

Collective Agreement

By and Between:

Finning (Canada) a Division of Finning International Inc.

And

International Association of Machinists and Aerospace Workers Local Lodge 99

Effective January 1, 2022 to January 30, 2027

Definitions

Main Collective Agreement – the collective agreement between the parties with the current term of May 1, 2019 to April 30, 2022.

New Warehouse Collective Agreement – the collective agreement between the parties applicable to employees at the warehouse located at Building 4, 11554 186th Street, NW, Edmonton, Alberta except office, clerical, sales, and security personnel.

Article 1 – Recognition and 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 all employees at the warehouse located at Building 4, 11554 186th Street, NW, Edmonton, Alberta except office, clerical, sales, and security personnel.
- 1.02** The parties agree that the common certificate number 420-2002 does not, in any way, remove the understanding that the conditions described within are unique and carry a degree of independence from the main collective agreement and the employees covered by this agreement will have a community of interests different from other Finning employees. Both agreements will be administered independently and have no connection to one another other than what is described within the Alberta *Labour Relations Code*. For example, any labour disruption related to the main Finning (Canada) agreement would not apply to this collective agreement and vice versa.
- 1.03** The parties further agree that each agreement will be bargained separately and must be ratified separately.
- 1.04** The Employer agrees to deal only with the Union Bargaining Committee and Business Representatives during contract negotiations and only with the Business Representative(s) of the Union for the life of the Agreement in matters relating to changes of any terms or conditions of this Agreement.
- 1.05** If a bargaining unit Employee is required to perform the duties of an Employee normally exclude, 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 2 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 during the first sixty (60) months while absent on approved leave while covered by Worker's Compensation or Long-Term Disability benefits. After the sixty (60)

months, where the prognosis of the Employee suggests his/her return to the workplace is imminent he/she shall not be terminated from employment, except that layoff due to lack of work is excluded from this provision. Where the prognosis of the Employee suggests his/her return to the workplace will not be possible, the Employer will notify the Union prior to termination.

- 2.04** The Employer and the Union recognize that there exists a duty to accommodate an Employee who has become incapacitated by injury or illness which causes him/her to be unable to perform his/her present job. Employees will be given preference for a position for which he/she can do or can reasonably be trained to do. The Employer, Union and Employee will meet to discuss possible positions, modifications, training and any other requirements. 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 at the time they are permanently accommodated.
- 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 – DUE, 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 assessments 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, facility number, and the amount and purpose of each deduction. Membership address information will be provided to the Union Secretary Treasurer or designate on a quarterly basis.
- 3.04** The Union may request, by providing thirty (30) days' notices, 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.

Article 4 – UNION RIGHTS

- 4.01** Lockable 24" x 36" Bulletin boards will be supplied on Employer 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 Facility Management representative/designate.

- 4.02** 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.
- 4.03** The Employer is committed to positive and collaborative Employee relations at all levels of the organization and as such will commit that all new hires will be given up to a half (0.5) hour orientation by a Union Steward on Employer property. The Supervisor/Manager will schedule this time within the first four (4) weeks of their start date. The time will be covered by the Employer.

Article 5 – SHOP STEWARDS AND UNION OFFICIALS

5.01 Shop Stewards:

- a) The Union shall keep the Employer advised in writing with up-to-date lists of names of 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. Stewards will be selected in a manner the Union decided upon. It is understood that members of the Union's Executive and the Business Representatives are also designated to act as Stewards.
- b) The shop steward shall not be discriminated against or disciplined for the proper performance of their duties on behalf of the Union.
- c) 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 procedures, provided they first obtain permission from their supervisor to leave their work assignment.
- d) 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.

5.02 Leave for Union Business

- a) The Employer will grant unpaid leaves of absences, subject to operational requirements and when request is made one (1) calendar week in advance, to members of the Union, to attend to Union business outside the workplace. The Union will reimburse the Employer within thirty (30) days of invoice for wages paid to attend such Union business.
- b) 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.

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.

Article 6 – MANAGEMENT RIGHTS

- 6.01** 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, layoff due to lack of work, suspend or otherwise discipline or discharge for just cause an 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.

The Employer will exercise its' authority and discretion under the Collective Agreement in a fair and reasonable manner.

