

AGREEMENT NO. 3

BETWEEN

CANADIAN AIRLINES INTERNATIONAL

AND

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

TECHNICAL SERVICES

DISTRICT LODGE 721

Effective March 01, 1996 to December 31, 2000

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IAM AGREEMENT NO. 3 (Technical)

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ARTICLE 1

PREAMBLE

1.01 This Agreement is made and entered into by and between Canadian Airlines International Ltd. hereinafter referred to as the "Company" and its employees delineated in this Agreement under Article 13 as represented by the International Association of Machinists and Aerospace Workers, hereinafter referred to as the "Union".

1.02 In making this Agreement the parties hereto recognize that compliance with the terms of the Agreement and development of a spirit of co-operation are essential for mutual benefit and public service.

1.03 In the event that the Company changes ownership, merges with another Company or changes its corporate identity, this Agreement will remain in full force and effect and the certificate issued by the Canada Labour Relations Board then in effect shall not be affected in any way except as otherwise governed or directed by the Board. The Company further agrees to enter into negotiations with the Union relative to the protection of employee seniority and other conditions of the Agreement. Failing settlement Part I - Industrial Relations of the Canada Labour Code will apply.

1.04 If legislation is enacted which has an effect on the provisions of this Agreement or on Company policy which has a detrimental effect on the employees covered by this Agreement the Union may initiate discussions with the Company regarding methods of alleviating such detrimental effects.

1.05 Should a question of interpretation arise from the French and English texts of any article or paragraph of this Agreement, the text which is most consistent with the intent of the parties will prevail.

1.06 Where a reference to the male gender occurs in this Agreement the female gender shall apply equally with the exception of Clause 19.10 (b).

1.07 Prior to any major changes in Company Policy, Plan or benefits being made which may adversely affect employees covered by the terms of this Collective Agreement the Company will consult with the Union.

ARTICLE 2
SCOPE OF AGREEMENT

2.01 The Company recognizes the International Association of Machinists and Aerospace Workers and its committee of representatives as the sole bargaining agent for those employees listed in classifications in Article 13 and other departments covered by the relevant certification order.

2.02 Hours of work, wages and other conditions of employment as governed by this Agreement apply only to those employees within the territorial limits of Canada and to those classifications listed in Article 13, and any other job classification which may hereinafter be established by agreement between the representatives of the Company and the Union, subject to ratification by the principals of each party (in the Union's case this means a membership vote among the Local Lodges covered by this Agreement).

2.03 Prior to employees being assigned to any station or base outside the territorial limits of Canada and employees operating through such stations or bases, they shall be covered by an individual Letter of Contract which shall stipulate the duration of the assignment, rate of pay, requirements and working conditions of the job, expenses and/or accommodation available, and any other pertinent information. A copy of such letter shall be supplied to the employees and to the representatives of the Union. With the exception of those conditions which are specifically covered by a Letter of Contract all other applicable provisions of the Agreement which these employees are entitled to will apply. (See LOI No. 2)

- 2.04 Technological Change
- (a) The Company and the Union agree that the appropriate Canada Labour Code provisions will apply to Technological Change.
 - (b) Technological Change means:

- (1) The introduction by the employer into his work, undertaking or business, of equipment or material of a different nature or kind than that previously utilized by him in the operation of the work, undertaking or business; and
 - (2) a change in the manner in which the employer carries on the work, undertaking or business that is directly related to the introduction of that equipment or material.
- (c)
- (1) Where the Company proposes to effect a technological change and such action results in the displacement of employees who have completed their probationary period or necessitates new job classifications and wage rates, the Company shall give notice to the Union not less than one hundred and twenty (120) days prior to the date on which the technological change is to be effected.
 - (2) The notice referred to in (1) above shall be in writing and shall state:
 - (i) the nature of the technological change;
 - (ii) the date upon which the employer proposes to effect the technological change;
 - (iii) the approximate number and type of employees likely to be affected by the technological change;
 - (iv) the effect that the technological change is likely to have on the terms and conditions or security of employment of the employees affected;
 - (v) such other information as may be required by regulations.
- (3) A meeting shall be scheduled with the Union within fourteen (14) days after the notice referred to in Clause (c) (2) above has been issued for the purpose of discussing and negotiating such conditions which result from the proposed changes as may affect employees. If the parties are unable to reach an

agreement as to the applicable conditions the matter shall, at the request of either party, be submitted to mediation/arbitration within ten (10) working days following the last meeting on the matter.

- (d) (1) Where technological change may require additional knowledge and skill on the part of employees, such employees shall be given the appropriate training where practical, to qualify employees to retain their employment. A reasonable time will be afforded to employees in which to qualify. Any instruction or training shall be done at the employees regular rate and during scheduled working hours.
- (2) If by reason of technological change the employee cannot be retrained in accordance with Clause (c) (1) above, the employee shall:
 - (i) be given an opportunity to fill any vacancy for which he is qualified in accordance with Article 9 or,
 - (ii) follow the procedure as outlined in Article 14.

Any vacancy created as a result of the above, shall then be filled in accordance with Article 9.

- (e) (1) A permanent employee laid off as a result of technological change who wishes to maintain his Company relationship in accordance with Article 14 will be entitled to the provisions of Article 15.
- (2) A permanent employee laid off as a result of technological change and who no longer desires to maintain employment with the Company will be paid severance pay equal to two (2) weeks' salary for each year of service to a maximum of twenty (20) weeks.

NOTE: If during the life of this Agreement, there is a requirement for the use of metric tools and/or equipment, the

matter will be handled under the procedure outlined in this Article.

2.05 Management personnel shall not engage in or be utilized in any way which may be construed as performing work which is normally accomplished by personnel covered by the Agreement.

Except as provided elsewhere in this Agreement, management shall not be limited to or restricted in the direction and supervision of the workforce.

2.06 The direction of the working forces, including the right to hire, suspend, discharge for cause, promote, reduce to scheduled classification from supervisory positions or acting appointments, transfer or make layoff because of lack of work, or for any other legitimate reason, is vested in the Company subject to the terms of this Agreement.

2.07 It is recognized that to satisfy customer demands and maintain our competitive position in the market place, equipment on aircraft, such as phones, video systems, interactive cabin systems, electronic payment systems, satellite communication systems, may be serviced and maintained by the supplier. Interfacing with aircraft systems will remain the responsibility of bargaining unit employees. Discussions with the Union will occur prior to such equipment being introduced.

This provision shall not be expanded beyond those items listed, without the prior agreement of the Union, with such agreement not being unreasonably withheld.

ARTICLE 3
HOURS OF SERVICE

PURPOSE: *To jointly design in a timely fashion, the most cost effective work schedules which meet bona fide operational and / or customer requirements and which minimize the potential for overtime, taking into consideration legitimate employee concerns.*

3.01 Full time shifts will be based on one thousand nine hundred and fifty (1950) hours in a year. For pay purposes the working week shall be one of thirty seven and one half (37½) hours per week. Seven and one half (7½) consecutive hours exclusive of meal periods, shall constitute a day's work except where otherwise provided herein.

3.02 The parties will complete the shift design process in a timely manner per the following:

(i) The Company will work with the Union Shift Committee to establish the manpower requirements (Ref. arbitration award re Articles 38 and 41, May 12, 1992) and the rationale for establishing the requirements (e.g. flight, shop and check schedule). However, nothing in this Clause prevents the Company from establishing the manpower requirements. Based on these requirements, a benchmark schedule as outlined below, will be developed in consultation with the joint committee.

(a) Shops and Overhaul 5/2 and / or 4/3
which may include fixed shifts
up to 25% (equal and like
rotation other than fixed).

(b) Line Maintenance 5/2 and 4/3

which may include fixed shifts up to 25% (equal and like rotation other than fixed).
If fixed shift selected, can have a 5/2 or a 4/3 or a 5/2-4/3 combination.

- (c) Airports/Cabins/
Cargo/GEM 5/2 and 4/3
which may include fixed shifts up to 25% (equal and like rotation other than fixed).

Note: If there is a requirement to implement the benchmark shift, the fixed shift will be offered in order of classification seniority to qualified employees in the required positions. Should there be no volunteers, the Company may assign the positions to qualified employees in reverse order of classification seniority. The 25% will be based on the numbers in the affected classification within the Letter Of Preference work location. Areas not specifically covered above will be slotted by the appropriate joint Company/Union Shift Committee into (a), (b) or (c) depending on their operational requirements, or failing agreement, will default to (a).

- (ii) Within five (5) working days the Joint Shift Committee will develop a shift that is in keeping with the purpose statement, and meet the cost and effectiveness of the shift schedule developed in Clause 3.02 (i) taking into consideration legitimate employee concerns.

