-5 Yrs	0	50	30-90%
5 Yrs	0	80	N/A

At the time a claim is made, an Employee's sick leave record for the preceding thirty (30) days will be reviewed.

When hospitalization is necessary in case of sickness or accident, the first days of no pay may be waived.

- * * 15.03 (b) The Employer agrees to continue to maintain the Long Term Disability plan for hourly Employees and the Employee shall pay the total premium cost thereof. The maximum benefit amount will be five thousand (\$5,000) per month.

It is agreed that in addition to continue to provide plan benefits the Employer and the Union agree that an objective of the plan is to encourage an early return to a workplace assignment based on medical documentation.

The parties agree to meet to explore some plan options which may include consideration of the plan dealing with limited retraining or educational alternatives.

* 15.04 **BEREAVEMENT LEAVE**

Without loss of pay will be provided upon the death of a member of an Employee's immediate family. The maximum amount of bereavement leave with pay allowed will be five (5) days. The Employee's immediate family shall be defined as an Employee's spouse, parents, grandparents, spouse's grandparents, mother-in-law, father-in-law, brother-in-law, sister-in-law, plus sons, daughters, brothers, sisters, or their spouses.

Employees must make contact with their immediate supervisor prior to taking bereavement leave.

Under extenuating circumstances, Employees who need more time off to attend a funeral will be allowed to take the extra required days off, without pay, in conjunction with the five (5) paid bereavement days.

If bereavement occurs on days off work, bereavement may start, if required, on the next scheduled day of work.

- 15.05 When an Employee requests a personal leave of absence without pay, the Employer, taking into consideration the needs of the business, may grant the leave. The Employee will provide the reasons for the requested leave.

ARTICLE 16 - HEALTH & SAFETY

- 16.01 The Employer agrees to make reasonable provisions for the maintenance of acceptable health and safety standards in the workplace and shall comply with the Occupational Health and Safety Act.
- * 16.02 Joint safety committees shall be constituted and make monthly inspections of the workplace and equipment. The Union and the Company will encourage employees to participate in the joint health and safety committees and the Union may nominate employees for participation to Management when hourly representation is below fifty per cent (50%). Inspection reports shall be forwarded to Department Supervisors, Union Stewards and the Manager Health and Safety for required action within seven (7) days of the meeting.
- 16.03 Employees who are required by the Employer to take either a defensive driving course or a first aid course will be paid for such time and the course. The Employer agrees to schedule courses during regular working hours.
- 16.04 Employees covered by this Agreement who obtain a First Aid Certificate (acceptable to the Employer) will be paid a premium of twenty-five cents (\$0.25) per hour for all hours worked upon attainment, maintenance and subsequent renewals. Where the Employer requires an Employee to obtain a First Aid Certificate, clause 16.03 applies.
- 16.05 Glasses, goggles and face shields will be worn as per the Finning (Canada) A Division of Finning International Inc. Health and Safety Handbook. These eye protection items will be supplied by the Employer at no charge to the Employee.

Prescription safety glasses will be obtained through the registered plan between Finning (Canada) A Division of Finning International Inc. and the Optometrist's Association.

- * 16.06 Employees will be reimbursed 100% of the cost of one pair of custom earplugs every 2 years for Employee's that require earplugs at their work site.

ARTICLE 17 - PENSION RIGHTS

- 17.01 All Employees covered by this Agreement shall participate in a Defined Contribution pension plan as set forth in an Agreement between the Employer and Sun life Financial and outlined in 17.02. (The defined contribution plan - registration no. C-44803)
- 17.02 The Employer will make contributions equal to 5.75% of an Employee's eligible income. Employees may voluntarily contribute up to a maximum of five point two five percent (5.25%) to 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%). Employees may make a further contribution up to an additional one and one-quarter percent (1.25%) to their defined contribution pension plan without further contribution by the employer.
- 17.03 Eligibility for Pension Plan membership will commence upon date of hire. The vesting period will be twenty-four (24) months. All existing Employees will be vested upon signing of the new Collective Agreement. An annual statement by March 31st of the following year shall be given to each Employee participating in the pension plan stating the value of the pension credits earned. Booklets describing benefits provided under the plans shall be made available from the Branch Human Resources contact. The official Pension plan document provides a full description of the governing terms and conditions.

ARTICLE 18 - NO STRIKES AND LOCKOUTS

- 18.01 There shall be no lockouts by the Employer and no interruptions, strikes, work stoppages, sit-down or slow-down by any Employees during the term of this Agreement.

ARTICLE 19 - UNION RIGHTS

- 19.01 The Union shall keep the Employer advised in writing with up to date lists of names of Executive Officers and Stewards who are authorized to act on behalf of the Union with the Employer. The Employer agrees to recognize only those representatives whose names have been submitted in writing. It is understood that members of the Union's Executive and Business Representatives are also designated to act as Stewards.
- 19.02 Stewards shall be Finning (Canada) a division of Finning International Inc. Employees and shall be selected in any manner the Union decides upon.
- 19.03 Stewards shall be appointed to represent each department at all Branches as may be required from time to time.
- 19.04 Stewards shall meet with representatives of the Employer monthly, if required by either party, in order to discuss problems which may arise.
- * 19.05 Where investigative meetings may lead to discipline, suspension or termination and in the event of discipline, suspension or termination, the Employee is entitled to Union Steward representation, which Steward will be the Employee's choice, if available.
- * 19.06 Stewards will be allowed a reasonable amount of time per month, without loss of pay, to discuss issues or present grievances to representatives of the Employer under Steps 1 and 2 of the Grievance Procedure, provided they first obtain permission from their Supervisor to leave their work assignment.
- 19.07 Employees having grievances shall not discuss them with Stewards during working hours unless they have first obtained permission from their Supervisor. The Employer agrees such permission will not be unreasonably refused.
- 19.08 The Employer agrees to permit Union representatives a reasonable amount of time off, without pay, to attend to the necessary business of the Union.
- * 19.09 Members of the bargaining committee, not to exceed five (5) in number, shall be paid at regular rates for a period of time not to exceed one hundred and twenty (120) hours per person. This would only apply on years where negotiations were held.
- * 19.10 Lockable 24" x 36" Bulletin boards will be supplied on company premises for the purpose of posting official Union notices and papers. The Union agrees that such notices and papers will not contain references detrimental to the maintenance of a harmonious relationship between the Employer and the Union. The keys to the bulletin board will be held by the Steward(s) and a Branch Management representative/designate.

This will apply on third party sites with the customer's agreement.

- * 19.11 a) If a member of the bargaining unit is elected to a full time position representing Local Lodge 99, the Employer will grant an unpaid leave of absence. The seniority for the member will continue to be accumulated during the length of the leave. Upon return the member will be eligible for their previous position or equal position.

b) If a member(s) of the bargaining unit is elected to a full-time position representing labour affiliates, the Employer will grant an unpaid leave of absence. The seniority for the member(s) will continue to be accumulated during the length of the leave. Upon return the member will be eligible for their previous position or equal position. There will be no more than two (2) members on this leave at any one time.
- * 19.12 The Representatives of the Union may have access to the Employer's shops/yard by applying for permission through the Branch Manager/Supervisor. Permission will not be unreasonably withheld. The representatives agree that union members will not be disrupted from performing their work.

Upon request due to an emergent issue the company will make arrangements to allow Union representatives access to third party sites. However, if the Union requests an employee group meeting on site, 7 days notice shall be provided to the company.

ARTICLE 20 - GRIEVANCE PROCEDURE

- 20.01 The Employer and the Union both agree that the settlement of any dispute or grievance arising out of the terms of this Agreement should, so far as possible, be arranged between the Employer's representative and the Employee or the Union's grievance committee. A difference between the Employer and the Union as to the meaning and application of the provisions of this Agreement shall be considered a policy grievance. All policy grievances will be processed by the Union, and shall be submitted to the HR Business Partners under Step 3 of the Grievance Procedure.
- 20.02 A grievance concerning the discharge of an Employee may be submitted into Step 2 of the Grievance Procedure.
- * 20.03 Unless a grievance of an Employee or a policy grievance is presented to the Employer within ten (10) working days of the grievor from the date when the grievance first arose, or in the case of dismissal of Employees within ten (10) working days of notification to the Union of such dismissal, the grievance is waived and the Employee or the Union shall not be permitted to present the same to the Employer thereafter. Failure of the Employer to respond within its allotted times indicates that it is in agreement with the grievor.
- * 20.04 Any complaint, disagreement or difference of opinion between the parties hereto concerning interpretation, application, operation, or any alleged violation of the terms of this Agreement shall be considered a grievance and the procedure of settlement shall be as follows:
 - STEP 1:** If the complaint or grievance is not satisfactorily resolved in discussion between the Employee and/or the Union Steward and his/her immediate Supervisor, the grievance shall be set out in writing citing the alleged violation of the Collective Agreement including the Clause(s) affected. It shall be submitted in this form to the immediate Supervisor within the time limits specified in Clause 20.03 (ten days). A decision will be forwarded to the Union steward from the supervisor within ten (10) days of receiving the grievance.
 - STEP 2:** If the grievance is not satisfactorily resolved at step 1, the Union steward shall submit the grievance to the Department Head or Branch Management in writing with a copy of the grievance, within ten (10) working days of the grievor after receiving the reply at Step 1. A meeting will be held at the Branch and a response given within 10 days of receiving the grievance at step 2.
 - STEP 3:** If the grievance is not satisfactorily resolved in Step 2, the Union Office shall submit the grievance to the HR Business Partners or designate within ten (10) days of receiving the reply in Step 2. The Human Resources Department will arrange for the management to meet with the Business Representative/Union Executive and/or Steward and the grievor to hear the grievance and render a decision within ten (10) working days.
 - STEP 4:** If the Step 3 decision of management is unsatisfactory to the Union, the Union Executive may then submit the grievance to arbitration within thirty (30) working days of receiving the decision. The notice of submission to arbitration must be given in writing.
- 20.05 The time limits expressed in the foregoing shall exclude Saturdays, Sundays, designated Holidays and normal time off. The time limits set out above may be adjusted in exceptional circumstances by mutual agreement. The time limits set out are considered mandatory and not directory.