- 6.02** The Union also recognizes the right of the Employer to operate and manage its business in all respects in accordance with its obligation 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.

Article 7 – NO DISCRIMINATION

- 7.01** 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.
- 7.02** 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.
- 7.03** 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, colour, religious beliefs, gender, gender identity and gender expression, age, family status, marital status, ancestry, or place of origin of that person, source of income, sexual orientation, or to a person having a mental disability or physical disability.
- 7.04** 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 8 – MANAGEMENT AND UNION MEETINGS

8.01 Union Management Meetings:

The Employer will conduct meetings with the chief shop steward and union stewards on a quarterly basis or as requested by either party. These meetings are to discuss issues related to the business and

issues arising from the relationship including matters related to application and /or administration of the Collective Agreement. All meetings will be held on company paid time.

8.02 Collective Bargaining:

Members of the bargaining committee, not to exceed four (4), shall be paid at regular rates for a period not to exceed one hundred and sixty (160) hours per person. This will only apply on years where negotiations are held.

Members of the bargaining committee will be granted all time off necessary for them to carry out their duties.

Article 9 – HEALTH AND SAFETY

9.01 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. Joint safety committees shall be constituted and make monthly inspections of the workplace and equipment. The Union and the Employer 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.

9.02 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.

9.03 Employees will be reimbursed 100% of the cost of one pair of custom earplugs every 2 years for Employees that require earplugs at their work site.

Article 10 – GRIEVANCE PROCEDURE

10.01 Informal Discussions:

It is the mutual desire of the parties that complaints of employees be adjusted as quickly as possible. It is understood that if an employee has a complaint, or if they believe that they have the basis of a grievance, they shall meet and make an earnest effort to resolve the grievance directly with management. The shop steward of the person's choice must accompany the employee and meet with management, with a view to resolving the matter.

10.02 Grievance Procedure:

Any employee, Union Steward, Chief Shop Steward, Union official or the Company may file a grievance. Any complaint, disagreement, or difference of opinion between the Company and the

Union, or employees covered by this Agreement which concerns the application or interpretation of the terms and provisions of this Agreement or Company policy, shall be considered a grievance.

STEP 1

If the complaint or grievance is not satisfactorily re- solved in discussion between the Employee and/ or the Union Steward and his/her immediate Supervisor/ Branch Management, 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. A decision will be forwarded to the Union steward from the supervisor within ten (10) working days of receiving the grievance.

STEP 2

If the grievance is not satisfactorily resolved in Step 1, the Union Office shall submit the grievance to the Human Resources department designates within fifteen (15) working days of receiving the reply in Step 1.

The Human Resources Department will arrange for a meeting within fifteen (15) working days of receiving the grievance at Step 2 with the Business Representative/Union Executive, Steward and the griever to hear the grievance and render a decision within Fifteen (15) working days.

STEP 3

If the Step 2 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.

10.03 A grievance concerning the discharge of an Employee may be submitted into Step 2 of the Grievance Procedure.

10.04 Unless a grievance of an Employee or a policy grievance is presented to the Employer within thirty (30) working days of the griever from the date when the grievance first arose, or in the case of dismissal of Employees within thirty (30) 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 griever.

10.05 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 11 – ARBITRATION

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

| | |
|---------------|----------------|
| 1. Lyle Kanee | 4. Andrew Sims |
|---------------|----------------|

| | |
|------------------|-------------------------|
| 2. Phyllis Smith | 5. Cheryl Yingst-Bartel |
| 3. Francis Price | 6. David Jones |

Who shall be selected is as follows:

- a) The person who has the number 1 beside his/her name must 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 must 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 named.

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

11.03 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.

Should either party be responsible for postponing arbitration, the party requesting a postponement will bear the full cost of any expense charged by the arbitrator for the postponement.

11.04 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 12 – SENIORITY

12.01 Definition of Seniority:

Seniority is defined as time worked in the bargaining unit. If more than one employee is hired on the same date, the Employer will use first letter of the last name of the Employees to determine who has higher seniority (i.e., last name begins with A will have higher seniority than a last name beginning with B).

Employees who have only held positions outside of the bargaining unit, do not hold bargaining unit seniority.

12.02 Probationary Period:

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 21.