Shift schedules developed by the Joint Shift Committee may be composed of any one or more components of the following examples or other hours of work/days off (compressed work year schedule). Examples are as follows, but are not limited to:

Same hours per day:

- 5 on 2 off 7 hours 30 minutes worked per day
- 5 on 3 off 8 hours 35 minutes worked per day
- 4 on 3 off 9 hours 20 minutes worked per day

4 on 2 off 8 hours 00 minutes worked per day
4 on 4 off 10 hours 40 minutes worked per day
5 on 4 off 9 hours 40 minutes worked per day

Other examples:

- 4 on 3 off 3 shifts @ 10 hours, then one shift @ 7½ hours with the same start or finish time
- Compressed schedule of 5 on 2 off @ 8.2 hours to total 1950 hours.

If no agreement is reached the issue will be jointly presented by the Joint Shift Committee to the President/Directing General Chairperson and Operational Director / General manager or their designates who will have one working day to meet with the Committee to reach a decision which is in keeping with the intent of the purpose statement. If no resolution is reached at this stage, the benchmark shift will be bid and implemented.

- (iii) Employees will be provided with an opportunity to choose which of the above shift schedules is the more desirable. The shift schedule which receives a simple majority (50% plus 1) of the votes cast will be bid and implemented. Voting will be completed within seven (7) days of the development of the alternate shift proposal.

3.03 Day Shifts will consist of any shifts commencing between 06:00 and 11.59 hours; Afternoon Shifts will consist of any shifts commencing between 12:00 and 22:59 hours; and Night Shifts will consist of any shifts commencing between 23:00 to 05:59 hours.

3.04 Employees will receive seven and one half (7½) hours pay for:

Day Shift 7½ hours work
Afternoon Shift 7½ hours work
Night Shift 7 hours work

3.05 Employees in the same positions (e.g. Station Attendants, Lead Station Attendants, Air Engineers 2, Inspector Crew Chiefs) and base, department, shop, crew, or functional work area as applicable, shall be given preference of rest days in order of classification seniority.

Employees who bid within a functional work area may be required to remain within the work function (e.g. bag room, loads, outside crew) for a period of one (1) year. The commencement of this major bid will be determined based on local requirements in consultation with the shift committee.

Due to operational requirements the effective date of the newly assigned rest days will be scheduled to commence on the shift change date nearest to the introduction of the new work or flight schedule.

If there is no operational requirement, either party may request either the rebid of rest days, or a review of overall shift design, at twelve (12) month intervals with one (1) month's notice.

3.06 As a result of rest day re-bids, employees will not lose earned days off and the Company will not pay for time not worked.

3.07 Where it appears that an employee will be required to work more than two (2) hours beyond his tour of duty he shall be granted a second meal period of twenty (20) minutes with pay at overtime rates at the end of his normal work day or as mutually agreed.

3.08 No employee shall normally be required to transfer from one shift to another without a minimum of seventy-two (72) hours notice. If an employee is required to change from one shift to another with less than seventy-two (72) hours notice, he will be compensated for all regular shift hours worked prior to seventy-two (72) hours from time of notification at a rate of time and one-half (1½). Employees will be advised of the duration of the reassigned shift(s) and/or rest days at the time of notification of the change. The minimum duration of such reassigned shift(s) shall be from the effective date of the employee's reassigned shift(s) to the end of the employee's work week during which the reassigned shift(s) commenced or as otherwise mutually agreed.

3.09 The following will apply for the shift schedule developed in Clause 3.02 (i) and will constitute part of the costing of such schedule:

- (i) Vacation will be thirty-seven and one half (37½) hours per week of entitlement and will be deducted on an hour for hour basis.
- (ii) General holidays and floaters will be a day for a day.
- (iii) Sick leave will be accumulated at seven and one half (7½) hours per month to a maximum of ninety (90) hours per year and deducted on an hour for hour basis.
- (iv) Leaves such as bereavement and parental will be a day for a day.
- (v) Night shift will include a paid half (½) hour meal period.

3.10 Two ten (10) minute rest periods shall be included in each shift, one coming before a meal period and one between a meal period and the termination of the shift as well as a minimum thirty (30) minute unpaid meal period. Wherever practicable, the meal period shall be taken within one (1) hour either side of the mid point of the employee's shift, or as otherwise mutually agreed between the parties.

3.11 In the event of a substantial change in the operational requirements necessitating the adjustment of shifts or rest days of 25% or greater of the employees in the LOP area, the Joint Shift Committee will determine how such requirements can best be met in keeping with the purpose statement. All other avenues excluding overtime, shall be exhausted prior to the changing of an employee's shift. Should there be a requirement to adjust days off or shifts, the local Joint Shift Committee and Shop Steward will solicit qualified volunteers from the affected employees. If no qualified volunteers are found, qualified employees from the affected work location will be assigned, in reverse order of seniority, for fulfillment of the operational requirements.

3.12 Time penalties: Time lost by employees due to arriving late or leaving work before the completion of shift shall be computed to the nearest minute.

3.13 In the event that an employee will be absent during the bidding of a new shift, he will be required to give prior advice

as to his preference of rest days. If prior advice is not received in writing by the local Administrative Officer, he will be considered to have bid on his present shift starting times and/or rest days providing his seniority entitles him to hold that shift. In the event the employee is not able to hold his previous shift he will be assigned a shift closest to his previous shift.

3.14 Employees will be assigned a regular sixth and seventh rest day off duty each week (Saturday and Sunday or Sunday and Monday, if possible) except where an alternative straight time arrangement is mutually agreed to by the Company and the Union.

3.15 When work or training requirements necessitate the reassignment of an employee's regular rest days off duty, he may be required to work six (6) days on with two (2) rest days off duty on the first assignment and four (4) days on with two (2) rest days off duty on the second reassignment of his rest days providing that the cycle has been completed within a period of twelve (12) weeks, otherwise overtime rates will apply.

3.16 Assigned rest days off will not be altered without as much advance notice as possible, and in no event without a minimum three (3) calendar days' notice.

3.17 When work requirements necessitate the reassignment of an employee's regular rest days off duty, the following formulae will apply for determining days worked to days off ratio:

<u>SHIFT</u>		<u>RATIO</u>
4 on 3 off (.75)	1 day worked,	1 day off
	2 days worked,	2 days off
	3 days worked,	2 days off
	4 days worked,	3 days off
5 on 2 off (.4)	1 day worked,	1 day off
	2 days worked,	1 day off
	3 days worked,	1 day off
	4 days worked,	2 days off

	5 days worked,	2 days off
5 on 3 off	1 day worked,	1 day off
(.6)	2 days worked,	1 day off
	3 days worked,	2 days off
	4 days worked,	2 days off
	5 days worked,	3 days off
4 on 2 off	1 day worked,	1 day off
(.5)	2 days worked,	1 day off
	3 days worked,	2 days off
	4 days worked,	2 days off
4 on 4 off	1 day worked,	1 day off
(1.0)		

3.18 In the Print Shop the Company will assign specific employees to appropriate shifts as required. Prior to the establishment of such shifts, the matter will be discussed with the Shop Steward, together with the Chief Shop Steward, and as much advance notice as possible will be given to those employees required to work the shifts. Consideration will be given to the wishes of the employees in regard to shift assignments. Clauses 3.08 and 3.11 will not apply to the Print Shop.

Intent of Clause 3.02(i)

(a) Shops and Overhaul:
 Benchmark shifts in this area must be composed of a 5/2 or a 4/3 shift or a combination of both. There may also be up to 25% fixed shifts. The shift(s) that are not fixed will have equal and like rotation. The rotation may be within the shift, i.e. those employees working a 5/2 shift will rotate within the 5/2 shifts and those employees working a 4/3 shift will rotate through 4/3 shifts. Or if it better suits the schedule, there may be equal and like rotation through both shifts.

- (b) Line Maintenance:
Benchmark shifts in this area must be composed of a 5/2 and a 4/3 combination. There may also be up to 25% fixed shifts. If a fixed shift is selected, the equal and like rotation shifts could be either a 5/2 or a 4/3. E.g. if you had 25% of your employees on a 4/3 fixed shift, the remainder of the employees could be on a 5/2 or a 4/3 rotating shift. There is no requirement for them to be on a combination. If there are no fixed shifts, shifts will be of equal and like rotations.

- (c) Airports/Cabins/Cargo/GEM:
Benchmark shifts in these areas must be composed of a 5/2 and 4/3 combination and may include up to 25% fixed shifts. If a fixed shift is selected, rotating shifts must still be composed of a combination of 5/2 and 4/3 shifts. If there are no fixed shifts, shifts will be of equal and like rotations.

ARTICLE 4
GENERAL HOLIDAYS

4.01 For all employees the following nine (9) specified days shall be observed as general holidays:

- | | |
|--------------------------------|------------------|
| New Year's Day | Thanksgiving Day |
| Good Friday | Remembrance Day |
| Victoria Day (Fete de Dollard) | Christmas Day |
| Canada Day | Boxing Day |
| Labour Day | |

NOTE: The Union will have the option of designating St. Jean Baptiste Day in the province of Quebec as one of the fixed General Holidays instead of Remembrance Day.