ARTICLE 21 - BOARD OF ARBITRATION

21.01 The Board of Arbitration shall consist of a single Arbitrator, being one of the following persons:

1. Allan Beattie
2. Phyllis Smith
3. Andrew Sims
4. Bill McFetridge
5. Allen Ponak
6. T. A. B. Jolliffe

Who shall be selected as follows:

- (A) The person who has the number 1 beside his/her name shall hear and decide the first Arbitration case held after the effective date of this Agreement.
- (B) The person who has the number 2 beside his/her name shall hear and decide the second Arbitration case and so on until the last person named has heard and decided an arbitration case. Thereafter the person who has the number 1 beside his/her name shall hear and decide the next case, and so on.
- (C) In the event that the person whose turn it is to be Arbitrator is unwilling or unable to hear and decide the case within thirty (30) days after he/she is contacted, or in the event that such a person cannot be contacted by the parties with reasonable effort within a reasonable time, or in the event that such person is directly interested or involved in the outcome of the case under consideration, then in any such event that person shall be passed over in favour of the next person next named.

21.02 It is understood and agreed that the time limits set forth herein may be altered by mutual agreement between the Employer and the Union.

21.03 Grievances submitted to arbitration shall be governed by the provisions of this Agreement. The Arbitrator shall not be vested with the power to change, modify or alter this Agreement in any of its parts, but may, however, interpret its provisions. The expense of the Arbitrator shall be borne equally by the Employer and the Union, unless otherwise provided by law. The findings and decision of the Arbitrator shall be binding and enforceable on all parties.

21.04 The Arbitrator shall have the power to ameliorate any penalty or disciplinary measure and in the case of any grievance involving a discharge he/she shall be entitled to substitute lesser disciplinary penalty than was imposed by the Employer.

ARTICLE 22 - SEVERANCE PAY

22.01 Severance Pay shall be paid to an Employee in the amount of, three (3) weeks per completed year of service to a maximum of twenty-four (24) months in the event of lay-off, along with the final earnings paycheck.

* 22.02 Severance Pay is due to an Employee immediately upon lay-off. If an Employee is recalled within the period for which Severance was paid, the Employer is entitled to recover the balance. (This is intended to avoid the possibility of double pay in the case of an early recall.) Employees on a temporary recall will not be required to pay back the severance until such time when the recall becomes permanent.

22.03 Severance pay entitlement occurs only once in any twelve (12) month period. If an Employee was laid-off, recalled, and again laid-off within twelve (12) months of the first instance, he/she is not entitled to Severance Pay on reoccurrence.

22.04 Notwithstanding 22.03, in the event the Employer recovers the balance of initial Severance Pay entitlement as specified in 22.02, an Employee is eligible to receive the amount of that balance should a lay-off recur within twelve (12) months of the first instance.

22.05 If a laid-off Employee is called back after the recall period and is subsequently laid-off after more than twelve (12) months has elapsed since the first instance, then Severance Pay entitlement is determined by the Agreement.

22.06 If the Employer rehires anyone when more than twelve (12) months has elapsed since lay-off, that person would be treated as a newly hired Employee.

ARTICLE 23 - DURATION & RETROACTIVITY OF AGREEMENT

* 23.01 It is understood and agreed between the parties hereto that they will commence bargaining for a new Collective Agreement to follow this one on or about January 31, 2012 and if they fail to conclude a new Collective Agreement before April 30, 2012 the Employer agrees to pay the Employees the rates of pay established by the new Agreement

for one-half of the actual hours worked from April 30, 2012 until the date of the making of the new Collective Agreement.

- * 23.02 This Agreement shall be effective from May 1, 2010 until April 30, 2012 and thereafter to the date when a new Collective Agreement comes into force or until a strike or lockout occurs, whichever is first.

* **ARTICLE 24 - TECHNOLOGICAL CHANGE**

Both the Employer 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 Employer 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.

Technological change will be considered the introduction of new or modified equipment, or work processes, which will displace any Employees in a Branch. The Employer will provide information about the new technology and the impact on the Employees.

Where jobs are made redundant, the Employees will be given an opportunity to move to other positions provided there are openings and they are capable of performing the job functions.

Where an Employee needs some skills upgrading to assume another position within the department, the Employer and the Union will encourage the Employee to participate in the skills upgrading. This may involve attending a course inside or outside the Employer. The Employer will assume the cost of any agreed to course.

If an Employee is not able to be placed in a suitable position, the severance pay provisions of the Agreement will apply.

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

ARTICLE 25 – CONTRACTING OUT

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 which would result in the lay-off of Bargaining Unit Employees.
3. The Employer and the Union agree they will meet and make a good faith effort to develop alternatives to contracting out the matter under consultation.

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 counselling to all Employees laid off due to contracting out;
5. Provide severance on layoff as outlined in Article 22;
6. Provide HR resources to facilitate movement of Employees, coordination of retraining and outplacement counselling and payment of severance.

IN WITNESS WHEREOF the parties hereto have caused these present to be executed on the day and year first above written.

Per

Robert MacKinnon, Business Representative

Kevin Clark, Business Representative

Neil Rudiger, President

Jason Rockwell, Vice-President/Communicator

Darlene Greenfield, Recording Secretary

Ryan Ermet, Conductor Sentinel

Bruce Caravan, Oil Sands Representative

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

Per

Kelly-Ann Drabiuk, Senior Manager, HR Services

Larry Gouthro, GM - Oilsands

Owen Larson, GM – Power Systems

Kamal Kahlon, LR Advisor

SCHEDULE "A"
WAGE CATEGORIES

CERTIFIED TRADES
SERVICE DEPARTMENT

	May 01 2010	May 01 2011
<u>Field Serviceperson</u>		
Journey person	39.84	40.94
Probationary	38.43	39.49
<u>Machinist</u>		
Chargehand*	41.59	42.73
Leadhand	39.72	40.81
Journey person	37.80	38.84
Probationary	36.51	37.51
<u>Welder, Mechanic, Lift Truck Mechanic, Warranty Technician, Power Generation Electrician, Estimator</u>		
Chargehand*	41.16	42.29
Leadhand	39.33	40.41
Journey person A	37.47	38.50
Journey person B	36.38	37.38
Probationary	35.61	36.59
<u>Apprentice Mechanic</u>		
4th Year	33.72	34.65
3rd Year	29.99	30.81
2nd Year	26.24	26.96
1st Year	22.48	23.10
<u>Apprentice Welder</u>		
3rd Year	31.85	32.73
2nd Year	28.10	28.87
1st Year	24.37	25.04

**MAINTENANCE
DEPARTMENT**

	May 01 2010	May 01 2011
Maintenance person - Licensed		
Chargehand*	42.64	43.81
Leadhand	40.76	41.88
Journey person A	38.82	39.89
Journey person B	37.40	38.43
Probationary	36.27	37.27
Maintenance person - Unlicensed		
Class A	30.62	31.46
Class B	29.64	30.46
Probationary	28.63	29.42

**COMPONENT
REBUILD CENTRE**

	May 01 2010	May 01 2011
Service Functions		
Mechanic (4 year ticket), Welder		
Chargehand*	41.16	42.29
Leadhand	39.33	40.41
Journey person A	37.47	38.50
Journey person B	36.38	37.38
Leadhand	34.89	35.85
CRC Mechanic (three year ticket)	33.23	34.14
Machinist		
Chargehand*	41.59	42.73
Leadhand	39.71	40.80
Journey person	37.80	38.84
Probationary	36.51	37.51
Benchhand	29.99	30.81
Production Specialist**	34.87	35.83
Production Mechanic**	30.25	31.08
Production Helper	25.54	26.24
Probationary	23.70	24.35

Note: The "*" positions include Employees hired prior to May 1, 2002 and are grandfathered at the rate for the position. It is not intended to use these categories after this date.

Note: The "***" positions include Employees hired prior to May 1, 1999 and are grandfathered at the rate for the position. It is not intended to use these categories after this date.

	May 01 2010	May 01 2011
<u>Apprentice Mechanic</u>		
4th year		
3rd Year	29.99	30.81
2nd Year	26.22	26.94
1st Year	22.48	23.10
<u>Labourer/Janitor</u>		
Class A	21.37	21.96
Class B	20.24	20.80
Probationary	19.12	19.65
<u>Undercarriage Functions</u>		
Undercarriage Leadhand	32.42	33.31
Trackpress operator		
Class A	30.88	31.73
Class B	29.71	30.53
Probationary	28.64	29.43
Auto Welder and Roller/Idler Rebuild		
Class A	25.54	26.24
Class B	24.63	25.31
Probationary	23.70	24.35
<u>Parts Functions</u>		
Material Supply Specialist	30.75	31.60
Material Supply Assistant	26.32	27.04

A Labourer is a person employed to perform limited skill work. Examples of limited skill work are: Guard removal and installation, general clean up of shop, yard and machines, lube and oil changes.