Permanent Part Time Employees: 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.

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.

12.03 Seniority Lists:

A current seniority list by layoff classification 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 difference dates for these purposes.

12.04 Seniority shall be maintained and accumulated during an occupational accident, illness or while on sick leave benefits. As well, seniority will be maintained and accumulated during all leaves of absences as per Alberta Employment Standards.

Seniority will be maintained, but not accumulated during an authorized leave of absence.

12.05 Seniority shall be broken/end 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' notices requiring him/her to do so following layoff
- e) If an employee transfers to a position outside of the bargaining unit

12.06 In the event it is found that an Employee is wrongfully discharged, that Employee shall not suffer any loss of seniority if reinstated.

12.07 Contact information

Each employee shall notify the Employer of their address, phone number and email address. It shall be the responsibility of each employee to notify the Employer of any change of address, telephone number or email address. Letters sent by the Employer to address or email address on record, or telephone call(s) to telephone number on record shall satisfy any obligation on the Employer to provide notice to the employee on any provision of this agreement.

Article 13 – LAYOFF AND RECALL

13.01 Layoff Procedure

Whenever it becomes necessary to decrease the workforce, probationary employees will be the first laid off. If further layoffs are necessary, layoff criteria will be in reverse order to seniority, which means the least senior Employee of a classification will be laid off first.

In the event of a layoff situation in which two (2) or more Employees share a common seniority date, the tie will be broken by using the first letter of the last name of the affected Employees. The Employee with the first letter of the last name closer to or equal to the letter "Z" will be considered lowest seniority. Recall of laid off Employees will be carried out in order of seniority.

13.02 Provided an employee is not working, Provincial Health Care premium sharing and Extended Health Insurance benefits will be provided to the laid off employee(s) for up to four (4) months on the same premium share/pay basis.

13.03 If the layoff continues beyond the provision in 12.02 above, Employees may continue their medical coverage by prepaying the entire costs of their Provincial/Territorial Health Care and Extended Health Insurance premiums for eight (8) additional months. If the Employee returns to work on a permanent basis during the recall 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.

13.04 When business conditions exist, an Employee on layoff may be recalled performing 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 will not be affected.

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.

13.05 Recall Procedure

Employees who are on layoff shall, if their name remains on the seniority list, be subject to recall for six (6) months from date of layoff.

Employees must report for work within seven (7) calendar days, or within fourteen (14) calendar days if employed elsewhere after being recalled by letter and email being sent from the Employer following layoff or fails to report for work on the date and the time specified in the notice if longer than the stipulated time frames above, unless the employee and/or Union establishes extenuating circumstances.

An employee who has been laid off and wishes to be recalled must ensure that the Company has contact information as per Article 11.05. Failure on the part of the employee to provide this information shall result in the employee forfeiting their recall rights.

Laid off employees who have the ability to perform the work required shall be recalled to service in order of their seniority. A copy of the recall notice will be given to the Union.

Article 14 – LEAVE OF ABSENCE

14.01 Voluntary

An employee may request a leave of absence without pay, in writing. Such request should be made a minimum of one (1) calendar week in advance and list the initial date of leave, the return-to-work date and the employee's signature. The Company will consider the request based on the length, and operational requirements. Leaves granted with less than the minimum of one (1) calendar week notice will not be used as precedent setting for other employee leave requests. Failure to return to work on the designated date will constitute job abandonment. Employees on approved leaves of absence of sixty (60) days or less will continue to accrue seniority during their leave.

14.02 Maternity / Parental / Adoption

The Company will grant maternity, paternity and adoption leave in accordance with the provisions of the Alberta Employment Standards Code. If the code should be improved upon, the new standards shall become the minimum benefit level with regards to this Article. An employee shall continue to accrue seniority during maternity/parental/adoption leave.

14.03 Bereavement

In the event of a death of an employee's immediate family, the employee will be granted three (3) working days' leave without loss of pay. Immediate family is defined as the employee's spouse, (including common-law and same-sex spouse), child, stepchild, mother, father, step parents, parents of spouse (including stepparents) sister, brother, sister-in-law, brother-in-law, grandparents of employee and spouse grandchildren and legal guardians of the employee. Additional leave without pay may be granted on the request of the employee. In addition, if the employee is notified of the death while at work, they will be excused and paid for the balance of that shift and this time is not chargeable to the three (3) days.