4.02 In the event of any of the above holidays falling on a Sunday, the day approved by the Federal Government will be observed. An employee is not entitled to pay for a general holiday that occurs in his first thirty (30) days of employment with an employer if the employee does not work on that day, but if he is required to work on the general holiday he shall be paid at a rate at least equal to one and one-half times (1½ X) his regular rate of wages for the time worked by him on that day, unless he is employed in a continuous operation in which case he is entitled to his regular wages for the time worked by him on that day.

4.03 If an employee is scheduled to work on a general holiday he shall be paid at overtime rates or shall be allowed to bank overtime at the rate earned, at his option. If a general holiday does not fall on either the first or last day of an employee's midnight shift the employee may by agreement between the Company and the employee, and subject to operational requirements, be permitted to work on a general holiday in a straight time exchange for either the first or last day of that shift.

4.04 In the event of the recognized general holiday falling on an employee's assigned rest day, he may be assigned a rest day in lieu thereof within a period of twenty-eight (28) days before or after such holiday. The reassigned rest day off duty shall run consecutively with the employee's regularly assigned rest day or days, except when otherwise requested by the employee.

4.05

- (a) Two (2) additional days will be granted to permanent employees who have completed at least sixty (60) days of service. Such days off will be determined by agreement between the Company and the employee.
- (b) If no agreement can be reached in (a) above, the unused floating general holidays will be placed in the employee's time bank at straight time rates.

ARTICLE 5
OVERTIME

PURPOSE: *To meet our fluctuating operational requirements. Consistent with our objectives overtime shall be cost effective and kept to a minimum.*

Preamble: All double time provisions outlined in this Article shall be waived for a period of twelve (12) months from the date of ratification. Effective June 27, 1996 at 00:01 hours until June 26, 1997 midnight, all overtime will be paid at the rate of time and one half (1½). Double time provisions shall be reinstated in their entirety effective June 27, 1997 at 00:01 hours.

5.01 Time worked in excess of the scheduled work day, as defined in Article 3, is deemed to be overtime, except in the rotation of shifts, and except where otherwise provided in the Agreement.

5.02 It is recognized that operating requirements peculiar to the airline industry require that overtime be worked from time to time. In addition, it is recognized that overtime can result from working toward the desirable objective of a stable work force rather than attempting to meet peak situations with temporary employees and the resulting problems of fluctuating staff.

Consistent with the above noted requirements and objectives, overtime will be kept to a minimum and suggestions from Union representatives will be welcomed in achieving this goal.

5.03

- (a) Where overtime is properly authorized, as much advance notice as possible shall be furnished to the employees concerned who are expected to co-operate to the end that work schedules are met, and the wishes of the employee(s) shall be given consideration in the allocation of such overtime.
 - (b) When it is necessary to call an employee between the hours of 2200 to 0600 for an overtime assignment the employee will not be contacted more than one (1) hour prior to the reporting time for the assignment.
- 5.04 When it becomes necessary for employees to work overtime they shall not be laid off during their regular working hours to equalize the time.
- 5.05 In any calendar week no employee shall exceed forty-eight (48) hours worked or the Canada Labour Code maximum whichever is less. (Reference Sections 171 to 177 of the Code).
- 5.06
- (a) An employee shall have eight (8) consecutive hours off duty in each twenty-four (24) hours and eight (8) consecutive hours off duty between each tour of duty which may include any overtime service performed on a voluntary basis. When an employee is assigned overtime by the Company and works such overtime in accordance with this Article, or when an employee has completed a continuous tour of duty of twelve (12) hours or more (voluntary or assigned), he shall have a minimum of ten (10) consecutive hours off duty prior to being required to report for his next tour of duty.
 - (b) Should the Company not require the employee in (a) above to report for regular duty with less than the prescribed hours off duty, the employee will be so advised by management. In the event that the employee loses time from a regular scheduled shift to complete the minimum time off duty as provided in (a) above, he shall be compensated for such time lost at his straight time hourly rate.
 - (c) An employee who commences work on his regular shift without having completed his prescribed time off duty as

specified in (a) above and who was not advised by management not to report as per (b) above shall continue on overtime rates for all hours worked until such time as he has the prescribed eight (8) or ten (10) consecutive hours off duty.

- (d) The provisions of this Clause will not apply in the event of shift exchanges between employees.

5.07 Overtime will be paid on a minute basis as follows:

- (a) Time worked in excess of the scheduled workday before or after shift at time and one-half (1½) for the first two (2) hours and double time (2x) thereafter, with a minimum of one (1) hour's straight time pay.
- (b) Time worked on an employee's assigned rest day or general holiday at time and one-half (1½) for seven and one-half (7½) hours and double time (2x) thereafter, with a minimum of six (6) hours straight time pay for four (4) hours work or less.
- (c) Providing an employee has worked on his first rest day, time worked on his second and subsequent rest days will be paid at double time (2x).
- (d) Employees recalled after leaving the premises following the completion of a regular shift will be paid a minimum of six (6) hours straight time for four (4) hours work or less.

5.08 To arrive at the pro rata rate per hour for overtime refer to Appendix "A".

5.09 Overtime shall be distributed amongst the qualified employees in the shop, crew or work location on the following basis:

- (a) By a method of equalization arranged locally between the immediate supervisor and the shop steward within the crew or the appropriate work unit. Should the local parties be unable to arrange an overtime equalization agreement; then
- (b) Employees may elect:

(i) to utilize the equalization method described in sub-Clause 5.09 (c) or

(ii) as described in Clause 5.09 (d) below.

Such election will normally occur at the time overtime equalization credits are zeroed.

- (c) (i) On January 01 of each calendar year, the overtime equalization credits will be adjusted to zero (0).
- (ii) The overtime equalization list will be done for permanent full-time employees, and a separate equalization overtime list for the reduced time employees. Both overtime equalization lists will be updated on a bi-weekly basis.
- (iii) The supervisor at his own discretion will decide the length of the overtime and indicate the starting and finishing times of the overtime required on the duty roster, at the time of the call-out assignment.
- (iv) Operational overtime will first be offered to the permanent full-time employees with the lowest numerical balance. Minimum rest provisions in the Collective Agreement must not be violated.
- (v) If no full-time employees have accepted the work, then the Company will offer the overtime to the reduced-time employee with the lowest numerical balance.
- (vi) Notwithstanding (iv) and (v) above if overtime requirements are known and scheduled to occur within three (3) hours prior to the start of a shift or three (3) hours after the termination of a shift, it will be offered to those permanent full-time employees on that shift. For Maintenance purposes only, this employee, in order to maintain job continuity may not have to have the lowest numerical balance.

- (vii) Should an employee be bypassed on an overtime assignment when eligible and this through the fault of the Company, the Company will pay an automatic penalty equivalent to the hours of overtime missed, on and to a maximum of four (4) hours at time and one half.

Should a bypass involve more than one employee, the penalty will apply only to those who would have qualified for the overtime.

- (d) Overtime will be distributed by classification seniority. In this case when such overtime would require the senior qualified employee to work more than one of his rest days, the overtime will be offered to the next senior qualified employee.

5.10 No overtime shall be worked except by direction of the proper supervisory personnel of the Company, except in cases of emergency where prior authority cannot be obtained.

When emergency overtime is deemed to be necessary, prior to or following a shift, it shall be offered to employees on that shift in the classification concerned; and if none of those employees wishes to work the overtime then it will be assigned in reverse order of seniority to those involved.

5.11 Overtime at field bases more frequently falls within the concept of an emergency, whereas overtime at main bases less frequently falls within this concept. Therefore, within main bases the following policy will apply.

- (a) The Supervisor concerned will advise the appropriate Shop Steward of overtime requirements as early in the shift as the overtime requirement is known;
- (b) Overtime worked in each calendar month, upon request, may be reviewed by the Chief Shop Steward and the individual Shop Stewards affected as soon as statistics for the month are available.

5.12 All overtime hours worked will, at the employee's option, and at the time of each overtime occurrence, be credited to an overtime bank at the applicable overtime basis to a maximum of one hundred and forty-four (144) hours or will be paid in accordance with this Article. Once the bank limit is reached, any further overtime worked will be paid out on the subsequent pay period.

Credits in the overtime bank may be either:

- (a) Taken as time off at the employee's written request and at a time mutually agreed to by the Company. If the vacation allotment is not filled, the employee's request shall not be unreasonably withheld.
- (b) With two pay period's notice an employee may request in writing that he/she be paid out at his/her current wage rate.

Lost time with the exception of late reporting for work, sickness, Workers' Compensation and leaves of absence will be deducted from the bank.

5.13 An employee whose time bank stands at plus thirty-seven and one-half (37½) hours or more, may at any time during the year, but no later than October 1 of each year, advise the Company, in writing, that the required number of hours is to be set aside to establish an extended vacation of one (1) week which will be added to the employee's vacation entitlement to be taken the following year, in accordance with the other provisions of Article 18. All vacation entitlement obtained through banking shall be second choice extended vacation. Time set aside for this extended vacation provision will not be used for any other purpose, and the time bank may again be built up to a maximum of one hundred and forty-four (144) hours.