They will not be employed to displace any of the other mechanical classifications.

Note: The "*" positions include Employees hired prior to May 1, 2002 and are grandfathered at the rate for the position. It is not intended to use these categories after this date.

PARTS DEPARTMENT TRADES

Categories	May 01/2010		May 01/2011	
	#1	#2	#1	#2
Chargehand*	36.36	33.83	37.36	34.76
Leadhand	34.72	32.27	35.67	33.16
Journeyman A	33.03	30.75	33.94	31.60
Journeyman B	31.84	29.52	32.72	30.33
Probationary	29.45	27.16	30.26	27.91
<u>Parts Apprentice</u>				
3rd year	28.08		28.85	
2nd year	24.78		25.46	
1st year	21.48		22.07	
<u>Material Supply Assistant</u>				
Categories	#2	#3	#2	#3
Warehouseperson	26.32	25.10	27.04	25.79
19 - 24 months	24.77	23.64	25.45	24.29
13 - 18 months	23.27	22.13	23.91	22.74
0 - 12 months	21.73	20.67	22.33	21.24

Parts Department Categories

1. Instore / Counter sales, Service Supply Clerk 1.
2. Warehouse person
(includes used parts warehouse, can perform all parts functions except those in category #1).
(Note: Category 2 Journeyman will only include those grandfathered Employees and temporary apprentice graduates).
3. Parts Picker/Stocker.

Used Parts Department Categories

1. Instore/Counter Sales.
2. Used Parts Warehouse.

Note: The “*” positions include Employees hired prior to May 1, 2002 and are grandfathered at the rate for the position. It is not intended to use these categories after this date.

CUSTOMER SUPPORT CENTRE

	May 01 2010	May 01 2011
Leadhand	36.98	38.00
Journey person A	35.29	36.26
Journey person B	34.02	34.96
Probationary	31.47	32.34
<u>SKILLED/SEMI SKILLED</u>		
<u>Category A: Painter, Heavy Truck Driver (Over 3 Ton), Track Press Operator, Auto-Welding Machine Operator</u>		
Chargehand*	33.96	34.89
Leadhand	32.42	33.31
Class A	30.88	31.73
Class B	29.71	30.53
Probationary	28.64	29.43
<u>Category B: Hydraulic Hose Press Operator, Yardperson, Tool Room Attendant, Shipper/Receiver (Service Department)</u>		
Chargehand*	33.37	34.29
Leadhand	31.83	32.71
Class A	30.32	31.15
Class B	29.19	29.99
Probationary	28.12	28.89
<u>Category C: Wash Bay Attendant</u>		
Class A	25.60	26.30
Class B	24.57	25.25
Probationary	23.36	24.00
<u>Category D: Labourer, Janitor</u>		
Class A	21.37	21.96
Class B	20.25	20.81
Probationary	19.12	19.65
<u>OIL LAB</u>		
Chargehand*	33.37	34.29
Leadhand	31.83	32.71
Interpreter	32.26	33.15
Lab Technician-Certified	30.32	31.15
Lab Technician-Uncertified	27.77	28.53

Note: The “*” positions include Employees hired prior to May 1, 2002 and are grandfathered at the rate for the position. It is not intended to use these categories after this date.

OIL SANDS

	May 01 2010	May 01 2011
<u>Field Servicepersons</u>		
Leadhand	47.08	48.37
Journey person	44.83	46.06
Probationary	43.21	44.40
<u>Machinist</u>		
Chargehand*	46.78	48.07
Leadhand	44.65	45.88
Journey person	42.54	43.71
Probationary	41.08	42.21
<u>Welder, Mechanic, Lift Truck Mechanic, Warranty Technician, Power Generation Electrician, Estimator</u>		
Chargehand*	46.39	47.67
Leadhand	44.29	45.51
Journey person A	42.17	43.33
Journey person B	41.08	42.21
Probationary	40.28	41.39
<u>Apprentice Mechanic</u>		
4th Year	37.96	39.00
3rd Year	33.75	34.68
2nd Year	29.52	30.33
1st Year	25.30	26.00
<u>Apprentice Welder</u>		
3rd Year	35.85	36.84
2nd Year	31.63	32.50
1st Year	27.42	28.17

Note: The "*" positions include Employees hired prior to May 1, 2002 and are grandfathered at the rate for the position. It is not intended to use these categories after this date.

MAINTENANCE DEPARTMENT

	May 01 2010	May 01 2011
<u>Maintenance person - Licensed</u>		
Leadhand	45.88	47.14
Journey person A	43.69	44.89
Journey person B	42.09	43.25
Probationary		
<u>Maintenance person - Unlicensed</u>		
Class A	34.46	35.41
Class B	33.36	34.28
Probationary	32.22	33.11

OIL SANDS
PARTS DEPARTMENT TRADES

Categories	May 01/2010		May 01/2011	
	#1	#2	#1	#2
Chargehand*	40.88	38.06	42.00	39.11
Leadhand	39.01	36.33	40.08	37.33
Journey person A	37.16	34.59	38.18	35.54
Journey person B	35.82	33.21	36.81	34.12
Probationary	33.12	30.56	34.03	31.40
Parts Apprentice				
3rd year	31.59		32.46	
2nd year	27.87		28.64	
1st year	24.16		24.82	
Material Supply Assistant				
Categories	#2	#3	#2	#3
Warehouseperson	29.59	28.23	30.40	29.01
19 - 24 months	27.88	26.57	28.65	27.30
13 - 18 months	26.17	24.92	26.89	25.61
0 - 12 months	24.47	23.28	25.14	23.92

Parts Department Categories

1. Instore / Counter sales, Service Supply Clerk 1.
2. Warehouse person
(includes used parts warehouse, can perform all parts functions except those in category #1).
(Note: Category 2 Journey person will only include those grandfathered Employees and temporary apprentice graduates).
3. Parts Picker/Stocker.

Used Parts Department Categories

1. Instore/Counter Sales.
2. Used Parts Warehouse.

Note: The "*" positions include Employees hired prior to May 1, 2002 and are grandfathered at the rate for the position. It is not intended to use these categories after this date.

OIL SANDS
SKILLED/ SEMISKILLED

	May 01 2010	May 01 2011
CATEGORY A:		
Painter, Heavy Truck Driver (Over 3 Ton), Track Press Operator, Auto-Welding Machine Operator		
Chargehand*	37.36	38.39
Leadhand	36.46	37.46
Class A	34.72	35.67
Class B	33.42	34.34
Probationary	32.21	33.10
CATEGORY B:		
Hydraulic Hose Press Operator, Yardperson, Tool Room Attendant, Shipper/Receiver (Service Department)		
Chargehand*	37.51	38.54
Leadhand	35.82	36.81
Class A	34.11	35.05
Class B	32.85	33.75
Probationary	31.62	32.49
CATEGORY C:		
Wash Bay Attendant		
Class A	28.80	29.59
Class B	27.63	28.39
Probationary	26.30	27.02
CATEGORY D:		
Labourer, Janitor		
Class A	24.03	24.69
Class B	22.78	23.41
Probationary	21.51	22.10
OIL SANDS OIL LAB		
Chargehand*	37.51	38.54
Leadhand	35.82	36.81
Lab Technician-Certified	34.11	35.05
Lab Technician-Uncertified	31.22	32.08

Note: The "*" positions include Employees hired prior to May 1, 2002 and are grandfathered at the rate for the position. It is not intended to use these categories after this date.

All rates of pay in the May 1, 2010 - April 30, 2012 Collective Agreement are adjusted by:

0% general increase	Effective May 1, 2010
2.75% general increase	Effective May 1, 2011

THE FOLLOWING TABLES FOR ALBIAN SANDS SITES ARE RATES AS PER THE LETTER OF UNDERSTANDING: ALBIAN FIELD RATE, PAGE ___

ALBIAN SITE - OIL SANDS
CERTIFIED TRADES SERVICE DEPARTMENT

	May 1, 2010	May 1, 2011
MECHANICS / WELDERS		
Leadhand	47.08	48.37
Journeryperson A	44.83	46.06
Probationary	43.21	44.40
APPRENTICE MECHANIC		
4th Year	40.35	41.46
3rd Year	35.88	36.87
2nd Year	31.38	32.24
1st Year	26.90	27.64
APPRENTICE WELDER		
3RD Year	38.10	39.15
2nd Year	33.63	34.55
1st Year	29.15	29.95
Category D: Labourer, Janitor		
Class A	25.47	26.17
Class B	24.15	24.81
Probationary	22.79	23.42

ALBIAN SITE - OIL SANDS
PARTS DEPARTMENT TRADES

Categories	May 01/2010		May 01/2011	
	#1	#2	#1	#2
Leadhand	41.35	38.52	42.49	39.58
Journey person A	39.39	36.67	40.47	37.68
Journey person B	37.97	35.21	39.01	36.18
Probationary	35.11	32.39	36.08	33.28
Parts Apprentice				
3rd year	33.48		34.40	
2nd year	29.54		30.35	
1st year	25.61		26.31	
Material Supply Assistant				
Categories	#2	#3	#2	#3
Warehouseperson	31.36	29.91	32.22	30.73
19 - 24 months	29.55	28.16	30.36	28.93
13 - 18 months	27.73	26.42	28.49	27.15
0 - 12 months	25.94	24.68	26.65	25.36

Parts Department Categories

1. Instore / Counter sales, Service Supply Clerk 1.
2. Warehouse person (includes used parts warehouse, can perform all parts functions except those in category #1).
 (**Note:** Category 2 Journey person will only include those grandfathered Employees and temporary apprentice graduates).
3. Parts Picker/Stocker.

