

**LETTER OF UNDERSTANDING  
BETWEEN  
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE 99 ("Local 99")  
And  
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE 692 ("Local 692")  
And  
FINNING INTERNATIONAL INC (Finning Canada)**

**01-21 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**

Temporary transfers will be considered after other options to perform the work have been addressed, including overtime options for the employees in the required area.

1. Business Representatives of each Local will be notified 5 days before any transfer of employee occurs or unless otherwise mutually agreed upon by the parties. Late or no notification will be considered a breach.
2. There will be no temporary transfers to any branches/facilities where layoffs have occurred in the province/territories 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. Employees in the receiving Province/Territory, will have first right of recall of this work.
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 employee will stay the same and be administered by the employee'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 employee. The receiving branch/facility will pay for travel time, or arrange as required.
5. Conditions and living expenses will be as per the receiving branch/facility including site LOU's 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. A breakdown will be provided to both locals.
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 employees on a temporary transfer will be sent back to their home branch.
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. The signing of this LOU will make (19-02) Peach Arch Project null and void in the Alberta Collective Agreement between Finning international and The International Association of Machinists and Aerospace Workers
12. Overtime will be distributed equitably to all those able to perform the available work in the receiving branch/facility.
13. ThinkBig apprentices will be exempt from this agreement.
14. If the reason is due to skillset, they will be shadowed by a local employee for training. Should this continue to be the reason, three (3) or more times, a training program will be addressed. Late or no notification will be considered a breach.

#### **PERMANENT TRANSFERS**

1. In order to fill a permanent posted job that requires a permanent transfer between bargaining units (Locals 99 and 692), the following will apply:
2. Seniority of the transferring employee 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.
3. 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.
4. 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.
5. Reasonable living expenses will be provided to the transferring employees 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, and to be included in the transfer agreement.
6. 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.
7. For the 90-day period (as specified in No. 1 of Permanent Transfers) the transferring employees 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.

**Breach of Agreement**

A penalty of one thousand dollars (\$1000.00) will be applied for violation of this agreement and paid to each local. This will double every infraction afterwards. If there have been no infractions for a period of six (6) months, the amount will reset to one thousand dollars (\$1000.00)

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

For the Company:

Manuel E. Galan

Date:

January 29, 2021

For IAMAW Local 692:

[Signature]

Date:

January 29, 2021

For IAMAW Local 99

Jim Patterson

Date:

January 29, 2021