5.14 When assigned to isolated posts, or emergency field work, the employee will be compensated for the first seven (7) days of such assignment on the same basis as he is compensated at his home base. If the assignment exceeds seven (7) days, the employee shall from the eighth (8th) day on excluding the first seven (7) days of such assignment be paid pursuant to the applicable provisions of Article 37.

The established overtime distribution procedure outlined in Clause 5.09 will apply when the assignment is expected to exceed ten (10) hours, commencing from time of assignment. The foregoing is dependent on the employee being qualified to perform the work requirement for the assignment.

ARTICLE 6
MINIMUM MONTHLY
RATES OF PAY

- 6.01 The rates of pay are set out in Appendix A.
- 6.02 Where applicable, advancement in pay within each category shall be automatic on the first day of the pay period following that in which the employee has completed the required service.
- 6.03 The Company may, at its discretion, pay higher rates than the established minimum.
- 6.04 Employees will receive longevity pay of ten cents (10 cents) an hour effective with the beginning of the pay period following completion of ten (10) years of service in classifications covered by this Agreement.
- Employees will receive longevity pay of fifteen cents (15 cents) an hour effective with the beginning of the pay period following completion of fifteen (15) years of service in classifications covered by this Agreement.
- Employees will receive longevity pay of twenty cents (20 cents) an hour effective with the beginning of the pay period following completion of twenty (20) years of service in classifications covered by this Agreement.
- 6.05 A permanent employee who is assigned to assume the duties of an employee in a higher position will be notified of such assignment in writing, with a copy to the Union. He will be paid at the rate of the higher position for all hours worked, at the close of the applicable calendar quarter except where such relief assignment is continuous for ten (10) or more days, in which case the employee will

be paid the higher rate for the relief assignment on the regular pay day for the applicable pay period. The rate of pay of a permanent employee who is assigned to temporarily relieve an employee on a lower wage rate shall not be reduced.

6.06 Subject to the foregoing if, due to a reduction in the working forces a permanent employee is retained in a lower classification in the exercise of his seniority he shall only be entitled to the rate of pay of that grade or classification.

6.07 Employees will be paid every second Friday during their regular working hours. Should the regular pay day fall on a general holiday, payment will be made on the banking day preceding the regular pay day. Where there is a shortage equal to one day's pay or more in the pay of an employee, a voucher will be issued to cover the shortage as soon as possible. Refer also to Letter of Intent No. 4A.

NOTE: When a shortage occurs as mentioned above, at a base where no Accounting Department facilities are available for immediate reference, such shortage may be adjusted locally and then referred to the Accounting Department for confirmation or disallowance.

6.08 Employees leaving the service of the Company will be furnished with a time voucher covering all the time due within twenty-four (24) hours at points where discharge cheques are issued and within forty-eight (48) hours at other points or earlier when possible. The time specified shall be exclusive of Sundays and holidays.

6.09 Except as provided in Clause 3.06 shift bonuses will be as follows:

(a) A shift premium of thirty-eight cents (38 cents) per hour will be paid for all hours worked on scheduled shifts commencing between 1200 and 1959 hours inclusive and a shift premium of forty-five cents (45 cents) per hour will be paid for all hours worked on scheduled shifts commencing between 2000 hours and 0659 hours inclusive.

In addition, a shift premium equivalent to that applicable to the employee's preceding regular shift shall be paid for all overtime hours worked, except where such overtime work occurs on a

regular rest day, in which case the shift premium applicable to the overtime hours worked on that day will apply.

- (b) An irregular shift premium of forty-nine cents (49 cents) per hour will be paid for all hours worked on shifts commencing from 0200 hours to 0559 hours inclusive or terminating from 0200 hours to 0600 hours inclusive, in lieu of all other shift premiums. In addition, a shift premium equivalent to that applicable to the employee's preceding regular shift shall be paid for all overtime hours worked, except where such overtime work occurs on a regular rest day, in which case the shift premium applicable to the overtime hours worked on that day will apply.
- (c) Effective the first of the month following the date of ratification of Agreement No. 2, should the employer unilaterally initiate an independent fixed night shift, the shift premium shall be one dollar and fifty-one cents (\$1.51) in addition to the named irregular shift premium of forty nine cents (.49 cents).

6.10

- (a) Personnel in the position of Aircraft Mechanic holding a Certification Authority endorsed for one (1) type of aircraft on which they can normally be expected to work will be paid for the duration of the validity of the Authority, fifteen cents (15 cents) per hour in addition to their regular rate of pay while employed in aircraft maintenance and servicing.
- (b) Personnel in the position of Aircraft Mechanic holding a Certification Authority endorsed for two (2) or more types of aircraft on which they can normally be expected to work will be paid for the duration of the validity of the Authority, twenty-five cents (25 cents) per hour in addition to their regular rate of pay while employed in aircraft maintenance and servicing.
- (c) An Aircraft Mechanic will be given an opportunity to obtain his Certification Authority provided he meets current Company and/or Transport Canada requirements for such authority. In the application of the foregoing it is understood that the Aircraft Mechanics and Air Engineer 1's holding this

qualification will not be utilized in lieu of a higher position and the present practice in the use of this Authority by Air Engineer 2's will continue.

6.11 Personnel in the position of Avionics Mechanic will be paid ten cents (10 cents) per hour in addition to their regular rate of pay when successful completion of the Basic Avionics course plus all Avionics systems courses on one (1) aircraft are achieved. Avionics Mechanics will be paid twenty cents (20 cents) per hour in addition to their regular rate of pay upon successful completion of all Avionics systems courses on a second aircraft operated by the Company.

6.12 Personnel in the Crew Chief, Air Engineer, Aircraft Mechanic and Aircraft Inspector positions holding a Certification Authority with the scope for engine run up and taxi endorsed for one (1) or more of the types of aircraft on which he can normally be expected to work will be paid for the duration of the validity of the Certificate, fifteen cents (15 cents) per hour in addition to his regular rate of pay while employed in a position requiring the use of such Certificate.

6.13 Personnel in the Lead Avionics Technician, Avionics Technicians & Avionics Mechanics positions holding a Certification Authority with the scope for engine run up and taxi endorsed for one (1) or more of the types of aircraft on which he can normally be expected to work will be paid for the duration of the validity of the Certificate, fifteen cents (15 cents) per hour in addition to his regular rate of pay while employed in a position requiring the use of such Certificate.

6.14 Foremen and Aircraft Mechanics employed in the Engine Overhaul Shop holding a Certification Authority with the scope for engine run up and taxi endorsed for one (1) or more engine types will be paid for the duration of the validity of the Certificate, fifteen cents (15 cents) per hour in addition to their regular rate of pay while employed in the Engine Overhaul Shop.

6.15 Personnel in the Aircraft Machinist trade classification specified in Clause 13.05 who hold a Provincial or Interprovincial Trade Qualification Certificate valid for the Province in

which they are employed will be paid for all hours worked ten cents (10 cents) per hour, in addition to their regular rate of pay.

6.16 Personnel in the Ground Equipment Maintenance classification specified in Clause 13.05 who hold a Provincial or Interprovincial Trade Qualification Certificate valid for the Province in which they are employed will be paid for all hours worked ten cents (10 cents) per hour, in addition to their regular rate of pay.

6.17 Personnel in the Building Maintenance Mechanic classification specified in Clause 13.05 who hold a valid Third Class Engineer Certificate of Competency issued pursuant to the Boiler Inspection Act of the Province where he is employed by the Company and hired primarily to perform duties on equipment pursuant to the Boiler Inspection Act of the applicable Province will be paid ten cents (10 cents) per hour, for hours worked, in addition to his regular rate of pay.

Personnel in the Building Maintenance Mechanic classification specified in Clause 13.05 who hold a valid Provincial/Inter-provincial/Federal trade qualification certificate for the Province in which they are employed will be paid for all hours worked ten cents (10 cents) per hour in addition to their regular rate of pay.

6.18 Personnel in the Welder classification specified in Clause 13.05 who hold a Provincial or Interprovincial Trade Qualification Certificate valid for the Province in which they are employed will be paid for all hours worked ten cents (10 cents) per hour, in addition to their regular rate of pay.

6.19 Personnel in the Avionics Mechanic classification specified in Clause 13.05 holding an Autoland Certificate endorsed for one (1) or more of the types of aircraft on which he can normally be expected to work will be paid for the duration of the validity of the Certificate, fifteen cents (15 cents) per hour in addition to his regular rate of pay while employed in a position requiring the use of such Certificate. It is understood that the number of personnel assigned to cover this particular function may be limited.

6.20

- (a) Personnel in the Structures Mechanic position who were in the Aircraft Sheet Metal Mechanic classification under Agreement No. 1 and become qualified in Woodwork during the term of Agreement No. 2 will receive a premium of fifty (50) cents per hour from the date they become qualified.
- (b) Personnel in the Structures Mechanic position who were in the Aircraft Woodworker Mechanic classification under Agreement No. 1 and become qualified in Sheet Metal during the term of Agreement No. 2 will receive a premium of fifty (50) cents per hour from the date they become qualified.