14.04 Jury Duty

Any employee who, by reason of any summons, subpoena, written petition or other legal process requires time off, shall be granted a leave of absence for the period of time required and the employee shall retain and accumulate seniority while on such leave of absence.

Employees who are summoned or subpoenaed for jury selection, jury duty, or as a witness, shall be paid the difference between their regular pay and the pay received for any of the above, for each working day lost while so serving. The employees must show satisfactory proof of receiving the summons or subpoena and must provide the Company with a statement of the pay received when claiming the pay difference. Upon discharge, the employee shall return to work at their regularly scheduled assignment.

Employees who lose time by reasons of being subpoenaed to attend court as a witness in cases in which the Company is directly involved or subpoenaed as a witness in a coroner's inquest in which the Company is directly involved, will be paid for all time and reasonable expenses upon submission of necessary receipts. Any fee would be assigned to the Company for being a witness.

14.05 Compassionate Care

The Company agrees to provide up to eight (8) calendar weeks of unpaid, job-protected, compassionate care leave for an employee to care for a gravely ill or dying spouse, (including common-law and same-sex spouse), child, stepchild, mother, father, stepparents, parents of a spouse (including stepparents) sister, brother, sister-in-law, brother-in-law, grandparents of employee and spouse, grandchildren and legal guardians of the employee who has a significant risk of death within six (6) months.

Article 15 – STATUTORY AND GENERAL HOLIDAYS

15.01 Designated Holidays:

- a) All employees have either eight (8) or ten (10) hours pay at their regular hourly rate for the Statutory Holiday. The following Statutory Holidays will be observed:

| | |
|------------------|-----------------|
| New Year's Day | Family Day |
| Heritage Day | Victoria Day |
| Good Friday | Labour Day |
| Canada Day | Remembrance Day |
| Thanksgiving Day | Boxing Day |
| Christmas Day | |

- b) An employee who works on a Statutory Holiday will be paid at one and one-half (1 1/2) times their regular rate for the hours worked.
- c) If one of the above listed Statutory Holidays falls during an employee's regular scheduled day off, they will receive eight (8) or ten (10) hours pay at their regular rate. An employee may request from the Company to have the option of taking the first scheduled day back after the statutory holiday, without pay provided that the employee has submitted the request within

seven (7) days and has obtained management approval. However, should such holiday fall on a Saturday or Sunday, the following Monday will be the holiday of record.

- d) In the event one of the above listed Statutory Holidays falls during an employee's vacation, the employee will take the day off on the first day immediately following the vacation or another day mutually agreed with the Employer.

15.02 Payment for Statutory Holidays

- a) Employees who are eligible for Statutory Holiday pay will receive a normal eight (8) or ten (10) hours at their regular rate of pay for the Statutory Holiday, whether they are scheduled to work on the Statutory Holiday or not.
- b) An employee who is scheduled by the Employer to work on a Statutory Holiday, shall be paid one and one-half (1 1/2) times their normal wage rate for any hours so worked, plus their normal day's pay.

15.03 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.

Article 16 – VACATION PAY

16.01 Vacation Year

To calculate and record annual vacation, a common anniversary date has been established beginning on January 1st and ending on December 31st of the same year.

16.02 Vacation Entitlement

An employee shall receive annual vacation and vacation pay in accordance with the length of their continued service with the Company.

On January 1st of each year - the common anniversary date- an employee shall be entitled to vacation in accordance with the following schedule:

| Employment Period | Vacation Entitlement | |
|---------------------------------------|--|----------------------|
| More than 30 days, less than one year | Prorated on the basis of a day per full month, max 10 days | 4% of gross earnings |
| Less than 5 years | 2 weeks | 4% of gross earnings |
| 5 years or more | 3 weeks | 6% of gross earnings |
| 10 years or more | 4 weeks | 8% of gross earnings |

Gross earning shall be understood to mean the total earnings realized by an employee from the payment of wage rates for straight time, overtime, paid leaves of absence, vacation pay, Statutory Holiday pay, incentive pay and premiums.

