

Memorandum of Agreement

Between

Finning (Canada) A Division of Finning International

And

International Association of Machinists and Aerospace Workers LL692

Attached are the proposed changes to the 2011 - 2014 Collective Agreement, which shall constitute the full terms and conditions of settlement for a new Collective Agreement between the Company and the Union.

This Memorandum constitutes the Offer of Settlement from the Company, and is subject to ratification by the bargaining unit employees.

The terms and conditions constituting the full agreement shall be as follows:

1. All terms and conditions as attached in this Memorandum of Agreement.
2. All terms and conditions of the 2011 - 2014 Collective Agreement, except as expressly modified by this Offer.
3. All terms and conditions shall become effective April 15, 2015.
4. The Union Bargaining Committee unanimously recommends acceptance of this memorandum.

Dated this 5th day of, 2015.

YHREN

For the Company:

[Handwritten signatures for the Company]

For the Union:

[Handwritten signatures for the Union]

General	<p>The parties will meet between the signing of a memorandum of agreement and April 15, 2015 to review and agree on any minor housekeeping changes to the collective agreement.</p> <p>The parties agree to work on during the term of this agreement on revised or new language for clarity purposes on the following:</p> <ul style="list-style-type: none"> • Travel Time - Articles 10.01-10.05, 12.02 • Classifications – Article 30 • Letter of Understanding #8 – Banked Overtime usage • Letters of Understanding outside of Agreement: <ul style="list-style-type: none"> ○ A review of all continuous shift Letters of Understanding ○ Consideration for a Mobile Service Crew Letter of Understanding <p>The company will commit to discussing other union concerns such as New Equipment Prep (NEP) and recruitment/retention in northern areas within one month of ratification.</p>
10.06	<p>When an employee is required to work at points which require him/her to be absent from his/her home, he/she shall receive transportation, first class accommodation, and travel time as stipulated in other Sections of this Agreement.</p> <p>The Company will also pay \$60.00/day per diem to cover the cost of meals. Article 6.07 shall not apply.</p>
13.02	<p>Any employee who may be on a temporary transfer to a Company Branch or Depot for a period not exceeding ninety (90) days, shall receive transportation, first class accommodation, and travel time, while on the job, or returning to his/her home station, providing he/she does not terminate employment before his/her posting expires.</p> <p>The Company will also pay \$60.00/day per diem to cover the costs of meals. Article 6.07 shall not apply.</p> <p>The Union will be notified in writing of all Temporary Transfers. Temporary transfers may be extended past ninety (90) days with Union approval.</p>
9.01	<p>Wages and Classifications shall be those agreed upon and set out in Appendices and/or Schedules attached hereto and forming part of this Agreement. Pay days will be every second Friday.</p> <p>April 15, 2015 – 0% April 15, 2016 – 1.5%</p>
19.02	<p>The Long Term Benefit shall be Twenty-two five Hundred Dollars (\$2,5002200.00) per month. Please reference contract number 56243. Employees will pay 100% of the monthly benefit premium.</p>

ARTICLE 25 - GENERAL PROVISIONS - SAFETY

<p>25.10</p>	<p>Hard Hats and Rain Jackets. The Company will provide hard hats as a tool crib item with extra sweatbands where required. Hard hats will be supplied by the company, and they are required as outlined in the corporate standard for personal protective equipment. Also a sufficient number of quality rain suits will be kept in tool cribs for shop and field use. When worn out or damaged, personal rain suits will be replaced upon presentation to branch management.</p>
<p>25.12</p>	<p>Safety Shoes Boots. The Company will provide an allowance of Two Hundred (\$200.00) dollars to all bargaining unit employees whose regular work is in shops or Warehouse area are required to wear Regulation Safety Shoes Boots during working hours. The allowance will be paid once per year to active employees in September for the current calendar year period. Employees must have completed their probationary period in order to qualify for the payment. All employees must be active at the time of payout. However, if an employee is on layoff status, they will be paid this allowance upon return to work. Safety boots must comply with the corporate standard for personal protective equipment and must be in good working condition.</p>
<p>25.13</p>	<p>Welding Gloves The Company will supply a selection of gloves for all hands on work, in order to comply with the corporate standard for personal protective equipment. The Company will replace welders' gloves when legitimately worn out and turned in by the employee.</p>

ARTICLE 35 - DEFINED CONTRIBUTION PLAN

<p>35.01</p>	<p>Between April 15, 2015 and August 31, 2015 Between April 15, 2015 and August 31, 2015 the Company shall continue to maintain a Defined Contribution Pension Plan for BC and Yukon employees of Finning International Inc. ("the Finning BC DC Plan"), and all employees other than those in the Defined Benefit Plan defined benefit component of the Finning International Inc. Retirement Plan (the "Finning BC DB Plan") shall participate in the Finning BC DC Plan-Defined Contribution Plan.</p> <p>Effective September 1, 2015, there will be no further accrual of benefits for any employees under the Finning BC DC Plan. The Company, in its sole discretion, may either continue to maintain the Finning BC DC Plan indefinitely, merge it with another Company plan, or the Company may unilaterally terminate the Finning BC DC Plan at any time on and after September 1, 2015.</p> <p>Commencing for service on and after September 1, 2015, all employees who are not participating in the Finning BC DB Plan shall become eligible to participate in the Machinists Pension Plan, Lodge 692 (the "Machinists Plan"). Detailed provisions on eligibility for membership and the remittance of Company contributions shall be identical to the provisions of the Finning BC DC Plan as such provisions exist on April 15, 2015.</p> <p>Under both the Finning BC DC Plan and the Machinists Plan € contributions shall be made on behalf of employees at no less than five and three quarter percent (5.75%) of earnings, full cost of such contributions shall be borne by the Company.</p> <p>The change from the Finning BC DC Plan to the Machinists Plan is not intended to increase the Company's cost in any way. Should the Machinists Plan find itself in a position in the future where it cannot fulfill its promises to plan members, the Union will not request additional funding from the Company.</p>
<p>35.02</p>	<p>Employees may voluntarily contribute up to a maximum of six percent (6%) toward Finning's BC DC plan prior to August 31, 2015, and to the Machinists Plan commencing September 1,</p>

	2015 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%).
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36.01	This Agreement shall be in full force and effect from and including APRIL 15, 2015 to and including APRIL 14, 2017 and shall continue in full force and effect from year to year thereafter subject to the right of either Party to this Collective Agreement within four (4) months immediately preceding the date of APRIL 14, 2017 or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party, require the other Party to commence collective bargaining with a view to the conclusion of a renewal or revision of this Collective Agreement or a new Collective Agreement.
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SCHEDULE C – WAGES PARTS DEPARTMENT

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

The parties acknowledge that all RPDC provisions shall apply ~~only to the Branch 9 Surrey location~~ to all RDC locations as follows:

- Surrey- hired after June 30th, 2003**
- Other RDC's – hired after April 15, 2015**

LETTERS OF UNDERSTANDING

Renew all Letters of Understanding, both those contained within and those outside of the current Collective Agreement.