6.21 First Aid Attendants will be paid fifteen dollars (\$15.00) per month.

6.22 Effective January 29, 1991 in the event the Lead Security Officer is not on duty, the senior employee on shift shall be designated Senior Security Officer and will be paid two dollars and fifty cents (\$2.50) for each complete shift worked while acting in such position. The Senior Security Officer premium shall be paid at Lysander and at the Vancouver Operations Centre when the Lead Security Officer is not on duty and will be paid for all shifts at the Toronto Operations Centre. The Lead Security Officer shall only be assigned a Security Officer's shift at the Vancouver Operations Centre.

6.23 Employees who are in the Electronics Mechanic and Electrical Accessories Mechanic classifications will receive twenty five (25) cents premium per hour upon successful completion of M.Q.A. 115 C.A. license requirements.

(Note: This is being transferred from L.O.U. No. 5, Agreement No. 2.)

6.24 The Company shall pay for the cost of renewal of MOT licenses as well as the cost of adding endorsements to MOT licenses for the types of aircraft on which they can normally be expected to work.

6.25
(a) Recovery of pay errors shall be limited to those errors which occurred during the twelve (12) calendar month period immediately preceding the discovery of the error.

- (b) When the error involves a failure to make a required deduction or an overpayment to an employee which is being recovered by the Company, equal deductions shall be taken from the employee's pay over a period equal to the length of time over which the error occurred. However, where an employee's service with the Company is being terminated, all monies due to the Company shall be deducted from the final severance pay cheque.

- (c) Prior to making any deductions under (b) above, the Company will advise the employee in writing of the error, the number of pay periods over which recovery will be made, the amount to be deducted in each pay period and when deductions will commence. This notice must be provided to the employee no later than fourteen (14) calendar days prior to the commencement of any deductions. Should the proposed payment schedule place an undue hardship on the employee, the parties will meet and discuss alternate arrangements.

ARTICLE 7
QUALIFICATIONS OF
EMPLOYEES

PURPOSE: *To maximize the use of employees' skills, knowledge and experience in order to achieve efficiencies in productivity by reducing cycle times, hand-offs and standby time.*

In determining qualifications for classification purposes, the Company, at its discretion, may credit a new employee with previous experience and training acquired outside the Company service, provided such experience and training is equivalent in value to the Company to the experience called for in the following classifications. However, the Company will discuss the matter with the Union prior to establishing such credit. An employee shall only be expected to carry out the duties of his trade or work group, but this shall not be interpreted to mean that an employee shall refuse to render assistance of a temporary nature as required, provided such assistance is not assigned on a regular basis. Employees will also share their knowledge and experience with other employees, as well as provide on-the-job training which does not include formal classroom training. Refer also to Letter of Understanding No. 4 and No. 12.

7.01 Shop Inspector:
Must possess the qualifications of a mechanic and hold a Certification Authority for the area in which the inspection is required. Within thirty (30) days of filling the position, must have successfully passed the Company's applicable Quality Assurance Department examination and must within a period of six (6) months in the Inspector's position have proven their ability to fulfill their duties in a satisfactory manner. Failure to prove their ability will result in employees being returned to their former position.

7.02 Inspector/Crew Chief (Aircraft)

Must possess the qualifications of an Air Engineer II and hold any currently effective Transport Canada licenses which are required, and have the ability to direct and supervise the work of and provide training to others. Must hold the necessary endorsements for one or more of the types of aircraft on which they and their crews are normally expected to work plus the ability to ensure that approved standards of Quality Assurance are maintained.

7.03 Inspector/Crew Chief (Avionics)

Must possess the qualifications of an Avionics Technician II and hold any currently effective Transport Canada licenses which are required, and have the ability to direct and supervise the work of and provide training to others. Must hold the necessary endorsements for one or more of the types of aircraft on which they are normally expected to work plus the ability to ensure that approved standards of Quality Assurance are maintained.

7.04 Inspector/Foreman (Structures Classification)

Must possess the qualifications of a Mechanic and hold Transport Canada licenses (AME S-33 and/or S-34 as applicable) which it rules is essential to his trade, and have the ability to direct and supervise the work of and provide training to others. He must also have the ability to ensure that approved standards of Quality Assurance are maintained.

7.05 Inspector / Foreman (Powerplant)

Must possess the qualifications of an Aircraft Mechanic and hold any currently effective Transport Canada and/or Company licenses which are required, and have the ability to direct and supervise the work of and provide training to others. He must also have the ability to ensure that approved standards of Quality Assurance are maintained.

NOTE: The above application is limited to Powerplant Shops 750 & 754 - Vancouver. Reference: LOU Inspector/Foreman, Aircraft Mechanics (Powerplant). For Powerplant, Powerplant Accessory, and APU Shops (present work locations 750 & 754, Vancouver) dated December 14, 1994.

7.06 Inspector / Foreman (Avionics)

Must possess the qualifications of an Avionics Mechanic and hold any currently effective Transport Canada and/or Company licenses which are

required, and have the ability to direct and supervise the work of and provide training to others. He must also have the ability to ensure that approved standards of Quality Assurance are maintained.

7.07 Inspector / Foreman (Electronics) NEW

Must possess the qualifications of an Electronics Mechanic and hold any currently effective Transport Canada and/or Company licenses which are required, and have the ability to direct and supervise the work of and provide training to others. He must also have the ability to ensure that approved standards of Quality Assurance are maintained.

7.08 Inspector / Foreman (Electrical / Accessory) NEW

Must possess the qualifications of an Aircraft Electrical/Accessory Mechanic and hold any currently effective Transport Canada and/or Company licenses which are required, and have the ability to direct and supervise the work of and provide training to others. He must also have the ability to ensure that approved standards of Quality Assurance are maintained.

7.09 Inspector/Crew Chief and Inspector/Foreman

Inspector/Crew Chief and Inspector/Foreman must meet the qualifications for their assignments as set forth in Clauses 7.02 to 7.08 inclusive. To receive the appropriate certification on their Certification Authority the employee must receive and successfully complete the appropriate training within six (6) months of assuming the position.

Completion of the Inspection Fundamentals module will result in the issuing of the On-the-Job Training Book (OJT) applicable to the area, which must be completed within three (3) months of issuance. Additionally the employee must complete the Advanced Module. Failure to complete the required courses and the OJT book within the specified time frame will result in the employee being returned to their former position provided such training and opportunity to complete the OJT book is provided..

Within a period of six (6) months from assuming the position the employee must demonstrate his ability to fulfill all his duties in a satisfactory manner. Failure to do so will result in employees being returned to their former positions. Such time will be extended if the required courses are not presented with the six (6) month time frame.

7.10 Crew Chief

Must possess the qualifications of an Air Engineer and the ability to direct and supervise the work of and provide practical training to others. Must hold the necessary endorsements for the type of aircraft on which they and their crews are normally expected to work.

7.11 Air Engineer I

Must possess the qualifications of an Aircraft Mechanic, have passed appropriate examinations established by the Training and Licensing Committee, and hold current Certification Authority endorsed on one (1) or more types of aircraft on which they are normally expected to work, and have held the position of Aircraft Mechanic for a minimum of four (4) years with the Company. Some assignments in this classification will require the incumbent to hold a certification authority with the scope for engine run up and taxi. Progression to this position shall be accomplished upon reaching the required technical and service qualifications.

7.12 Air Engineer II

Must possess the qualifications of an Air Engineer I, have passed appropriate examinations established by the Training and Licensing Committee and hold current Certification Authority endorsed for one (1) or more types of aircraft on which they are normally expected to work, and have held the position of Air Engineer I for a minimum of two (2) years. Some assignments in this classification will require the incumbent to hold a certification authority with the scope for engine run up and taxi.

Must possess the ability to direct the work of and provide practical training to others.

7.13 Foreman

Must possess the qualifications of a Mechanic and hold any currently effective Transport Canada license which it rules is essential to his trade, and have the ability to direct and supervise the work of and provide practical training to others.

7.14 Shop Technician

Must possess the qualifications of a Mechanic and hold any currently effective Transport Canada and/or Company licenses which Transport

Canada rules is essential to his trade, and have the ability to technically direct and supervise the work of and provide practical training to others.

7.15 Lead Avionics Technician

Must possess the qualifications of a Avionics Technician and the ability to direct and supervise the work of and provide practical training to others. Must hold the necessary endorsements for the type of aircraft on which they are normally expected to work.

7.16 Avionics Technician I

Must possess the qualifications of an Avionics Mechanic, and have passed the appropriate examinations established by the Training and Licensing Committee, hold current Certification Authority endorsed for one (1) or more types of aircraft on which they are normally expected to work, and have held the position of Avionics Mechanic for a minimum of four (4) years with the Company. Some assignments in this position will require the incumbent to hold a certification authority with the scope for engine run up and taxi. Progression to this position shall be accomplished upon reaching the required technical and service qualifications.