Vacation may be taken in blocks of not more than two (2) calendar weeks. Upon mutual agreement between the employee and the Company, vacations may be granted in shorter periods of not less than one (1) calendar day.

Notwithstanding the above paragraph, vacations taken outside the period June 15th to September 15th in any calendar year may be taken in blocks of not more than three (3) calendar weeks.

16.03 An employee is not allowed to work in lieu of taking annual vacation. Vacation must be taken within twelve (12) months following the vacation year in which it was earned. All employees are encouraged to schedule and take their vacation. There will be no carryover of vacation or pay out of vacation pay without the specific agreement of the Company which will be reviewed on a case-by-case basis.

16.04 Vacation requests submitted prior to April 15th of the current vacation year will be governed by seniority preference. All vacation requests will be responded to by May 15th of the current vacation year. Requests after April 15th will be considered on a first come first serve basis. All vacation requests will be responded to within 30 days of submission of the request. To maintain an efficient facility, the Employer may change scheduling of vacation periods if necessary. Vacation period requests of less than five (5) days are subject to workload conditions and require express approval of the Supervisor.

16.05 Where an Employee is absent from work on an approved leave of absence 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.

16.06 Leave of Absence

When an employee requests time off without pay or an extended 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. Before an extended leave of absence can be taken, the Employee will be required to utilize their vacation and/or banked time.

16.07 Part Time Employees

Part-time employees shall be paid vacation pay each pay period based upon hours worked in that pay period and calculated based on percentage entitlements outlined in Section 16.02.

Article 17 – HOURS OF WORK, OVERTIME AND DAYS OF REST

17.01 Regular Hours of Work

This article defines the normal hours of work and provides the basis for calculating overtime payment. It shall not be construed as a guarantee of hours of work per week, of days of work per week, or as a restriction on the scheduling of a longer or shorter work week or workday, whenever in the opinion of the Employer this is required for business reasons.

17.02 The normal hours of work will be eight (8) hours per calendar day and forty (40) hours per week, or ten (10) hours per day and forty (40) hours per week.

17.03 Employees working eight (8) or ten (10) hour shifts will be entitled to two (2) paid breaks of fifteen (15) minutes, and one (1) unpaid lunch break of thirty (30) minutes.

17.04 Employees working eight (8) hour shifts shall be paid time and one half (1 ½) times their regular hourly rate for all hours worked in excess of eight (8) hours per shift, or forty (40) hours per calendar week. Employees working ten (10) hour shifts shall be paid time and one half (1 ½) times their regular hourly rate for all hours worked in excess of ten (10) hours per shift, or forty (40) hours per calendar week.

17.05 Call In

An employee who is called to work outside of their regular shift hours and who reports on time and remains as long as required will receive not less than four (4) hours pay at their regular straight time hourly rate. Where applicable, overtime rates will apply as per Article 18.04.

17.06 Break Between End of Shift and Overtime

Employees required to work two (2) hours or more overtime immediately following the end of a regular workday will take a fifteen (15) minute unpaid rest break prior to the start of the overtime work.

17.07 Banking of Overtime

For time off during slow periods, employees may bank, to a maximum, forty (40) hours of overtime. These hours must be used within the calendar year that they are banked under the terms set out below:

- a) All banked time hours must be used within the calendar year that they are banked, any remaining hours as of December 31 each year will be paid out in full.
- b) Under no circumstances can banked time be used as sick pay.
- c) 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.
- d) Banked hours can only be taken at a time acceptable to both management and the Employee. If management 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.
- e) Banked time hours will be banked in full. Example: Employee works two (2) hours of overtime at time and a half, Employee can then elect to bank two (2) hours which would place three (3) hours into the bank at their straight time base rate.

- f) All shift premiums will be paid to the Employee on the paycheque for the pay periods during which the hours were worked.
- g) Straight time cannot be banked, only overtime can be banked.
- h) Banked time may be used for appointment times when prearranged with the Supervisor.
- i) Monetary (as opposed to hours banked out) withdrawals can only be done a maximum of two (2) times per year. If there is a third request, the entire bank will be withdrawn.

