

MEMORANDUM OF FINAL SETTLEMENT

Negotiations Between

Bombardier

(Hereinafter also referred to as “the Company”)

-and-

UNIFOR

LOCAL 112

(Hereinafter also referred to as “the Union”)

The following changes will become effective June 23, 2018, unless indicated otherwise in this agreement, upon ratification by the bargaining unit:

- Except as specifically modified herein all provisions of the expired contract will be continued without change.
- Term of the new Agreement will be from June 23, 2018 through June 22, 2021.

	2018-2019	2019-2020	2020-2021
Salary Increase – All Employees	0.50% increase	0.75% increase	1.0% increase
COLA	Fold-in as per current formula		
Pension - Production	\$74 increased to \$80	-	-
Pension – Skilled Trades	\$80 increased to \$87	-	-
Retiree Lump Sum (In Respect of Pension Annuity Purchase Agreement)	One Time - \$800 lump sum per entitled member** In lieu of pension indexation		
Restructuring	Increased from \$55,000 to \$60,000		
Retirement Packages	70 Packages at \$35,000		
Skilled Trades Scale Adjustment – Over & Above	\$0.30/hour	No change	No change
Duration of Agreement	3 Years		

**All retirements thereafter are subject to a pro-rated lump sum payment for the life of this collective agreement only.

- All retired Employees as of July 1, 2018 will receive a \$800 lump sum
- Employees July 1, 2018 – December 31, 2018 will receive a \$800 lump sum
- Employees who retire January 1, 2019 – December 31, 2019 will receive a \$530 lump sum
- Employees who retire January 1, 2020 – Until the end of the collective agreement will receive a \$264 lump sum

LOU Pension Annuity: to be explained

Benefits: As agreed (see attached)

Retirement

- Employees are required to provide 30 days' notice in advance of their intent to retire

Transfer of Work

- LOA on Q400 Program Planning (as attached)
- LOA on Global Program Planning (as attached)
- LOI on the Learjet Wing transfer (as attached)
- Fabrication Shops Retraining (as attached)
- Suspension of MoU on Q400 Program Competitiveness (as attached)

Work Commitment on Global 7500 (as attached)

Skilled Trades (as attached)

IDT (as attached)

BOMBARDIER – BENEFITS CHANGES

- I. Life Insurance: increase from \$75,000 to \$85,000
- II. Short Term Disability:
\$25 weekly increase
 - Local 112: \$750 to \$775 for Production, \$775 to \$800 for Skilled Trades
- III. Dental:
 - Maintain one year dental lag
 - Annual maximum to be increased from \$2,000 to \$2,500 and will now include implant coverage
 - The lifetime maximum for Orthodontics will increase from \$2,000 to \$2,500,
- IV. Safety Shoes: \$10 increase to current coverage

Letter of Agreement

Re: Downsview Q400 Program Planning

Between

Unifor Local 112 (“the Union”)

And

Bombardier (“the Company”)

WHEREAS the Employer has completed a transaction on the final sale of the Downsview lands containing all current operations for Bombardier Aerospace, Toronto;

AND WHEREAS notwithstanding any other provisions in the Local 112 Collective Agreement, the parties hereby intend to work together collaboratively over the course of the collective agreement to address issues related to the Q400.

THEREFORE, in order to properly support the transfer of operations currently in scope at the Downsview facility, the parties agree to meet to formally discuss the transition of any/all employee movement from the Downsview facility and to defer any/all discussions until such time that there is sufficient clarity with regard to the future location of the Q400 program and potential timing of the move.

The Company agrees to voluntarily recognize the Union as the sole and exclusive bargaining agent at the new Q400 facility.

In consideration of this recognition, the Union agrees that this satisfies all obligations arising from Letter of Understanding #17 – Work Commitment.

Letter of Agreement

Re: Downsview Global 5000/6000/7500 Program Planning

Between

Unifor Local 112 (“the Union”)

And

Bombardier (“the Company”)

WHEREAS the Employer has completed a transaction on the final sale of the Downsview lands containing all current operations for Bombardier Aerospace, Toronto;

AND WHEREAS notwithstanding any other provisions in the Local 112 Collective Agreement, the parties hereby intend to work together collaboratively over the course of the collective agreement to address issues related to the Global 5000/6000/7500.