7.17 Avionics Technician II

Must possess the qualifications of an Avionics Technician I, and have passed the appropriate examinations established by the Training and Licensing Committee, hold current Certification Authority endorsed for one (1) or more types of aircraft on which they are normally expected to work, and have held the position of Avionics Technician I for a minimum of two (2) years. Some assignments in this classification will require the incumbent to hold a certification authority with the scope for engine run up and taxi.

Must possess the ability to direct the work of and provide practical training to others.

7.18 All those incumbents currently filling positions in the NDT Department will be held free from those classification requirements listed, for as long as they remain in the NDT Department. Subject to training, NDT Mechanics and Technicians will be required to open cowls and remove borescope plugs.

(a) Non-Destructive Testing Mechanic

Must be or have been classified as an Aircraft, Avionics, or Sheetmetal Mechanic, be a successful graduate of an Aircraft Maintenance Trade School, or equivalent experience outside the Company in an Aircraft Maintenance trade.

- (b) **Non-Destructive Testing Technician I**
Must possess the Level I Canadian General Standards Board (CGSB) Certificate in Radiographic Testing (RT) and the Atomic Energy Control Board (AECB) qualified operator license. Will be required to obtain at least a Level I CGSB Certificate in Magnetic particle Testing (MT), Penetration Testing (PT), Eddy-current Testing (ET) and Ultrasonic Testing (UI) after having advanced to N.D.T. Technician I.
- (c) **Non-Destructive Testing Technician II**
Must possess the Level II (CGSB) Certificate in (RT). Will be required to obtain a Level II Certificate in (MT), (PT), (ET) and (UT) after having advanced to N.D.T. Technician II. Will be responsible for providing practical training and directing the work of others on his shift.
- (d) **Non-Destructive Testing Technician III**
Must possess the qualifications of an N.D.T. Technician II and have the ability to direct and supervise the work of and provide practical training to others.

NOTE: The Company shall make every effort to provide CGSB approved courses for the certificates referred to in sub-clauses 7.18 (b), (c) and (d). Failure to obtain certificates referred to in sub-clause 7.18 (b) within one (1) year of having received the course will cause the affected employee to be returned to his former job assignment and status outside the N.D.T. Department. Failure to obtain the certificates referred to in sub-clause 7.18 (c) within two (2) years of having received the course will cause the affected employee to receive the pay of a Non-Destructive Testing Mechanic until such time as he obtains the required certificates.

Advancement to NDT Technician I and NDT Technician II positions will be automatic upon reaching the required technical qualifications and advancement to NDT Technician III positions will be through the bid process.

It is understood that possession of all the technical qualifications cited for the current positions is a prerequisite to advancement to the next higher position.

7.19 Mechanic

Must have served a recognized apprenticeship of at least four (4) years with the Company or have equivalent experience outside the Company and must possess the ability and qualifications to carry out any work in his trade with the aid of engineering specifications, manuals or drawings. Mechanics working at ramp locations will be required to hold a current AME license endorsed by Transport Canada, for the types of aircraft on which they are normally expected to work.

7.20 The Building Maintenance Mechanic classification shall be established at main bases (Vancouver, Toronto, Dorval and Halifax) only. Such work may be accomplished by Ground Equipment Maintenance Mechanics at other bases.

7.21 Machinist

Must have served a recognized apprenticeship of at least four (4) years with the Company or have the equivalent experience outside the Company, and must possess the ability and qualifications to carry out any work in his trade with the aid of engineering specifications, manuals or drawings.

7.22 Apprentice

Employed by the Company to learn a trade associated with airline operations. An apprentice shall be required to serve a minimum of four (4) years with the Company or may be granted credit for equivalent experience or training as established by the Training and Licensing Committee. Advancement to Mechanic will be automatic on the first pay period following that in which service as an Apprentice has been completed provided s/he has passed the required qualifying exam as approved by the TLC.

Apprentices will be given periodic exams as per the Training and Licensing Manual and passing grades are mandatory.

7.23 Lead Container Serviceman

Must possess the qualifications of a Container Serviceman and have the ability to direct the work of and provide practical training to Container Servicemen.

7.24 Container Serviceman

Employed by the Company in a non-journeyman capacity to repair or overhaul cargo containers, commissary equipment, and parts associated with cargo containers.

7.25 Stockkeeper

Must possess a valid drivers license, have the ability to type twenty (20) words per minute and have the ability to perform shipping, receiving, issuing and other warehousing functions as well as the ability to effect minor repairs of tools and equipment when assigned to the tool crib. Stockkeepers working in the Stores Shipping areas must have successfully passed the Company's Dangerous Goods examination.

7.26 Lead Stockkeeper

Must possess the qualifications of a Stockkeeper, have the ability to perform stores receiving inspection duties related to shipping and receiving duties of the Stockkeeper classification and have successfully passed the Company's Dangerous Goods and Material Handling Inspection examinations. Must have the ability to direct and provide practical training to others.

7.27 Senior Lead Stockkeeper

Must possess the qualifications of a Lead Stockkeeper and have successfully passed the Company's Dangerous Goods and Material Handling Inspection examinations, and have the ability to direct and supervise the work of and provide training to others. Within a period of six (6) months from assuming the position, the employee must demonstrate his ability to fulfill all his duties in a satisfactory manner. Failure to do so will result in employees being returned to their former positions.

7.28 Stores Carpenter

Must have the ability to crate materials for shipment and to construct containers, bins and shelves and perform carpentry duties related to the performance of routine shipping, receiving, issuing and other warehousing functions. May be required to perform duties normally assigned to Stockkeepers.

7.29 Senior Lead Cleaner

Must possess the qualifications of a Lead Cleaner and have the ability to direct and supervise the work of and provide training to others. Within three (3) months of assuming the position, the employee must successfully complete the applicable training courses. Such time will be extended if the required courses are not presented within the three (3) month time frame.

Within a period of six (6) months from assuming the position, the employee must demonstrate his ability to fulfill all his duties in a satisfactory manner. Failure to do so will result in employees being returned to their former positions.

7.30 Lead Cleaner

Must possess the qualifications of a Cleaner and have the ability to direct the work of and provide practical training to Cleaners assigned to him.

7.31 Cleaner

Must have the ability to clean such items as aircraft, aircraft parts and associated service equipment. Some assignments in this classification will require the incumbent to hold a valid drivers license. Refer also to Letter of Understanding No. 6.

7.32 Lead Process Cleaner

Must have the qualifications of a Process Cleaner and have the ability to direct the work of and provide practical training to others assigned to him.

7.33 Process Cleaner

Requires a working knowledge of the appropriate standard process cleaning procedures and is employed to clean items such as engine components and modules.

7.34 Helper - Building Maintenance

Must be familiar with equipment used by tradesmen and shall work under the direction of a Mechanic in the Building Maintenance Department.

7.34A Helper - Ground Equipment

Must be familiar with equipment used by tradesmen and shall work under the direction of a Mechanic in the Ground Equipment Department.

Employees in this classification will be restricted to repairing baggage carts and container dollies excluding stress welding and painting.

7.35 Lead Janitor

Must possess the qualifications of a Janitor and have the ability to direct the work of and provide practical training to janitors assigned to him.

7.36 Janitor

Employed to clean the property and premises of the Company.

7.37 Dry Cleaner Foreman

Must possess the qualifications of a Dry Cleaner and have the ability to direct the work of and provide practical training to others and must also possess a National Institute of Dry Cleaning Certificate or equivalent. The cost of this certificate shall be borne by the Company.

7.38 Dry Cleaner

Must be familiar with all equipment in the Laundry and Dry Cleaning Shop and able to perform all duties associated with dry cleaning, pressing, washing, spotting, rug cleaning.

7.39 Mender

Must possess the ability to operate a power sewing machine in connection with the repair of textiles.

7.40 Laundry Worker

Must possess the ability to perform duties of a general nature in the Laundry and Dry Cleaning Shop.

7.41 Sewing Machine Operator

Must possess the ability to operate a power sewing machine in connection with the manufacture and repair of fabric and upholstery parts and components.

7.42 Loadmaster

Must have the ability to correctly, efficiently and safely load and unload aircraft and process related documentation. Must be responsible for the

supervising of any labour force assigned to him/her and ensure the safety of all related Company equipment. Must pass appropriate examinations at intervals established by the Company. Refer also to Article 36.

7.43 Check Loadmaster

Responsible for administration, checking and training duties as assigned by the Chief Loadmaster.

7.44 Chief Loadmaster

Responsible for administration, checking and training of Loadmasters.

7.45 Line Engineer

Must possess the qualifications of an Aircraft Mechanic and hold current Certification Authority endorsed to cover the types of aircraft to which he will be assigned. Refer also to Article 34.

7.46 Flight Engineer

Must hold current Certification Authority endorsed to cover the type of aircraft to which he will be assigned. Must also be in possession of a current Transport Canada Flight Engineer License and must have a current Restricted Radio Operators License. Refer also to Article 35.

