

Letter of Understanding Reciprocity Agreement

This Letter of Understanding is between Local 692 and Local 99 of the International Association of Machinists and Aerospace Workers and Finning (Canada) a Division of Finning International Inc.

This Agreement concerns the movement of Machinists Union members who work for Finning (Canada) a Division of Finning International Inc. in the provinces of B.C./Yukon and Alberta/Northwest Territories.

TEMPORARY TRANSFERS – for a maximum of 90 days

1. Business agents of each Local will be notified before any transfer of employee is initiated.
2. There will be no temporary transfers to any branches/facilities where layoffs have occurred and employees still hold recall rights within the affected classification. Transfers will not cause the displacement of any bargaining unit employees in receiving branch/facility by classification. In the event that the temporary position becomes permanent, the position must be posted so all employees have equal opportunity to apply.
3. Wage rates will be as specified in the Collective Agreement of the receiving branch/facility.

The ability to bank overtime will be as per the receiving branch/facility Collective Agreement.

Benefits and Pension for transferring member will stay the same and be administered by the member's home branch/facility. Regional Wage Allowance is not payable to temporary transfers, except for Ekati.

4. Travel time will be paid as per applicable rates in each Collective Agreement to the transferring member. The receiving branch/facility will pay for travel time, with the exception of Ekati.
5. Conditions and living expenses will be as per the receiving branch/facility and will be discussed and agreed upon between Finning and the transferring employee prior to the transfer occurring and details will be provided on the appropriate form. This information will also be included in the notification to the Union.
6. Seniority continues to accumulate and will be retained by the home branch/facility.
7. The Company will pay the dues for this employee to the Union of the receiving branch/facility. The employee will continue to pay their dues to the home branch/facility.
8. Any employee benefit coverage and pension plan membership will continue to be covered from the home branch during the temporary transfer.
9. In the event of layoffs at the receiving branch, all members on a temporary transfer will be sent back to their home branch in their order of seniority.
10. In the event of pending job action at their home branch all Temporary Transfers will return to their home branch within the 72 hour notice period.

11. Exceptions: The above temporary transfer process will **not** be required for Power System commissioning and testing of new equipment, including projects and packaging. The Union will be notified in advance of this work being done via email (To include employees name, location of work and duration of work). It is intended that where available the local branch will also supply a technician to accompany the commissioning technicians for training purposes.

PERMANENT TRANSFERS

In order to fill a permanent posted job that requires a permanent transfer between bargaining units (Locals 99 and 692), the following will apply:

1. Seniority of the transferring member will stay at the home branch/facility for a period of 90 days from date of transfer, after which their seniority will be dovetailed into the receiving branch's/facility's seniority list.
2. If during the 90 day period an employee is laid off from the receiving branch/facility, the employee will have an option to return to his original/home branch/facility. The Company will also pay the amount necessary to move the employee's family and household goods to return to the home location, if required. If more than one permanent transferred employee is affected by layoffs they will return (or have the option to return) in their order of seniority.
3. There will be no permanent transfers to any branches/facilities where layoffs have occurred and employees still hold recall rights within the affected classification. Transfers will not cause the displacement of any bargaining unit employees in receiving branch/facility by classification.
4. Reasonable living expenses will be provided to the transferring members as provided by company policy. Living expenses to be paid will be for an initial 15 days, up to a maximum of 30 days, and will be discussed with the transferring member prior to the transfer occurring.
5. All wages and benefits will be as per the Collective Agreement in the Province of the receiving branch/facility.

Benefit coverage will be changed the first of the month following the transfer except medical which will be transferred based upon governmental requirements. At all times, an employee will be provided benefit coverage.

Pension plan memberships will be maintained in the province in which the member is working.

6. For the 90 day period (as specified in No. 1 of Permanent Transfers) the transferring member will pay Union dues to the Union from the sending branch/facility and the Company will pay the Union dues to the receiving branch/facility.

Letter of Understanding - Reciprocity Agreement

This letter can be revoked with 30 days notice in writing to either Union Local or to the Company. Whomever revokes this letter will send notice to the other two parties.

For the Company:

Date:

[Signature]
Feb 6/2013

For IAM & A.W. Local 692

Date:

[Signature]
Feb 20, 2013

For IAM & A.W. Local 99

Date:

[Signature]
Feb 6/2013