Used Parts Department Categories

1. Instore/Counter Sales.
2. Used Parts Warehouse.

SCHEDULE "B"

LAYOFF AND TRANSFER CLASSIFICATIONS

Lay-off due to a lack of work is determined by the criteria set out in Clause 5.06, and job classifications for the purpose of lay-off and transfer of Employees are as described in this Schedule.

Transfers between an area of a department or facility within a branch when there is a shortage of work or a short-term increase in workload in one area of a department or facility the Employer may transfer an Employee to another area within that department or facility in the same job classification.

Transfers will first come from volunteers from the area or facility where there is a shortage of work then from volunteers in the rest of the branch. However, if there are insufficient volunteers, the Employee with the shortest length of service in the areas or facility with the shortage of work shall be transferred first, provided the Employee has the qualifications and demonstrated ability to perform the job. These transfers are not to exceed forty-five (45) days without Union approval.

Parts and Service Employees must have been in the classification for a minimum of ninety (90) days in order to qualify for lay-off in that classification. If less than ninety (90) days the previously held position will be used. This would include posted positions where applicable.

<u>SERVICE DEPARTMENT LAYOFF CLASSIFICATIONS</u>	
A.	Apprentice Mechanic
B.	Auto Weld Machine Operator/Track Press Operator
C.	G/F Chargehand*/Field Serviceperson/Heavy Duty Mechanic/Warranty Technician, Estimator
D.	Lab Technician (Uncertified)
E.	Lab Technician/Interpreter (Certified)
F.	Labourer/Janitor/Wash bay attendant
G.	Machinist/Apprentice
H.	Maintenance Technician Licensed
I.	Maintenance Technician Unlicensed
J.	Painter
K.	Power Generation Electrician
L.	Resident Field Serviceperson
M.	Toolroom Attendant
N.	Power Generation Electrical Apprentice (see **)
O.	Welder/Apprentice
P.	Yardperson
Q.	Gas compression mechanic

<u>PARTS DEPARTMENT LAYOFF CLASSIFICATIONS</u>	
A.	G/F Chargehand*/Countersalesperson/Service Supply Clerk I/Parts Journeyperson/Special Duty Warehouse/Apprentice
B.	Hydraulic Hose Press Operator
C.	Material Supply Assistant

<u>COMPONENT REBUILD CENTRE LAYOFF CLASSIFICATIONS</u>	
A.	Production Helper
B.	Labourer/Janitor
C.	Material Supply Specialist
D.	Material Supply Assistant
E.	G/F Chargehand*/Mechanic/Leadhand
F.	Welder
G.	Machinist/Leadhand
H.	Apprentice
I.	Track press op./autoweld/roller – idler rebuild
J.	Benchhand

***These positions include Employees hired prior to May 1, 2002. It is not intended to use this category after this date.

*** Current Power Generation Electrical Apprentices as of date of ratification will be grandfathered into classification "K".

CLASSIFICATION "B"

PARTS SKILLED POSITION TRANSFERS

- If it is necessary to transfer Employees due to work shortage, transfers will be made to their previously held position.
- The transferring Employee must have more experience in the position than any Employee currently holding the position.
- If bumping occurs this procedure will apply progressively to other affected positions.
- It is understood that Leadhand positions are included in each of the above classifications.

SCHEDULE "C"

SPECIAL PROVISIONS

*

I. TRAVEL ALLOWANCE

Employees, and/or their dependents, in the Northwest Territories required to fly to other locations for referred medical care will be provided with a \$125.00 to partially compensate for the deductible for a medically approved plane ticket. After the first flight, any subsequent flights in a year would be paid at the rate of \$200.00 towards the deductible for referred medical care.

- II. LOCATION ALLOWANCE** shall be paid to Employees maintaining a residence in the community of the Branch where they are employed, where surveyed costs are higher by 10% or more than Edmonton at any time during the term of this Agreement according to a mutually acceptable price comparison survey. Unless otherwise negotiated between the parties, Location Allowance for the term of this Agreement or subsequent Agreements is as follows:

LOCATIONS	May 1, 2010
High Level	\$400.00/mth
Fort McMurray/Wood Buffalo	\$1050.00/mth
Hay River	\$450.00/mth
Yellowknife	\$650.00/mth
Inuvik	Free Accommodation

III. COMPONENT REBUILD CENTRE

Licensed Mechanics/Benchhands employed in remanufacturing areas on May 1, 1990 are grandfathered.

In the event the Component Rebuild Centre closes or a layoff occurs, the grandfathered Employees will be attached to the main Edmonton seniority list.

SCHEDULE "D"

SUMMARY OF PREMIUMS AND BONUSES FROM COLLECTIVE AGREEMENT OR LETTERS OF UNDERSTANDING

Afternoon shift Premium \$3.00/hr
(NOTE: The afternoon shift premium will be payable to the night-shift of the continuous shift).

Tuesday – Saturday Shift premium..... \$1.25/hr
All hours worked on this shift and all categories except the PDC.

Weekend shift premium (PDC) \$3.00/hr
For all hours worked on this shift

Midnight shift premium (PDC)..... \$3.20/hr
For all hours worked on this shift.

Field Bonus premium

- For field service work performed off premises..... \$1.75/hr
- For parts work performed off premises - parts people..... \$0.75/hr
- Dual Ticket Bonus..... \$2.50/hr

Where the Employer requires the Employee to hold both tickets in order to perform duties.

NOTE: This will be applied where the Employer requires the Employee to hold both tickets in order to perform their duties. For example this will apply to Technician/Mechanic and Welding tickets; Electrician and Technician/Mechanic tickets; Machinist and Welder tickets; Instrument and Technician/Mechanic tickets.

Continuous Shift Premium \$3.25/hr
For all hours worked

Leadhand Rates to apply to all Temporary Leadhand duties.

Premiums and bonuses do not attract overtime.

LETTERS OF UNDERSTANDING

GENERAL

- Benefits and Premiums
- Banked Overtime
- Spousal Assistance
- Leave of Absence: Bob MacKinnon
- Leave of Absence: Kevin Clark
- Field Labourers
- Tuesday to Saturday Shift
- Continuous Shift
- Regional Wage Adjustment
- Benefit Entitlement
- Union Management Relationship

SERVICE RELATED

- Customers Working in Employer Shops
- Maintenance Personnel
- Gas Compression Classification

PARTS RELATED

- Material Supply Assistant
- Midnight Shift PDC Edmonton
- Material Supply Assistant (training)

COMPONENT REBUILD CENTRE

- Component Rebuild Centre Layoff Classification
- Component Rebuild Centre Apprentice Program

FORT MCMURRAY/MILDRED LAKE

- Oil Sands Letter of Understanding
- Oil Sands/Wood Buffalo Operations - Amendment
- Albian Field Rate

BHP/EKATI BR.55

- BHP/Ekati Mine Operation

ALTERNATIVE SHIFT SCHEDULE

LETTER OF UNDERSTANDING

* **Reference: Benefit Premiums**

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and The International Association of Machinists and Aerospace Workers, Lodge 99.

The Union and the Employer agree if benefit premiums are found to be insufficient the Employer shall approach the Union's Executive to request premium increases. The Union Executive reserves the right through consultation with the Employer and the Insurance Company to refuse the increase if the Union does not agree with the reasons for the increased premium. Documentation to justify the increase, as previously agreed, will be supplied at no charge to the Union.

LETTER OF UNDERSTANDING

Reference: Banked Overtime

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Lodge 99.

1. Overtime hours may be paid in wages or accumulated as follows:
2. For time off during slow periods a maximum of one hundred and sixty (160) hours may be banked. A maximum of eighty (80) hours may be used in any calendar year under terms set out below. The additional eighty (80) hours may be used in the event of an Employer instigated layoff.
3. Banked hours cannot be taken in the prime vacation period or added to regular holidays during the prime period. Under no circumstances can banked time be used as sick pay. The prime vacation period is defined as June 15th to September 15th and December 15th to December 31st.
4. Working for a second Employer at any time during banked time off will be construed as moonlighting and will be subject to disciplinary action or dismissal.
5. Banked hours can only be taken at a time acceptable to both Management and Employee. If the Employer and an Employee cannot agree on a mutually acceptable time, either party may demand payout of the amount owing and close out the banked account.
6. Banking of overtime may be inappropriate in locations of high overtime on a constant basis. In these cases Management should advise the Finning (Canada) A Division of Finning International Inc. Human Resources Department who will advise the Union.
7. Banked overtime cannot be accumulated on temporary transfers.
8. Banked time will be one hour banked at straight-time pay for each overtime hour worked, with the balance of the appropriate overtime (1/2 or 1 hour) rate to be paid on current paycheque.
9. All shift, field and isolation differentials will be paid to the Employee on the paycheque for the pay periods during which the hours were actually worked.
10. Retroactive pay adjustments for hours banked during retroactive period will be made in a lump sum on one paycheque. The hours and amounts in the bank will not change.
11. If the hours in the bank are at a rate that was last used two (2) years ago all the hours at that rate will be paid out.
12. Straight time cannot be banked, only overtime can be banked.
13. Banked time may be used for appointment time when pre-arranged with their supervisor.