7.47 Security Officer

Employed to perform security, fire protection and associated duties.

7.48 Lead Security Officer

Must possess the qualifications of a Security Officer and have the ability to direct the work of and provide practical training to others.

7.49 Station Attendant

Employed by the Company to perform ramp, baggage, cargo service, cargo warehouse and other duties associated with the performance of the foregoing functions. For the purpose of this Clause ramp duties include: aircraft towing (excluding cockpit duties), marshalling, pushouts and positioning, connecting and operating ground support equipment such as ground power units and air conditioning units. Station Attendants where ramp employed, will perform aircraft de-icing when properly trained.

7.50 Lead Station Attendant

Must possess the qualifications of a Station Attendant and have the ability to direct the work of, and provide practical training to Station Attendants assigned to him/her.

7.51 Senior Lead Station Attendant

Must possess the qualifications of a Lead Station Attendant and have the ability to direct and supervise the work of and provide training to others. Within three (3) months of assuming the position, the employee must successfully complete the applicable training courses. Such time will be extended if the required courses are not presented within the three (3) month time frame.

Within a period of six (6) months from assuming the position, the employee must demonstrate his ability to fulfill all his duties in a satisfactory manner. Failure to do so will result in employees being returned to their former positions.

7.52 Cargo Service Agent - Halifax

Employed by the Company to perform cargo service, cargo warehouse including the processing of related paperwork and other duties associated with the performance of the foregoing functions. Will be required to perform duties normally assigned to station attendants. The bidding of work functions will be determined by qualifications.

7.52A Lead Cargo Service Agent - Halifax

Must possess the qualifications of a Cargo Service Agent / Station Attendant and have the ability to direct and supervise the work of and provide practical training to others. Will be required to perform duties normally assigned to Station Attendants.

7.53 Maintenance and Material Clerk (Basic)

Shall perform basic clerical duties relating to the operation of the Maintenance and Engineering and Purchasing Departments. This will include duties such as typing, filing, and related clerical duties.

7.54 Maintenance and Material Clerk (Intermediate)

In addition to holding the qualifications of the Maintenance and Material Clerk (Basic), shall be able to perform record-keeping related to the purchasing function and the maintenance of aircraft and associated equipment and more complex clerical duties in their respective departments.

7.55 Maintenance and Material Clerk (Complex)

In addition to holding the qualifications of the Maintenance and Material Clerk (Intermediate), shall be able to perform complex clerical duties in their respective departments. Some assignments in this classification will require the incumbent to be able to direct the work of others on occasion.

7.56 Records Controller

Shall perform the duties required to facilitate control of maintenance programs such as aircraft checks, time control programs, aircraft component records, etc. and the issuing of related reports. Some assignments in this classification will include the moving of parts for production control purposes.

7.57 Lead Records Controller

Must possess the qualifications of a Records Controller and have the ability to direct the work of and provide practical training to others.

7.58 In the Maintenance and Material Clerk and Records Controller classification above, promotion to the Intermediate and Complex positions and to the Records Controller and Lead Records Controller positions will be contingent on a vacancy existing in the higher-rated position in accordance with Article 9. Further, if within ninety (90) days of promotion, the employee does not display satisfactory qualifications, he/she will be returned to his/her former position.

A Clerk will progress to the next highest rate of pay on the Intermediate or Complex or Records Controller scales respectively as positions are awarded.

The requirement to be able to direct the work of others on occasion in the Maintenance and Material Clerk (Complex) position will not subject the position to the selection process outlined in Clause 9.13.

7.59 Senior Print Shop Operator

Must have five years experience in the printing industry in trades described in 7.60 through 7.65 and must possess the ability to direct and supervise all trades and work groups in the Print Shop. May be required

to perform any duties normally assigned to any other classification in the Print Shop.

7.60 Bindery Operator

Must have a Bindery II Certificate of Apprenticeship or two years of related practical experience in order to operate all bindery equipment except the cutter and the folder. May be required to assist Senior Bindery Operators.

7.61 Senior Bindery Operator

Must have a Bindery I Certificate of Apprenticeship or five years of related practical experience in order to operate and maintain all bindery equipment. May be required to perform duties normally assigned to Bindery Operators.

7.62 Platemaker/Camera Operator

Must have an Advanced Certificate or Diploma in Film Assembly or four years of related practical experience in order to operate and maintain equipment related to the camera, platemaking, four-colour process negative assembly functions and other pre-press associated activities. May be required to perform film and image related duties normally assigned to Typesetters.

7.63 Machine Operator

Must have an Advanced Certificate or Diploma in Press Operation or four years of related practical experience in order to operate and maintain duplicating machines and other related equipment. May be required to assist the Large Press Operators in the function of "feeder" and may also be required to operate equipment in order to produce paper plates.

7.64 Typesetter

Must be able to type at 35 words per minute, and must have an Certificate or Diploma in Desktop Publishing or two years of related practical experience in order to operate and maintain electronic computer equipment related to the typesetting and pre-press functions, including the use of scanning and image-setting equipment. May be required to perform film and image related duties normally assigned to Platemaker/Camera Operators.

7.65 Large Press Operator

Must have an Advanced Certificate or Diploma in Multi-colour Press Operation or four years of related practical experience in order to operate and maintain two and four-colour large offset presses and to provide direction to Machine Operators assigned to assist in the "feeder" function. May be required to perform the duties normally assigned to Machine Operators.

7.66 In the Print Shop all work related to material designated confidential by the originating department and made subject to special security procedures can be performed by supervisory personnel, provided all such work in the shop is done by a supervisor unless some unusual circumstances develop.

7.67 Wherever in the foregoing provisions of this Article, mention is made of directing, supervising or training of other personnel it is understood that such functions are performed as a working member of the group being directed, supervised or trained. If an employee is exercising supervisory functions under the qualifications of this classification in addition to his normal trade functions and finds that both functions cannot be fulfilled efficiently, the supervisory responsibilities will have priority.

7.68 Maintenance Control Technician
Must possess the qualifications of an Aircraft or Avionics Mechanic with at least four (4) years service with the Company.

Within six months in the Maintenance Control Technician position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

7.69 Calibration Technician

- (a) Must possess four (4) years of mechanical or electronic work experience in the airline or aircraft industry.
- (b) Must possess the qualifications of an Avionics Mechanic, Aircraft Electronic Mechanic, Aircraft Electrical/Accessory Mechanic, or an Aircraft Mechanic per Clause 7.19, or a Machinist per Clause 7.21.

- (c) Employees hired directly into the Calibration Technician classification must have successfully completed a recognized course in metrology or electronic test equipment. In addition, they must successfully complete the qualifying examination as a pre-requisite to being hired.

Calibration Technician vacancies will be filled in order of bargaining unit seniority with preference to qualified employees resident in the required trade.

NOTE: It is understood that the present practice for local calibration of tools at bases outside of Vancouver will continue provided the required standards are met.

7.70 Calibration Foreman

Must possess the qualifications of the Calibration Technician and hold any currently effective transport Canada license which it rules is essential to his trade, and have the ability to direct and supervise the work of and provide practical training to others.

ARTICLE 8
TRAINING, LICENSING AND
APPRENTICE PROGRAMS

8.01 The Training and Licensing Committee (TLC) shall be composed of three (3) members nominated by the Company and three (3) members nominated by the Union. This committee shall determine the contents of the Training and Licensing Manual which shall become binding upon both parties. No revisions may be made to the Training and Licensing Manual unless agreed to by the TLC or required by a Government Regulatory Authority.

8.02 Meetings of the TLC may be called as necessary by either the Union or the Company and will be chaired alternately by each party. The Director of Engineering and Maintenance Quality will resolve any disputes should the TLC fail to agree on any item of business and such resolution shall be regarded as agreed to by the TLC. Such imposed resolution may be reviewed under the provisions of L.O.U. No. 16 upon request by either party. No employee shall suffer any loss of pay in the performance of legitimate activities of the TLC.

8.03 The Company shall ensure that Apprentices receive all the training contained in the Training and Licensing Manual and shall endeavour to use seniority when scheduling them for courses. Apprentices shall not be discriminated against if they do not receive the required training through no fault of their own. Apprentices may be exempted from normal shift rotation, days off and crew selection procedures to allow for training requirements.

8.04 The TLC shall establish school equivalency and shall assess technical qualifications of apprentices and employees entering trade classifications. When the Company is unable to provide adequate notice to the TLC that Apprentices will be hired into a classification for which no TLC approved training program exists, the TLC will

immediately commence development of an appropriate program for that classification. The new training program must be completed within thirty (30) days of the first Apprentice being hired into that classification. The Company shall provide the TLC with the names and trade classifications of new Apprentices and a schedule of all Maintenance training.

8.05 The Company is prepared to include the Union Chairman of the TLC in discussions with other Canadian airlines to establish a common Apprentice Training Programme leading to a common credit basis.