Article 18 – CONTINUOUS SHIFT

- 18.01** The parties recognize that certain circumstances may warrant continuous shift hours of work, working twelve (12) hours per day and with equal number of days on as days off. Guidelines for this shift is listed below:
- (i) The New Edmonton Warehouse may utilize the following shift configuration: seven days on, seven days off, consisting of eleven and a half (11.5) hours straight time and one-half hour (0.5) at overtime.
 - (ii) Continuous shifts will be filled on the basis of volunteers within the Facility. However, if there are insufficient volunteers, the Employee with the shortest length of service within the facility will be assigned to the new shift.
- 18.02** The continuous shift premium as outlined in Schedule “C” will apply to all continuous shift employees, for all hours worked. The premium allows 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.
- 18.03** 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 a half (11.5) hours straight time and one-half hour (0.5) at overtime for that shift worked per day.
- 18.04** The calculation for the entitlement to vacation and severance will be made using an hourly equivalent, e.g., vacation: if entitled to two (2) weeks’ vacation X forty (40) hours = eighty (80) hours equivalent; if entitled to ten (10) days X eight (8) hours = eighty (80) hours equivalent, etc. It is intended that Employees neither gain nor lose a benefit entitlement while working on a continuous shift.

Article 19 – FILLING VACANCIES

- 19.01** When a permanent vacancy occurs, the following procedure shall apply:
- a) Vacancy will be posted for five (5) working days on Finning’s HR Information System.
 - b) Employees who wish to apply for vacancies shall do so via Finning’s HR Information System. The applicant must notify their immediate supervisor.

- c) 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.

19.02 If a position that attracts a premium is awarded to an Employee, the Employer may remove the Employee from the premium position if a valid business need has been identified. However, the Employer will provide working notice of at least sixty (60) days before the removal.

Article 20 – WAGES

20.01 The Employer will pay employees pursuant to the wage schedule attached hereto as Schedule “A” and forming part of this Collective Agreement.

20.02 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.

20.03 Premiums

- 1) Employees working between the hours of 5:00PM and 7:00AM shall receive a shift premium of \$1.00 per hour for all hours worked in that period.
- 2) Employees working Saturday and Sunday will be paid a premium of \$1.00 per hour for all hours worked. Employees who work between the hours of 5:00PM and 7:00AM during the weekend hours will be paid both shift premiums provided in section 20.03 (1) and 20.03 (2).
- 3) Lead Hand Premium: an employee appointed by the Employer as a Lead Hand shall be paid a \$1.25 per hour premium in addition to their hourly rate of pay.
- 4) Trainer Premium: an employee in the role of a trainer shall be paid a premium of \$0.75 per hour on all regular hours worked.
- 5) Continuous Shift Premium: employees working on a continuous shift shall be paid a premium of \$1.75 per hour.

The premiums will not be paid on overtime, Statutory Holidays, bereavement leave, jury duty, union leave or any other time for which the employee receives pay but is not performing regular work. Employees who are currently receiving a Lead Hand premium will not be eligible for both trainer and lead hand premiums.

Article 21 – SEVERANCE PAY

21.01 An employee who is permanently laid off will receive severance pay or given notice in writing as set out below. Years of service shall be interpreted to mean the total numbers of years of service between date of employment and date on which the employees’ job ceases.

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

For each additional completed year of service, one weeks' severance or notice to a maximum of sixteen weeks for sixteen years' service.

The above is payable after six months of layoff, at which time the employee loses his or her right to recall. An employee can claim his/her severance after thirteen consecutive weeks of layoff if she or he terminates employment and waives recall rights under the collective agreement.

Article 22 – HEALTH AND WAREFARE BENEFITS

22.01 Entitlement to benefits in this clause commence as follows:

Benefit Entitlement:

| Benefit | First of the month following the completion of the 120-day probation period | First of the month following six (6) months of employment |
|--|--|--|
| Provincial / Territorial Health Care Premium Coverage | Yes | Continues |
| Extended Health Coverage Plan | Yes | Continues |
| Long Term Disability | Yes | Continues |
| Dental Plan Coverage | No | Yes |
| Accidental Death & Dismemberment | No | Yes |
| Life Insurance | No | Yes |
| Optional Insurance | No | Yes |

During the term of this Agreement, it is agreed that the benefit plan coverage provided within the Collective Agreement will be maintained. Details of the benefits are covered in various contracts of which will be provided to the Union.