LETTER OF UNDERSTANDING

Reference: Spousal Assistance

All Resident Field Service Persons will receive a \$150/month spousal assistance paid as an expense. The Employee must submit, to their direct supervisor, a monthly invoice to receive payment.

LETTER OF UNDERSTANDING

Reference: Leave of Absence - Bob MacKinnon

Bob MacKinnon will continue his leave of absence, continue to accrue seniority (has been accruing since his leave and since his start date) while on leave and will have the right to his same or similar position (Journeyman H.E. Technician) when he returns to work.

He will have all the rights and privileges the Collective Agreement provides for someone who has the same seniority he will have from his start date.

There will be no discrimination or discipline for the Union activity he has been involved in.

LETTER OF UNDERSTANDING

Reference: Leave of Absence – Kevin B Clark

Both parties agree that Kevin B Clark will take a leave of absence commencing September 1, 2008. His seniority will continue to accrue while on leave. He will have the right to return to his same or similar position (Journeyman A HET) upon his return to Finning International Inc.

He will have all the rights and privileges the Collective Agreement provides for a person who has the same seniority.

All holidays, bank time, vacation adjust and any other applicable benefits owing, will be paid out on the first pay period in September, 2008.

LETTER OF UNDERSTANDING

Reference: Field Labourers

The Employer will remove Labourers assigned to Field Service trucks. Where the Field Service Mechanic requires assistance as determined by the Employer, an Apprentice will be assigned.

LETTER OF UNDERSTANDING

Reference: Tuesday to Saturday Shift

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Lodge 99 effective January 1, 1991.

The parties agree that a Tuesday to Saturday shift will be implemented and the following conditions apply.

1. A premium of \$1.25/ hr will apply to Employees while working this shift, for all hours worked.
2. All Employees hired up to and including December 31, 1990 are not required to work this shift. However, Employees may volunteer or post to this shift if they choose.
3. New hires on or after the effective date will be required to work this shift, where required, and will be informed at the time of hire.
4. Job postings will reference a Tuesday - Saturday shift only where the shift is currently in place or where the Employer has the need to implement the shift, within sixty (60) days.
5. Where there are four (4) or more Employees in a department on this shift, the ratio of Tuesday - Saturday vs. Monday - Friday shifts will be no less than 2 - 1 respectively , wherever practical.
6. This Tuesday - Saturday shift is currently a dayshift position. Should the Union and Employer agree an afternoon shift may be required in a department, both the Tuesday to Saturday and afternoon premiums will apply.

LETTER OF UNDERSTANDING

* **Reference: For Continuous Shifts**

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Local Lodge 99.

This agreement only applies to branches where a continuous shift Letter of Understanding does not exist.

A continuous shift would be a shift configuration to satisfy customer requirements where the customer operates twenty-four (24) hours per day, seven (7) days per week, less scheduled maintenance, if applicable. Guidelines for this shift are listed below:

1. This shift may be used where the Employer engages in a contractual commitment where the majority of the work would take place on the customer's site. Where this is not so, an appropriate explanation will be discussed and mutually agreed upon with the Union prior to implementation of any shift.
2. The classifications required to fulfil positions for the contract will be discussed and mutually agreed upon with the Union.
3. The continuous shift premium as outlined in the current Collective Agreement will apply to all shift Employees for all hours worked. These premiums allow for working scheduled shifts in excess of eight (8) hours per day and Saturday and Sunday at straight time rates up to a maximum of 2080 hours per year. The shift schedule shall result in an averaging above forty (40) hours per week. An employee working on such a schedule shall be paid eleven and one-half (11 ½) hours straight time, and one-half (1/2) hour overtime at the base rate for that shift worked per day.
4. The calculation for entitlement to vacation, sick leave, other benefits etc. will be made using an hourly equivalent; e.g. vacation, if entitled to 2 weeks vacation X 40 hours = 80 hours equivalent; sick leave, if entitled to 10 days X 8 hours = 80 hours equivalent, etc. It is intended that Employees neither gain nor lose any benefit entitlement while working on a continuous shift.
5. Shift configurations will be established by the Employer and be explained on the posting. Where shift configurations may need to be changed, mutual agreement between the Employer and the Union will be required prior to the establishment of a different shift configuration.
6. Through mutual agreement between the Union and the Company, an employee can return to the shop from this shift.

LETTER OF UNDERSTANDING

* **Reference: Regional Hourly Wage Adjustment**

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and The International Association of Machinists and Aerospace Workers, Local Lodge 99.

The parties agree that a "Regional Hourly Wage Adjustment" apply to all Employees covered by the Collective Agreement, at the designated locations.

It is understood that the purpose of the adjustment is an attempt to attract and retain qualified Employees at the location. The Regional Hourly wage adjustment is not payable for temporary transfers.

The adjustment to be 15% of the hourly rate and apply to both standard and overtime hours.

Designated locations: Fort McMurray (Municipality of Wood Buffalo), Inuvik, Hay River, Yellowknife and Ekati, including employees attached to these branches.

The adjustment to be 5% of the hourly rate and apply to both standard and overtime hours.

Designated locations: Peace River and Grande Prairie, including employees attached to these branches.

As such, the Regional Hourly Wage Adjustment will be in force for the duration of the Collective Agreement.

LETTER OF UNDERSTANDING

Reference: Benefit Entitlement

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and The International Association of Machinists and Aerospace Workers, Local Lodge 99.

During the term of this Agreement, it is intended that the benefit plan coverage provided in Article 15 will be maintained. The details of the benefits are covered in various contracts and agreements which will be made available to the Union. Benefit brochures and other information produced by the Employer will outline plans in brief and are intended to answer generic Employee questions.

On an annual basis the Employer and Union will meet to discuss questions and concerns about benefit coverage and arrangements.

LETTER OF UNDERSTANDING

Reference: Union Management Relationship

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Local Lodge 99.

As part of our joint understanding to work to improve the quality of the relationship between the Union and the Employer, it is agreed to hold quarterly meetings with agreed upon agendas and pre - determined dates. The topics for the agendas will be provided to each other no later than 1 week prior to the meeting. Generally it is intended for each party to have one-half of the one day session to cover their agenda. The meetings will commence within three (3) months after the signing of the Collective Agreement and will take place in Edmonton.

The objective is to provide both the Union and the Management with a better understanding of current business conditions. Examples of agenda items could be, economic conditions in the workplace, a review of strategic plans, employment relationship issues, the Employer operating results update, Branch Employee requirement updates and potential technological change, etc.

The company agrees to pay for the time lost from work for up to four (4) employees as committee members to a maximum of 8 hours on the day of the meeting.

The management group individuals attending will be available to provide information and make commitments for their area of responsibility.

The minutes of the meeting will be taken and distributed by the Union.

LETTER OF UNDERSTANDING

Reference: Customers Working in FINNING (Canada) A Division of Finning International Inc. Shops or Adjoining Yards

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Lodge 99.

To provide guidelines for the above, we provide the following:

1. Customer Employees working in Employer shops will be employed by the customer on a permanent basis.
2. The ratio of Finning (Canada) A Division of Finning International Inc. Employees to Customer Employees will not exceed one to one per machine or major component.
3. The time period for a Customer Employee working in Employer premises would not exceed ninety (90) days.
4. Customer Employees must provide their own tools.
5. Customer Employees must be under the direction of a Finning (Canada) A Division of Finning International Inc. Employee.
6. Customer Employees will not displace Finning (Canada) A Division of Finning International Inc. Employees.
7. Customer Employees will adhere to Finning (Canada) A Division of Finning International Inc. Health and Safety Policies.
8. A log book will be maintained and available for Union review. The log book will record the hours worked by Customer Employees on a machine or major component covered by this Letter of Understanding.

LETTER OF UNDERSTANDING

Reference: Maintenance Personnel

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and The International Association of Machinists and Aerospace Workers, Local Lodge 99.

Recently many of the facility assets have been sold to a financial institution and are now being leased. Finning (Canada) A Division of Finning International Inc. remains responsible and obligated to maintain and operate these facilities as we have in the past. This financial transaction will not adversely affect any of those maintenance personnel located in Calgary, Mildred Lake or Edmonton at the time of the transaction. Finning (Canada) A Division of Finning International Inc. will continue to employ maintenance personnel to carry-out maintenance and support activities where the amount of work and skills requirements are such that full-time positions are required.

LETTER OF UNDERSTANDING

* *

Reference: Gas Compression Classification

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Local Lodge 99.