THEREFORE, in order to properly support the transfer of operations currently in scope at the Downsview facility, the parties agree to meet to formally discuss the transition of any/all employee movement from the Downsview facility and to defer any/all discussions until such time that there is sufficient clarity with regard to the potential timing of the move of the Global 5000/6000/7500 program to the new facility.

The Company agrees to voluntarily recognize the Union as the sole and exclusive bargaining agent at the new Global 5000/6000/7500 facility.

In consideration of this recognition, the Union agrees that this satisfies all obligations arising from Letter of Understanding #17 – Work Commitment.

Letter of Intent

Re: Learjet Wing

Between

Unifor Local 112 (“the Union”)

And

Bombardier (“the Company”)

Notwithstanding any other provisions within the Local 112 Collective Agreement, the parties agree that the Company may relocate the Learjet Wing to another facility or otherwise outsource. No job loss will occur as a result.

Letter of Understanding

Re: Fabrication Shops Retraining

Between

Unifor Local 112 (“the Union”)

And

Bombardier (“the Company”)

During 2018 negotiations, the parties agreed that they will meet at the conclusion of collective bargaining to discuss the potential impacts of initiatives associated to the transfer of operations, including what retraining initiatives should be considered to help remedy any impacts arising from either the transfer of operations or any offload initiatives currently underway.

The groups in scope include Fabrication shops, paint shop, and any other related classifications impacted by transfer of operations and any offload initiatives as described above.

It is understood that the job opportunities will be awarded via the regular job posting process, as appropriate and as may arise.

This letter will be in effect for the duration of the collective agreement, from June 23, 2018 to June 22, 2021. The current restructuring language will apply to the affected areas.

Letter of Intent

Re: Suspension of MoU on Q400 Program Competitiveness

Between

Unifor Local 112 (the Union)

And

Bombardier (the Company)

During the course of the negotiations of the collective agreement 2018, the Parties agreed, for the life of the Collective Agreement 2018-2021, to suspend the application of the *Memorandum of Understanding on Q400 Program Competitiveness* dated June 5, 2016.

If suitable for the Union, during the life of the Collective Agreement 2018-2021, the parties agree that the Union can decide to void the present Letter of Intent.

17. Re: Work Commitment

During negotiations leading to the renewal of the 2006 collective agreement, the parties discussed the future work opportunities at the Downsview plant. This will confirm the understanding reached that the Company will maintain the following work at the Downsview facility for the life of the 2018-2021 collective agreement.

- Global Express, ~~and 5000~~ **and 7500** (final assembly, production flight test, obtaining certificate of air worthiness, delivery of aircraft at Toronto site);
- Q400 (wing and cockpit production, final assembly, painting*, finishing, production flight test, obtaining certificate of airworthiness, delivery of aircraft at Toronto site);
- Dash 8 – 100/200/300 (wing, cockpit, fuselage and nacelle assembly, final assembly, painting*, finishing, production flight test, obtaining certificate of air worthiness, delivery of aircraft at Toronto site);
- Methods, Quality, Tooling and Material Logistics functions related to the above work;
- Derivatives of the Dash 8 (final assembly).

*Painting commitment is subject to customer specifications, machinery breakdown and overflow capacity needs.

The above work will be done exclusively by Bombardier Toronto site employees, subject to the collective agreement provisions relating to scope of work, performance of bargaining unit work restrictions, new technology and supplier/partner and subject to the announced and projected restructuring initiatives as set out below. The work above will not be transferred to another facility, dual sourced, or otherwise insourced.

The above commitments are subject to there being a market demand for the products and are subject to new technologies and efficiency gains.

Further, if the Company determines that it is necessary to move any of the above work to another facility, the Company may do so provided it replaces the work with jobs of a comparable number and type on one or more work packages not then at the Toronto site.

Additionally, it is recognized that there may be specific customer sales agreements or contracts with Foreign Governments or Military Agencies which require, as a condition of the Company securing the work, that a portion of the aircraft work mentioned above be performed at a site, other than the Downsview facility, designated by the customer. In such event, the Company will be able to meet this requirement without replacing the work provided there is no negative impact on jobs then existing at the Downsview facility.