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.

22.02 **Group Insurance:**

| Coverage | Employer Pays | Employee Pays |
|-----------------|----------------------|----------------------|
|-----------------|----------------------|----------------------|

| | | |
|--|------------------------|----------------------------------|
| Provincial / Territorial Health Care Insurance Coverage | 100% of premium | |
| Extended Health Insurance Plan (SunLife #25243) | 75% of premium | 25% of premium |
| Dental Plan (SunLife #25243) | 75% of premium | 25% of premium |
| Life Insurance Plan (SunLife #56243) | 100% of premium | 100% of optional coverage |
| Accidental Death & Dismemberment Plan (AIG Assurance – 9029958) | 100% of premium | 100% of optional coverage |
| Long-term Disability (SunLife #56243) | | 100% of premium |

*Policy numbers are for reference purposes only. The Union will be notified of any replacement policy numbers providing the same benefits.

Any Premium arrears for Provincial/Territorial Health Care Insurance coverage prior to employment with the Employer will be the Employee's responsibility.

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 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 Facility.

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 fifty percent (50%) of earnings up to a maximum of five thousand (5,000) dollars 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 a 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.

22.03 If benefit premiums are found to be insufficient, the Employer shall approach the Union's Business Representative(s) and Executive to hold a meeting to justify, through documentation and discussion, the reason for the increase. Any such increases will be forwarded to the Union by October.

22.04 Sick Leave Benefits

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

After working two (2) consecutive months, an Employee will have earned four (4) hours of sick leave credits and will accumulate four (4) hours per month thereafter to a maximum of forty (40) hours. On January 1st of each year thereafter, Employees will receive credit for forty (40) hours' sick leave to apply to the current years' service. Sick leave credit will be maintained but not accumulated during layoff. Sick leave credit will be accumulated while on Short-Term Disability, Long-Term Disability or WCB.

For compressed work week shifts, after working two (2) consecutive months, an Employee will have earned five (5) hours of sick leave credits and will accumulate five (5) hours per month thereafter to a maximum of fifty (50) hours. On January 1st of each year thereafter, Employees will receive credit for fifty (50) hours sick leave to apply to the current years' service. Sick leave credit will be maintained but not accumulated during layoff. Sick leave credit will be accumulated while on Short-Term Disability, Long-Term Disability or WCB.

For continuous shifts, after working two (2) continuous months, an Employee will have earned six (6) hours of sick leave credits and will accumulate six (6) hours per month thereafter to a maximum of sixty (60) hours. On January 1st of each year thereafter, Employees will receive credit for sixty (60) hours sick leave to apply to the current years' service. Sick leave credit will be maintained by not accumulated during layoff. Sick leave credit will be accumulated while on Short-Term Disability, Long-Term Disability or WCB.

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

Sick leave is not to be used for any purpose other than legitimate illness and/or for Doctor and Dentist appointments (can be taken in one (1) hour increments). Sick leave as described above, can also be used if an employee's spouse or children is/are sick or injured.

It is the Employee's responsibility to notify his/her Department Supervisor of absence due to illness prior to the start of their shift.

All sick days not used can be accumulated to a maximum of three hundred (300) hours. This maximum is inclusive of the current year's eligibility. The Employee may also choose to delay STD payments with the use of accumulated sick leave; however, the STD process must still be followed.

Any Employee with ten (10) or more years' service shall be paid all accumulated sick time when the Employee retires.

22.05 Short-Term Disability Benefits:

The Employer agrees to maintain an Employer paid Short-Term Disability plan, and all Employees covered by this Agreement shall be entitled to benefits subject to the terms of the plan, as outlined by the provider, and the following provisions and conditions:

After completion of the probationary period (one hundred and twenty (120) days) Employees will be eligible to participate in the company paid Short-Term Disability plan.

Sickness or Disability lasting more than five (5) consecutive workdays must be substantiated with a third-party Short-Term Disability application form completed by a qualified doctor indicating that the claimant is unable to work.

Short-Term Disability Benefits shall be eighty (80%) percent of the Employees' current base wage rate. Coverage is contingent upon both the Employee and the attending physician providing the required information showing total disability to the satisfaction of the benefits carrier for a period not to exceed twenty-six (26) weeks.