Nothing in this Letter of Understanding shall be construed as altering the existing terms and conditions of the Collective Agreement. The parties agree to the following principles to guide the use of the Gas Compression (SVQ) classification moving forward:

1. The company will endeavor to hire Heavy Equipment Technicians (HET) into Gas Compression openings. However, it is understood that due to the nature of this industry that Millwrights and Automotive Technicians are also qualified to work in the Gas Compression trade and as a result may also be hired into Gas Compression openings.
2. The following will outline the agreement between the parties when a Millwright or Automotive Technician is hired into a Gas Compression position:
 - a. Employees will be encouraged to enroll in the HET program;
 - b. Should a Millwright or Automotive Technician not want to enroll in the HET program, the Union will be notified in writing and the employee will be informed of the implications of that decision:
 - i. Lower rate of pay (see "d" below);
 - ii. Inability to move to other classifications;
 - iii. Possibilities of layoff during slow periods;
 - c. Employees hired into Gas Compression will be classified as Gas Compression technicians, layoff classification SVQ, and will hold seniority in that classification as of their date of hire;
 - d. Employees without HET qualifications, will be paid Journeyman B, until such time they achieve the HET certificate;
3. Gas Compression mechanics, who hold their HET or are HET apprentices, may work in general line operations only if no-one is on layoff at the branch in the J/Mechanic classification; and vice versa.
4. The terms of this letter will be in effect as of the date of signing, any employees previously hired into this classification will be grandfathered.
5. Any other issues arising out of this classification will be discussed in a timely manner between the parties.

LETTER OF UNDERSTANDING

Reference: Material Supply Assistant

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Local Lodge 99.

During the 1992 negotiations it was agreed by the Employer and the Union that the classification of Material Supply Assistant would be included in the layoff and wage classifications. This is a position in the Parts Department which is considered a non-ticketed position.

It is agreed between the parties that any Employees employed before May 1, 1992 by the Employer as ticketed Journeypersons or indentured Apprentices will not be displaced by any Employees hired to work as Material Supply Assistants.

LETTER OF UNDERSTANDING

Reference: Midnight Shift - P.D.C. Edmonton

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Local Lodge 99.

The parties above agree that a "midnight" shift commencing at 10:00 p.m. and finishing at 6:30 a.m., Sunday through Thursday, will be implemented with a shift differential as outlined in Schedule D. This shift will be staffed by volunteers of the Parts Distribution Centre. These volunteers will be required to commit to the shift for the balance of the Collective Agreement and until such time as a subsequent Collective Agreement is in place.

All new hires after March 5, 1991 in the categories affected by the midnight shift will be required to work the said shift as needed. This would be a condition of hire.

A shift rotation will be in effect.

Those Employees hired prior to March 5, 1991 who do not volunteer will be considered exempt.

LETTER OF UNDERSTANDING

Reference: Material Supply Assistant (training)

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Local Lodge 99.

Material Supply Assistants who apply will be allowed an unpaid leave of absence (with adequate notice) to attend parts apprenticeship school providing:

- (A) they have completed two (2) years service as a full-time Employee,
- (B) they have the current Finning (Canada) A Division of Finning International Inc. prerequisites for the Parts Apprenticeship Program upon completion of year two of the Apprentice, prior to commencement of year three.

It is understood that they will remain at the Material Supply Assistant rates until a vacancy exists for an Apprentice/Journeyperson Countersales.

It is understood that work schedules may need to be adjusted to make certain the needs of the business and the individuals may be accommodated. This may mean limiting the number of people who can attend apprenticeship school at any one time from any one location.

Finning (Canada) A Division of Finning International Inc. is prepared to assist the Employees to obtain the necessary prerequisites through the Educational Assistance Program.

This apprenticeship program for the Material Supply Assistant is conditional upon an application to the Apprenticeship Branch for any necessary variance from the Act and appropriate approvals being received.

This application will be supported by both the Employer and the Union.

LETTER OF UNDERSTANDING

Reference: Component Rebuild Centre Layoff Classification

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Local Lodge 99.

In the event of a layoff in the Component Rebuild Centre which affects the Material Supply Specialist category, all Material Supply Assistants will be laid off first. If there is a further need to layoff, those Employees currently employed as Material Supply Specialists will be attached to the main Edmonton Parts seniority list, category Special Duty Warehouse.

LETTER OF UNDERSTANDING

Reference: Component Rebuild Centre Apprenticeship Program

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and The International Association of Machinists and Aerospace Workers, Lodge 99.

All rates stated as of May 1, 2001.

The Component Rebuild Centre is considering an Apprenticeship Program for Employees to attain the three-year, Journeyman Certificate, Heavy Duty Equipment Mechanic, under the new Alberta Apprenticeship Board Program. The number of opportunities available in the program will be at the discretion of management.

Employees will enter this program through the standard job posting process. Applicants must meet Finning (Canada) A Division of Finning International Inc. Apprenticeship selection standards before being considered. The exams will be waived if the Apprentice already holds a relevant Alberta or Inter-provincial Journeyman Certificate (e.g. Automotive Mechanic) and is currently employed at the Component Rebuild Centre for no less than twenty four (24) months.

Apprentices will enter into the Finning (Canada) A Division of Finning International Inc. Component Rebuild Centre apprentice layoff and wage classifications. Employees entering into the Apprenticeship Program from within the Component Rebuild Centre will remain at their existing wage rate. Apprentices being paid their previous rate will only be paid at the Apprenticeship rate during school time.

Finning (Canada) A Division of Finning International Inc. Employees entering the Component Rebuild Centre Apprenticeship Program from outside the Component Rebuild Centre, will enter at applicable apprenticeship rates. These Apprentices will continue to be paid their normal apprentice wages during school sessions.

All apprentices must take the "Off-Road" option in their third year of the Apprenticeship Program. The fourth year of the program will not be sponsored through the Component Rebuild Centre.

Upon completion of the three-year program, and receipt of the Alberta Heavy Duty Mechanic Ticket, the Employee will move into the CRC Heavy Duty Mechanic wage category (new category at \$22.15/hour) and the Journey Person Mechanic layoff classification.

All ticketed Heavy Duty Mechanics entering the Component Rebuild Centre, whether holding the new three or four year tickets or the old four year ticket, will enter the Component Rebuild Centre as CRC-Heavy Duty Mechanics at the wage rate of (\$22.15/hour). Mechanics holding the four year ticket, posting into a Journeyman Mechanic position at the Component Rebuild Centre from another Finning (Canada) A Division of Finning International Inc. Branch, will be grand-fathered at the Branch rate, not to exceed the Journey Person Mechanic "A" rate (currently at \$24.98/hour).

The general responsibilities of the positions outlined in this Letter of Understanding are as follows:

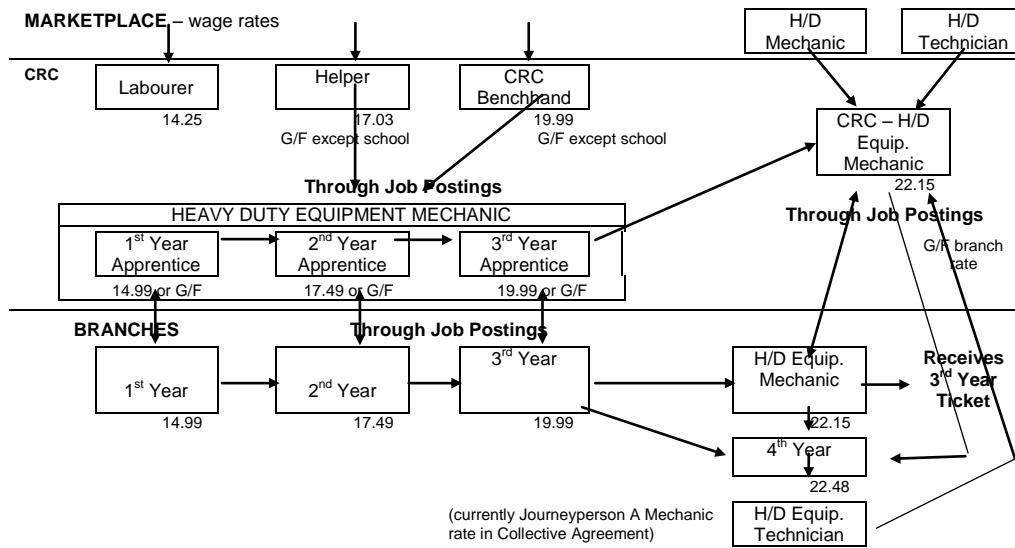
CRC – Benchhand

A Benchhand will disassemble, inspect, and assemble major components and/or sub-components safely, effectively, and efficiently. They will be expected to be proficient in all aspects of managing a component rebuild including parts ordering, job organization, and follow established procedures. They may hold a relevant Alberta Journeyman Certification (other than Heavy Duty Mechanic or Technician).

Heavy Duty Equipment Mechanic

Employees in this wage category will be ticketed Heavy Duty Mechanics. They will disassemble, inspect, and assemble major components and/or sub-components safely, effectively, and efficiently. Heavy Duty Equipment Mechanics will be expected to be proficient in all aspects of managing a component rebuild including parts ordering, job organization, and follow established procedures. They would be introduced to concepts such as working with computers, failure analysis, warranty reviews, service report writing, developing and improving standard operating procedures and other related tasks. Heavy Duty Equipment Mechanics would typically be involved in more complex components than their unlicensed

counterparts, and provide guidance as required. Aspects of managing a component rebuild including parts ordering, job organizing, and follow established procedures.



