

**Exceptional agreement (COVID-19)**

**Between**

**AIRBUS CANADA LIMITED PARTNERSHIP (hereinafter "Employer")**

**And**

**THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE  
WORKERS**

**LOCAL 712 (hereinafter "Union")**

**WHEREAS** we are currently experiencing a global pandemic health situation;

**WHEREAS** the Quebec government has announced a systematic closure of businesses deemed "non-essential" until April 13<sup>th</sup>, 2020 inclusively;

**WHEREAS** the Government of Quebec has extended the systematic closure of businesses deemed "non-essential" until May 4<sup>th</sup>, 2020 inclusively;

**WHEREAS** the Employer is currently making representations to the Minister to determine the notion of essential services within the aerospace industry in Quebec or within the facilities of the Employer;

**WHEREAS** this temporary closure could nevertheless generate necessary operations, so that Employees must remain available for a recall to work throughout the period of cessation of operations;

**WHEREAS** there is a collective agreement in force between the Employer and the Union;

**WHEREAS** all Employees governed by the collective agreement between the Employer and the Union are governed by this agreement, unless otherwise provided in this agreement or unless otherwise agreed between the parties;

**WHEREAS** if services are defined as "essential" inside the Employer's facilities, under the "List of essential commercial services and activities" issued by the Government of Quebec and updated from time to time, or otherwise by written declaration of the Minister (hereinafter, the "Essential Services"), the Employees affected by this qualification will remain at work under the usual conditions;

**WHEREAS** the federal government has established the "Emergency Wage Subsidy for Canada" which, at the time of signing this agreement, provides for

eligible businesses an emergency wage subsidy program aimed at promoting the maintenance of the employees' employment relationship with their employer, by offering a 75% reimbursement directly to the employer of the wages paid to an employee, up to a maximum weekly benefit of \$ 847, under conditions more fully defined by the federal government (hereinafter, the "Emergency Grant").

**WHEREAS** the Employer is of the opinion that at the time of the execution of this agreement, he qualifies to receive the Emergency Grant and on this basis, the parties have agreed that the portion not covered by the Grant of the maximum insurable amount is covered by the employer, however subject to the salary adjustments provided for in this agreement.

**WHEREAS** it is impossible for the Union to submit this agreement to the vote of its members given the public health restriction to hold rallies or gatherings, which makes this agreement exceptional.

**WHEREAS**, despite the impossibility of consulting its members, the Union considers that this agreement is in the best interest of its members since it allows the members to maintain the benefits linked to their employment with the Employer, it allows weekly remuneration for affected employees, while making it possible to avoid or delay layoffs, which would force its members to use the less advantageous employment insurance benefit or the Canadian emergency response benefit.

THEREFORE, THE PARTIES AGREE TO THE FOLLOWING:

1. The preamble is an integral part of this agreement.
2. As of April 12<sup>th</sup>, 2020, but subject to paragraph 4, employees covered by the certification (the "Employees") who are not required to report for work under Essential Services will not be laid off but will have their compensation adjusted and changed as follows:
  - a) For Employees whose hourly rate is equal to or greater than \$ 27.79, the weekly salary is set at \$ 1,111.54 less applicable deductions.
  - b) For Employees whose hourly rate is less than \$ 27.79, the weekly salary is fixed according to the following calculation: hourly rate x 40 hours less applicable deductions.
3. The salaries provided for in paragraph 2 replace the salary remuneration at the time provided for in the collective agreement for the Employees covered by this paragraph. Subject to paragraph 4, the Employer's contribution to the benefits provided for in the collective agreement, such as the group insurance plan and the pension fund, is maintained, taking into account, however, the

compensation modified under paragraph 2 without interruption for the period covered by this agreement.

4. The wages provided for in paragraph 2 shall apply until April 24<sup>th</sup>, 2020 or until the Employee affected by this modified remuneration returns to work on site, whichever comes first. Notwithstanding the foregoing and any provision to the contrary contained in this agreement, in the event that the Employer no longer qualifies for the Emergency Grant, the Employer may terminate the provisions of paragraphs 2 and 3 and proceed to layoffs of Employees under the provisions of the collective agreement, without retroactive effect.
5. Regarding article 25.1.3 of the collective agreement, the Employer separates the consecutive summer holidays “**Shut Down**” in two, first week of annual closure will be from April 25<sup>th</sup>, 2020 to May 1<sup>st</sup>, 2020 for the reference period from April 25<sup>th</sup>, 2020 to April 30<sup>th</sup>, 2021. The two remaining weeks of the “**Shut Down**” will apply according to the terms of article 25.1 .3 of the collective agreement in force. Payment for vacation is made according to the method of calculation provided for in Article 25 of the collective agreement.
6. Exceptionally, the 4 weeks’ notice provided for in article 25.1.2 of the collective agreement will not be applicable for the annual closure from April 25<sup>th</sup> to May 1<sup>st</sup>, 2020.
7. Following the signing of the previous exceptional agreement signed by the parties on March 24<sup>th</sup>, 2020 (hereinafter, the “March 24<sup>th</sup>, 2020 Agreement”) concerning negative banking for the period from March 25<sup>th</sup> to April 12<sup>th</sup> 2020, the parties hereby agree to amend the said agreement in order to reduce the number of hours in negative banking as follows:
  - a) For Employees whose hourly rate is less than \$ 27.79, the negative bank is reduced by 69 hours from the 96 hours accumulated (for a negative bank of 27 hours), however applying a pro-rated formula for normal workdays where there would have been no accumulation of negative hours.
  - b) For Employees whose hourly rate is greater than or equal to \$ 27.79, the negative bank is reduced by 52 hours from the 96 hours accumulated (for a negative bank of 44 hours), applying however a pro-rated formula for normal workdays where there would have been no accumulation of negative hours.
8. This agreement has been made on an exceptional basis due to the decision of the Government of Quebec to decree the systematic closure of businesses and businesses deemed "non-essential," and is concluded without creating a precedent for the future, both for the Employer and the Union and applicable for a fixed term. This agreement does not affect or modify in any way the Agreement of March 24<sup>th</sup>, 2020, except for paragraph 7 above.

9. This agreement is subject to the rules of interpretation in force in the province of Quebec and constitutes a transaction within the meaning of the Civil Code of Quebec, and a settlement within the meaning of the collective agreement.
10. The parties acknowledge and affirm that they have had the time required to discuss this agreement with their respective attorneys or representatives and understand all its components and consequences. It is with full knowledge of the facts that they sign this agreement.

In witness whereof the parties have signed