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 for all costs.

When an Employee can return to work to full or modified duties, the time worked will not be considered sick time and the Employee's entitlement to Short-Term Disability shall remain. When an

Employee has exhausted their Short-Term Disability entitlement and/or the Long-Term Elimination period has passed, the Employee's claim will be processed in accordance with Long-Term Disability plan provisions.

Article 23 – PENSION RIGHTS

- 23.01** 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)
- 23.02** The Employer will make contributions equal to four percent (4.00%) 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.
- 23.03** Eligibility for Pension Plan membership will commence upon date of hire. Vesting will be immediate upon date of hire. 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 Human Resources contact. The official Pension Plan document provides a full description of the governing terms and conditions.

Article 24 – VARIABLE INCENTIVE PLAN

Permanent employees will be eligible for a yearly variable incentive plan that is paid on regular hours only, at a target payout of 2.5%. Payout will occur in April of the following year. For example, payment for 2022 will occur in April 2023.

Example:

- Base wage: \$50,000
- Payout target: 2.5%
- Variable payout range 0 to 2 (example based on 1.0 payout range)
- $\$50,000 \times 2.5\% \times 1.0 = \1250

Article 25 – NO STRIKES AND LOCKOUTS

There shall be no lockouts by the Employer and no interruptions, strikes, work stoppages, sit-down or slow-down by an employee during the term of this agreement.

Article 26 – 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 and will disclose all details to the Union. The Employer will agree to work with the Union to avoid any displacement of Employees.

Where jobs are made redundant, the Employees will be given an opportunity to move to other positions provided there are openings, and they can perform 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 27 – 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. 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.

The Employer agrees that it will meet and have consultation with the Union prior to deciding to contract out work of the Bargaining Unit which would result in the layoff of Bargaining Unit Employees.

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 layoff will occur, the Employer shall:

- Meet with the Union, a minimum of one hundred and twenty (120) days in advance of taking such action.
- Provide an opportunity for Employees to move to other available positions within the bargaining unit that they can perform.
- 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.
- Provide outplacement counselling to all Employees laid off due to contracting out.
- Provide severance on layoff as outlined in this agreement.

- Provide HR resources to facilitate movement of Employees, coordination of retraining and outplacement counselling and payment of severance.

Article 28 – TERM OF AGREEMENT

- 28.01** 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 November 1, 2026 and if they fail to conclude a new Collective Agreement before January 30, 2027 the Employer agrees to pay the Employees the hourly rates of pay in Schedule “A” established by the new Agreement for all actual hours worked from January 30, 2027 until the date of the ratification of the new Collective Agreement provided there is no Strike. All retroactivity on other proposals will be determined upon signing of a Memorandum of Agreement.
- 28.02** This Agreement shall be effective from January 1, 2022, until January 30, 2027 and thereafter to the date when a new Collective Agreement comes into force or until a strike or lockout occurs, whichever is first.

DATED AT EDMONTON, A.B., THIS 17th DAY OF September 2021.

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

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

gord brown

Business Representative

For the Company

Manuel E. Galan

Business Representative

For the Company

Colleen Berner

Business Representative

For the Company

SCHEDULE A: WAGES

| | 2022 |
|------------------|---------|
| Warehouse Person | |
| 0 – 120 days | \$17.54 |
| 4 – 12 Months | \$19.11 |
| 13 – 18 Months | \$20.67 |
| 19 – 24 Months | \$22.24 |
| Full Rate | \$23.80 |
| | |

SCHEDULE "B" Classifications

| LAYOFF CLASSIFICATIONS | |
|-------------------------------|------------------|
| A | Warehouse Person |
| | |

SCHEDULE "C"

SUMMARY OF PREMIUMS FROM COLLECTIVE AGREEMENT

| | |
|--|---------------|
| | |
| Afternoon Shift / Evening Shift Premium | \$1.00 / Hour |
| | |
| Weekend Shift Premium | \$1.00 / Hour |
| | |
| Lead Hand Premium | \$1.25 / Hour |
| | |
| Trainers | \$0.75/ Hour |
| | |
| Continuous Shift Premium | \$1.75/ Hour |
| | |
| Premiums do not attract overtime | |