LETTER OF UNDERSTANDING

* **Reference: Twelve-Hour Shift Agreement for Municipality of Wood Buffalo, Oil Sands Operations:**

Nothing in this Letter of Understanding shall be construed as altering the existing terms and conditions of the Collective Agreement. This Letter of Understanding is specific to employees in the Oil Sands/Wood Buffalo Region. It is recognized by the Company and the Union that in order to enhance service to our customers in the Oil Sands/Wood Buffalo Region there is a need to provide continuous coverage. In that regard, the parties agree as follows:

Employees employed in the Oil Sands/Wood Buffalo Region operations will receive the Oil Sands Rates , as per Schedule "A".

The Continuous Shift Premium will be \$3.25 per hour for all hours worked – application is restricted to the Employees covered by this Agreement in the Municipality of Wood Buffalo.

A Nightshift Premium of \$3.00 per hour will be paid while working between the hours of 7:00 p.m. and 7:00 a.m., or the hours recognized as the nightshift, depending on actual shift start/stop times.

1. Shifts:

The twelve (12) hour shift scheduling formats will apply as follows:

A) Customer Sites

Employees working at a customer site will be assigned schedules based on customer needs.

Schedules will follow one of the scheduled formats below:

- 7 days on and 7 days off, 14 days on and 14 days off; OR
- 6 days on and 6 days off and 12 days on and 12 days off.

The facility/site shift schedule will be included on all postings. However, employees will also be advised that shift schedules may change upon customer request and or workload.

B) Finning Operations

Employees working in Finning shops, parts and service will be scheduled as follows:

- All Field: 6 on and 6 off, in order to comply with National Safety Code (NSC) regulations;
- Town Shop: 6 on and 6 off and/or 12 on and 12 off;
- Mildred Lake: 7 on and 7 off and/or 14 on and 14 off.

The facility/site shift schedule will be included on all postings. If other scheduling formats are necessary they will be developed in advance through discussion between the Company and the Union. The Union will reasonably consider all requests by the employer to add new or different shifts. Prior to implementation a minimum of 30 days notice will be given to employees.

A list of employees requesting a different shift option will be kept by Human Resources. When openings are available on that shift within a facility, internal employees will be given preference, in seniority order, over external new hires.

Employees listed in the top 10% of the seniority list (as per Article 4.08) have the option of working "twelve (12) hour dayshifts" on the shift schedule of their branch.

Straight day positions identified by the Company will be posted.

2. HOURS OF WORK:

- a) A day shall be the twenty-four (24) hour period commencing with the start of the Employee's regular scheduled shift. A week shall be the seven (7) day period between 7:00 a.m. Monday and 7:00 a.m. on the succeeding Monday, or the nearest start/stop times to the above.
- b) The twelve (12) hour shift schedule requires an equal number of days on followed by days off.
- c) A shift is defined as the hours of work within a twenty-four (24) hour period.
- d) A schedule is defined as days of work and the associated days of rest. Days of rest follow the days of work.

3. SHIFT TIMES:

The first twelve (12) hour shift times will begin between the hours of 6:00 a.m. and 8:00 a.m., and the second shift will begin between the hours of 6:00 p.m. and 8:00 p.m.

4. STATUTORY HOLIDAYS:

Statutory holidays are recognized as normal days of work.

- a) When a Statutory Holiday falls on an Employee's scheduled day off, the Employee shall be paid twelve (12) hours at his hourly rate for the holiday.
- b) When a Statutory Holiday falls on an Employee's normally scheduled workday and the Employee is not scheduled to work, the Employee shall be paid twelve (12) hours at his hourly rate.
- c) When the Employee works a Statutory Holiday, he shall receive twelve (12) hours pay at his regular hourly rate, and in addition, shall be paid double time his hourly rate for all hours worked that day.

5. REST BREAKS:

For twelve (12) hour shifts, an Employee shall commence and cease his/her shift at the designated stopping time and place. The Employee shall be provided with three (3) paid lunch/rest periods (2 x 15 minutes and 1 x 30 minutes) at the Employee's designated lunch place between the third (3rd) and fifth (5th), the fifth (5th) and the seventh (7th), and the eighth (8th) and the tenth (10th) hours of the shift. The total lunch/rest period shall not exceed 60 minutes. Flexibility in scheduling rest breaks may be necessary to meet urgent customer needs.

6. OVERTIME:

The twelve (12) hour shift schedule shall result in an average above forty (40) hours per week. An employee working on such a schedule shall be paid eleven and one-half (11 ½) hours straight time, and one-half (½) hour overtime at the base rate for that shift worked.

The appropriate overtime rates will apply for all hours worked on a regularly scheduled day off (i.e.: time and one half).

Double time will be paid for all hours worked on a day off on Sunday or on statutory holidays.

7. OVERTIME MEAL:

When Employees are required to work extended hours in excess of thirteen (13) the Employee will be eligible to claim \$15.00 in lieu of a meal and beverage.

8. CHANGE OF SCHEDULE AND SHIFT:

A minimum of one full shift schedule's notice shall precede the effective date of any permanent changes to Employee schedules. Employees will only be given notice of a schedule and/or shift change on scheduled days on and every attempt will be made to keep employees on the same shift schedule wherever possible. All reasonable incremental costs incurred to change flights due to temporary or permanent schedule/shift changes, initiated by the employer, will be reimbursed by the employer, for up to three (3) shift schedules, if required with receipts.

Employees temporarily reassigned due to workload, increase or decrease, to another shift schedule shall be give seven (7) days notice, prior to a change in schedule, as per Schedule B. If 7 days is not provided, overtime will be paid for the days less the appropriate notice.

9. RATES OF PAY: As per Schedule A – Oil Sands

Journeyman Parts employees working on a customer site will receive 6% above Journeyman A #1 rate of pay. They will not be eligible for the Field Bonus Premium.

10. Temporary transfers will receive the Oil Sands rates as outlined herein. Temporary transfers from another branch are not eligible for the Regional Hourly Wage Adjustment and Housing Allowance.
11. 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.
12. Vacation time shall be converted to an hourly entitlement (e.g. each week vacation entitlement equals forty (40) hours) and will be taken off in blocks of hours at twelve (12) hours per day (e.g. 6 on / 6 off requires seventy-two (72) hours vacation entitlement). Outside of July and August, Employees may take the same number of twelve (12) hour vacation days as they would have received on eight (8) hour days (e.g. two (2) weeks vacation entitlement provides ten (10) work days absent from a twelve (12) hour schedule). Pay for this option can be supplemented with banked overtime, subject to approval, which will not be unreasonably denied. For Example, Employees on 12 in / 12 off with less than four (4) weeks vacation

can take a full work block off provided they use all vacation entitlement at once. Vacation pay will be based on forty (40) hours per week. Normal vacation approval processes will apply to this section.

13. Twelve (12) hours per day will be paid while on sick leave or disability and be governed by Article 15.03.

The following scales of benefit are applied each time a claim is made. The scales cover a maximum of fifty three (53) working days in a one hundred and five (105) calendar day period.

LENGTH OF SERVICE	NUMBER OF FIRST WORK DAYS NOT PAID	WORK DAYS AT FULL PAY	WORK DAYS AT % OF PAY
0-3 Mths	EI benefits only during probationary period		
3 Mths-1 Yr	3	2	48-75%
1-2 Yrs	2	12	39-75%
2-3 Yrs	1	20	32-85%
3-5 Yrs	0	38	15-90%
5+ Yrs	0	53	N/A

14. Travel Allowance:

(a) \$35.00 for each day of work shall be paid to Employees who ride the bus to Suncor.

(b) \$35.00 for each day of work shall be paid to Employees who are required to travel with the use of their personal vehicle from Fort McMurray to the Mildred Lake shop and back unless transportation is supplied. In addition, \$35.00 travel allowance shall also be paid for unscheduled call-outs from Fort McMurray to the Mildred Lake shop.

(c) Employees travelling to a permanent worksite North of Mildred Lake will receive inconvenience pay of \$50.00 per day for each day worked on site.

(d) Aurora - Any new employees to Aurora will receive the above upon ratification, current employees will transition from one (1) hour overtime pay to the above on May 1, 2012.

15. The Union and the Company will meet as required to discuss any issues that arise.

LETTER OF UNDERSTANDING

Reference: Letter of Understanding – Oil Sands/Wood Buffalo Operations - Amendment

This Letter of Understanding is on a “without prejudice or precedent” basis and will exist only until the conclusion of the 2010 Collective Agreement.

The shifts for Finning Operations, specifically Town - Shop and Parts and Mildred Lake - Shop and Parts, are outlined in the Twelve-Hour Shift Agreement for the Municipality of Wood Buffalo, Oil Sands Operations.

However, it is understood that it is the intention of the company to modify Suncor, and the Town - Shop and Parts shifts to 7 days on and 7 days off and/or 14 days on and 14 days off to align with the rest of the Regional Municipality of Wood Buffalo within the term of the agreement.

If the Union or company requests a new or different shift or shift schedule for the above mentioned operations, they will be developed by discussion between the Company and the Union. It is understood that mutual agreement will be required before the shift is implemented. The Union will reasonably consider all requests by the Employer to add new or different shifts, based on demonstrated business needs.

The parties will meet to discuss any issues arising out of this Letter of Understanding.

LETTER OF UNDERSTANDING

Reference: Albian Field Rate

This constitutes a Letter of Understanding between Finning (Canada) A Division of Finning International Inc. and the International Association of Machinists and Aerospace Workers, Local Lodge 99.

Mechanics/Welders working at the Albian Mine site, will receive the Field Servicepersons rate. All other Collective Agreement classifications at the Albian Mine site will receive a field rate (calculated as 6% of their base rate) retroactive to May 1, 2005.