The Company will provide ninety (90) days' notice to the Union to permit meaningful discussions to take place on either the exchange of work or the customer sales agreements referred to in the two paragraphs above.

Letter of Understanding

Re: Skilled Trades

Between

Unifor Local 112 (“the Union”)

And

Bombardier (“the Company”)

During the 2018-2021 Collective Agreement negotiations, the parties discussed and agreed to several changes relating to the Skilled Trades:

The existing Skilled Trades classifications that are not currently paid at the group 3 wage rate will be increased to match this rate, throughout the life of the collective agreement in 3 equal increments in June 22nd of each year 2018, 2019, 2020.

The Company agrees to add (3) apprentices during the life of the collective agreement, (1) S-208 Millwright, (1) S-309 Electrician and (1) S-311 Tool & Die Maker with the hire date (s) to be determined at the sole discretion of the Company. Appendix 1 Section 11.12 shall be amended such that apprentices shall remain at 95% of the journey person’s wage rate until they acquire their provincial certificate of qualification.

For the duration of the 2018-2021 collective agreement, the Company agrees to refund the Master Electrician Licencing fee for any S-309 Maintenance electricians who currently hold or who successfully attain this license, up to a maximum of \$100 per year.

In the event that a Skilled Trades employee is surplus/laid off, and there are vacancies in the bargaining unit for job classifications outside of the Skilled Trades, the employee will be eligible to apply for the vacancy and will be given preference in hiring, provided they meet the minimum job requirements and there are no bargaining unit members on the recall list who hold vested rights to the classification where there is a vacancy.

When the need arises for a permanent off-shift within a Skilled Trades classification, the term for an off-shift will be 6 months, beginning January 1st and July 1st. Employees within that trade will be canvassed for volunteers and will be accepted on a seniority basis. Remaining off-shift will be met through shift rotation as is current practice.

The parties further discussed the transition to future facilities and the production of Tooling/RNC/SOS/aircraft components in a combined tool room shop and hereby agree to the following transition throughout the life of the collective agreement:

- The duties of the S-209 Cutter and the S-202 may be performed by the employees in both their existing classifications as well as the S-300 Tool & Die Maker. Once all the current employees in the S-209 and S-202 classifications have left the classifications for any reason other than layoff, the S-209 and S-202 classifications shall be deleted from the collective agreement and the duties of those classifications will belong solely to the S-311 Tool & Die Maker classification. Subsequently, there will not be any restrictions on the S-311 to perform any of the regular duties of the S-202 or S-209 classifications including the fabrication of aircraft, RNC, SOS, or any other components/cutters. It is not the intent of the Company to have any bargaining unit work currently outside of the Skilled Trades to be performed by employees who belong to the Skilled Trades. Furthermore, the company and the union agree to support and fully cooperate in cross training of the acquired duties.
- Should it become necessary to lay off any S-209 or S-202 prior to the deletion of those classifications, the S-311, S-209, and S-202 shall not perform the functions of a laid off classification, unless those functions belong to the employee’s own classification.
 - There will be a total of (7) packages at the applicable restructuring collective agreement value, made available to the current employees in the S-202 and S-209 classifications payable at the time of retirement.

As it pertains to discussions that it is the Company’s intent to have two separate facilities for the production of the Global Express and the Q400 programs, the parties agree:

- The Company will first canvass for volunteers according to the classifications required, and volunteers will be transferred on a seniority basis according to the total number of positions required.
- Where there are insufficient volunteers, the Company will have the right to assign transfers as needed according to operational needs and classifications required, by reverse seniority.

Letter of Understanding

Re: Internal Deployment Team (IDT)

Between

Unifor Local 112 (the Union)

And

Bombardier (the Company)

During the course of 2018 collective bargaining, the parties agreed that they will convene immediately upon the conclusion of negotiations to finalize the details for the formation of an Internal Deployment Team

It is understood that the Internal Deployment Team (IDT) will generally work alongside production to support fluctuations in the statement of work (SOW) due to the varying demands arising from the production of aircraft associated to the applicable program. The IDT team is recognized as an important initiative vital to future operational needs of the factory and will facilitate the transfer of skills and knowledge throughout the factory.