LETTER OF UNDERSTANDING

* **Reference: Ekati Mine Operation**

This Agreement deals with the specific conditions and adds to and modifies the Collective Agreement for those Employees who are employed to work on site at the Ekati Diamond Mine.

1. The Employees assigned to work at the mine site will be on a separate seniority list.
2. The shift schedule for the site will be 2 weeks in/2 weeks out working twelve (12) hour shifts based on the Agreement with the NWT government. Overtime rates will apply to all hours worked beyond the one hundred and sixty (160) hours in a four (4) week schedule. There may be an opportunity to work other shifts as agreed between the union and management.
3. Employees living in the Northwest Territories and working at Br 55 will receive the Yellowknife location allowance. All Employees working at the Ekati Mine Site will receive the Regional Hourly Wage adjustment of 15%.

All Employees who live in the NWT will receive a \$250.00 per month fuel subsidy per household and will be entitled to one trip out per year per family member to a maximum of \$750.00 per family member (taxable).

Ekati Employees who reside in NWT locations, including Inuvik, shall receive a location allowance of \$650.00 /month.

4. The marshalling point will be Yellowknife. Any Employee who lives in Hay River will be provided with flights to the marshalling point. All other Employees will report to the marshalling point at their own expense. Travel time paid at straight time rates will be provided for as follows: Edmonton to Yellowknife – 2.5 hours; Hay River to Yellowknife – 1 hour; Yellowknife to Ekati – 2 hours. Return time will be the same. Any Employee travelling beyond Edmonton, the Edmonton travel time shall apply.

Temporary employees to Ekati will have their full travel time paid as per Article 15 for the first trip in and last trip out. All trips in between will be paid as per above.

5. When weathered into site, Employees will be paid O/T for extra hours worked in excess of the Overtime Averaging Permit. When weathered out at the marshalling point in Yellowknife or the origin of the BHP-Ekati paid for charter flight, meal and accommodation expenses, if needed, will be paid by the Employer. The Employee will be paid their straight time hourly rate for the normal shift schedule of that particular day based on the flight manifest, up to a maximum of twelve (12) hours per day (including the travel time). This time will be classified as time worked. Employees who are weathered in at the site are paid for time worked as per the Collective Agreement to a maximum of twelve (12) hours per day.

All reasonable incremental costs incurred to change flights due to weather/mechanical delays will be reimbursed by the employer, including one (1) days accommodation and meals, if required.

6. All statutory holidays worked will count as twelve (12) hours worked towards the work week. All statutory holidays not worked will be paid at twelve (12) hours and will count as eight (8) hours worked toward the work week.
7. Employees will be paid the appropriate overtime rates for working on a statutory holiday as per the Collective Agreement.
8. Vacation time will be converted to hour entitlement and they will have the option of taking vacation in blocks of hours vs. weeks (1 week vacation time = 40 hours) The parties recognize the distinct nature of working at this remote site on a continuous shift arrangement. As a result the parties agrees that Employees may have the opportunity of utilising their vacation time on their 2 weeks out time. This option must be discussed and agreed upon with the manager in advance of utilising the opportunity. This time will not count as time worked for the purposes of applying overtime for the shift schedule. A request form must be signed off by the Employee and the manager.

Vacation weeks can be taken as weeks paid at forty (40) hours or eighty four (84) hours in a one-week period.

The entitlement to a minimum of two (2) weeks continuous vacation during prime vacation months of June, July, August and September.

The Employer may limit the exercise of the entitlement to 25% of the crew on any shift compliment. For example at the current time Crew "A" has a compliment of fourteen (14) mechanics on day shift and fourteen (14) mechanics on night shift. Crew "B" also has fourteen (14) mechanics on day shift and fourteen (14) mechanics on night shift. The vacation entitlement of 25% of the crew means that seven (7) of the "A" crew may be away on vacation during any two (2) week period and similarly seven (7) of the "B" crew. Over the June to September prime vacation period on the above crew compliment fifty six (56) mechanics shall be entitled to a minimum two (2) weeks continuous vacation during June to September prime vacation period. The 25% limit shall be calculated separately for the Parts Personnel, Tool Crib, Welders, and Powerhouse Operators (Mechanics and Electricians). Where the number of employees in the crew is 4 or less, 1 employee may exercise their vacation entitlement at a time.

9. Those Employees assigned on a permanent basis to the Ekati site will receive an isolation travel allowance while working at the mine. The allowance of \$1.00 per hour will apply to Employees who have completed their probationary period and will be paid twice per year. The payment will be made in November and May of each year and will be made on a separate deposit and an explanation of how it is calculated will be provided.
10. Lead hand rate will be provided to Employees covering for temporary periods.
11. Twelve (12) hours per day will be paid while on sick leave or STD counting towards 160 hour total while on site. If an Employee becomes sick or injured while off site, all hours will be paid twelve (12) hours/day at straight time rates, and will not count towards 160 hour total..
12. Bereavement will be paid at twelve (12) Hrs/Day as per 15.04.
13. The current commercial relationship with BHP includes Charter Flights from Edmonton to Yellowknife and return at no cost to the employee. In the event that BHP discontinues their provision of flights at no cost, Finning shall provide 60 days notice to the union and employees that the flight program will terminate.
14. It is understood by both parties that all future tool room attendants and apprenticeship positions will be deemed "northern hire" positions and filled from residents of the Northwest Territories only.
15. The company agrees that the Heavy-duty Apprenticeship and Mechanic layoff classifications are combined for Branch 55 – Ekati only.
16. A Travel Allowance for a portion of airfare, parking and meals will be processed based on the legislated tax deductions for any given year. Employees will be expected to evidence "reasonable" expenses in transit from home to Edmonton (Hay River). This allowance is reflected on an employees pay stub under gross pay, but is not part of an employee's taxable income.
17. The parties agree to meet to discuss and resolve any issues that have not been anticipated herein.

SCHEDULE "A"

WAGE CATEGORIES – EKATI SITE

**CERTIFIED TRADES
SERVICE DEPARTMENT**

	May 01 2010	May 01 2011
<u>Field Servicepersons - HE Mechanics, Welders, Power Generation Electricians.</u>		
Journeyman	39.84	40.94
Probationary	38.43	39.49
<u>Apprentice Mechanic</u>		
4 th Year	35.87	36.86
3 rd Year	31.88	32.76
2 nd Year	27.89	28.66
1 st Year	23.91	24.57
<u>Apprentice Welder</u>		
3rd Year	33.88	34.81
2nd Year	29.89	30.71
1st Year	25.91	26.62
<u>Tool Room Attendant</u>		
Class A	32.14	33.02

PARTS DEPARTMENT TRADES

	May 1, 2008	May 1, 2009
Categories	#1	#1
Leadhand	34.72	35.67
Journey person A	33.03	33.94
Journey person B	31.84	32.72
Probationary	29.45	30.26
Parts Apprentice		
3rd year	28.08	28.82
2nd year	24.78	25.46
1st year	21.48	22.07

Parts Department Categories

1. Instore / Counter sales, Service Supply Clerk 1.

LETTER OF UNDERSTANDING

Reference: Alternative shift schedule

1. The parties recognize that certain circumstances, business conditions or customer needs may warrant a change to hours of work.
2. The Company shall provide an explanation to the Union of the reasons for the requested change.
3. The Union will meet with the Company to discuss the circumstances and shall endeavor to agree upon terms and conditions that will address the needs of the situation.
4. Any such arrangement agreed upon shall be without prejudice/precedent.

ATTENTION ALL MEMBERS

ARREARS IN DUES

Excerpt from the IAM Constitution

Quote: "As used in this "Constitution, delinquency is defined as the failure of a member to pay his/her dues..."
"Delinquency for 2 months in the payment of dues shall automatically cancel membership and all rights, privileges and benefits incident thereto." Unquote

DUES ARE DEDUCTED BY PAYROLL DEDUCTION ONLY WHEN A MEMBER IS WORKING

If a member is not working, for any reason, it is the member's responsibility to make sure that his/her own dues are kept up-to-date.

NOTE: *There have been errors in dues check-off remittances to the Union, and with the member's cooperation in advising the Union office, errors or non remittance can be rectified.*

NON-PAYMENTS OF DUES

When a member is laid off or leaves the Employer for any reason, or simply forgets about his/her unemployed dues, the member is subject to a **PENALTY REINSTATEMENT FEE** of six (6) times the current hourly rate when called back to work.

MEMBERS OFF WORK DUE TO LAYOFF

Please notify the Union office immediately. The member will then be entitled to an out of work stamp, for which he/she must remit \$2.00 (two) per month.

MEMBERS OFF WORK DUE TO ILLNESS

Please notify the Union office immediately if you are off anytime during the last two (2) weeks of the month or longer. This is to ensure that member's dues are kept up to date.

CHANGE OF ADDRESS

All members must notify the Union office of any change of address to:

International Association of Machinists and Aerospace Workers Local Lodge 99
Suite 101, 10471 – 178 Street
Edmonton, Alberta
T5S 1R5
Telephone: (780) 414-1499 or (866) 799-7799

LODGE 99 DUES STRUCTURE

Monthly working dues	Two and a quarter (2 ¼) times hourly rate
Out of work dues	Two (\$2.00) dollars per month
Reinstatement fees	Six (6) times the hourly rate