8.06 Aircraft Endorsement Training

Selecting of AME (M&E) for training will be by seniority on each crew/LOP area subject to such considerations as the following:

- (a) The operational requirements of both Company and Contract Carriers Aircraft must be met according to flight schedules and aircraft type.
- (b) The availability of employees to attend at the scheduled training time given vacation leaves, etc.
- (c) Whether the employee has the prerequisite qualifications, e.g. Certification Authority (CA) to be eligible for training.
- (d) Whether an employee has failed the CA exam and is either in the process of requalifying or has chosen not to requalify.
- (e) Priority for training will be given to senior positions, e.g. Crew Chiefs, Air Engineers, Lead Avionics Technicians, regardless of classification seniority.

And, the selection will be first limited to those holding less than three (3) valid aircraft type on their Certification Authority (CA).

This requirement may be waived with local agreement between the Company and the Union.

Following successful completion of the course the employee will be required to have the endorsement added to their Transport Canada license and to their Certification Authority (CA).

ARTICLE 9
FILLING OF VACANCIES

9.01 In all matters involving filling of vacancies, subject to qualifications specified in Article 7 being met, classification seniority shall prevail except as provided in Clause 9.13 and Clause 9.17 of this Article.

9.02 Except as otherwise provided all vacancies exceeding ninety (90) days shall be advertised at all stations where employees covered by this Agreement are based. Such advertisements will be posted for a minimum of ten (10) days prior to the closing date indicated on the advertisement. Employees desiring to bid on vacancies shall file their applications with the designated Company representative prior to the closing date. Positions will be awarded within twenty-eight (28) days from the closing date of the advertisement. Advertisements will indicate the number of positions required and possible alternate number.

9.03 The Company will transfer successful bidders to their new positions within thirty (30) calendar days of the award date, unless otherwise agreed between the employee and the Company. Successful bidders will start accumulating seniority in, and receive the rate for new positions from the award date unless the filling of the vacancy is delayed at the request of the employee, in which case the seniority accumulation and pay will start on the date the employee fills the position. Such vacancies may be filled on a temporary basis until the transfer of the successful bidders.

When it is known in advance that the award date will not coincide with the effective commencement date this information will be included on the advertisements. In these instances accumulation of seniority and the new rate for the positions will start as of the effective commencement date indicated on the advertisements.

Nothing in this Agreement shall prevent the Company from cancelling vacancy advertisements prior to the actual placement of bidders in the positions. In such circumstances the seniority accumulation and pay provisions of this Clause will not apply.

NOTE: In the event that the awarding of a vacancy involves expenses such as those related to an employee's household effects or home sale, the employee must seek specific approvals in writing from the Company and in advance of incurring such expenses. When such approval is given by the Company, the employee will be reimbursed for such expenses in the event the award is cancelled in accordance with Clause 9.03 above.

9.04 An employee may file a letter with the designated Company representative prior to going on vacation or out of town assignment, stating in order of priority those vacancies s/he wishes to bid on should they be advertised. These letters are to be considered a bid on the vacancy concerned and shall be valid for the period of vacation or assignment. A copy of this letter shall be filed with the Union.

9.05 An employee bidding on more than one vacancy shall indicate the order of preference on each bid or automatically his most recent bid will be considered to be his preference.

9.06 If a medical examination is required this shall be stated in the advertisement and the expense shall be borne by the Company.

9.07 Should the successful bidder not possess the endorsements stipulated in the advertisement, he shall be allowed a period of ninety (90) calendar days in which to qualify. In the event that the successful bidder fails to qualify within the specified period (after receiving adequate training to endorsement standards) he shall return to his former position and work location without loss of seniority in his former classification or trade group.

9.08 If within a period of sixty (60) days from the date of award, the employee who has been awarded the vacancy withdraws for personal reasons satisfactory to the Company, or is the successful bidder on another advertisement, the Company may elect not to issue a further advertisement. In this situation, the position will be awarded to another eligible bidder selected from the bidders list or, in the case of advertised

vacancies normally filled by the Letter of Preference procedure, to the next senior bidder.

9.09 Should the successful bidder find within a period of six (6) months from the date of transfer the job or conditions to be not as represented on the advertisement, he may seek redress through the grievance procedure. if proven correct he shall be returned at Company expense to his former job assignment and status.

9.10 All employees who file bids shall be notified in writing as soon as possible of the names of all bidders as well as the names of the successful bidders, copy of which shall be sent to the Union.

9.11 After expiry of a period of ten (10) calendar days from the date of issuance of the vacancy advertisement, requests to withdraw or cancel bids may be rejected subject to agreement between the Company and the Union.

9.12 All vacancies in Inspector classifications and all vacancies in positions which require the ability to supervise and/or direct and train other personnel, will be advertised in accordance with the provisions of Clause 9.02.

9.13 The Company will make its selection of the successful bidders for advertised positions as follows:

(a) For senior positions requiring the ability to direct and/or train other personnel in the trade classifications and for all inspector positions, selection will be made from the eight (8) most senior qualified bidders (subject to Clause 9.07). Exceptions to Clause 9.13(a) will be:

(i) Lead Stockkeeper and Senior Print Shop Operator positions will be selected in accordance with Clause 9.13(b).

(ii) Air Engineer II, Avionics Technician II and Shop Inspector positions will be awarded in accordance with Clause 9.01.

- (b) For senior positions requiring the ability to direct and/or train other personnel in the work groups, selection will be made from the six (6) most senior qualified bidders.
- (c) For the positions of Senior Lead Station Attendant, Senior Lead Cleaner and Maintenance Control Technician selection will be made from the eight (8) most senior qualified bidders.

9.14 All vacancies in positions other than those covered in Clause 9.13 will be filled from employees holding classification seniority covering the vacant position who have letters of preference on file on the date the approved position is received by Employment Services. These vacancies will not be advertised on the system unless the positions involved are new to an existing work location or a new work location is created. Selection of the successful candidate will be in accordance with Clause 9.01.

9.15

- (a) Employees wishing to be considered for non-advertised positions will be required to complete a Letter of Preference identifying the position desired and/or the work locations (which may include a preference for a base) desired in order of preference. In order to remain valid the letter must be renewed every twelve (12) months from date of receipt. Such letters will be duly acknowledged and a copy of this acknowledgment will be forwarded to the Union.
- (b) When considering letters of preference on file for filling of a vacancy the following steps listed in order of priority will be used.
 - (i) The most senior employee at the base with a valid letter of preference on file, will be assigned the position and/or work location applied for. In classifications outlined in Clause 38.05, reduced-time employees' letters of preference will be actioned at a base only after letters of preference from more senior full-time employees at the base or system have been actioned.

- (ii) If no valid letters of preference are on file at the base, then the senior employee from the system with a valid letter of preference on file will be awarded the position. Reduced time employees' letters of preference will be actioned on the system only after letters of preference from senior full time employees on the system or reduced time employees on the base have been actioned. The most senior employees with valid letters on file will be advised of their consideration for the position(s) and asked to confirm their decision to accept the position within forty-eight (48) hours. There will be no penalty for withdrawing their letter.

9.16 An employee who is awarded a position of a non-promotional nature in the same classification for the second time within an eighteen (18) month period may be required to remain in that second position for a minimum period of eighteen (18) months. This provision shall not apply to a move to another base or to a promotional bid.

9.17 Should no bids be received on advertised vacancies or no valid letters of preference exist on file for vacant positions, the Company will fill the requirements by giving first preference to qualified applicants in the following order:

- (a) Bargaining unit seniority order for Applications for Transfer;
- (b) Transfer from another IAM bargaining unit;
- (c) Temporary employees per Clause 12.04;
- (c) Outside transfer or outside hire.

For the purpose of employee transfers from one trade classification to another trade classification the employee will be assigned to the appropriate pay level in the new classification in accordance with his technical qualifications in the new classification as determined by the provisions of Clause 8.04 of this Collective Agreement.

9.18 Except as otherwise provided, successful bidders on vacancy advertisements and successful candidates on the letter of

preference procedure, shall be required to bear all expenses occasioned by any moves except that the Company shall provide space available transportation on Company aircraft in accordance with Company policy.

9.19 Employees interested in transferring to a classification in which they do not hold seniority should utilize an Application for Transfer to indicate their interest.

9.20 Employees of identical classifications will be permitted to make mutual transfers of work locations and bases at their own expense subject to the approval of the Company and the Union.

9.21 Employees covered by the scope of this Agreement will be given consideration when appointments are being made to supervisory positions.

9.22 Where a senior position has been established by the Company and the incumbent is temporarily absent the senior qualified employee in that shop or crew may be upgraded to that position if required.

9.23 Permanent full-time employees covered by this Agreement who move their present domicile from one base to another in the employment of the Company because of

- (a) a transfer of work from one base to another which results in a reduction in establishment at one base and a corresponding increase in establishment at another base;
- (b) a technological change which required the transfer of employees from one base to another;
- (c) a closure of a base and exercising seniority to move to another base; or
- (d) being laid off at a base and exercising seniority by bumping or recall to move to another base;

will receive Company assistance in moving.

9.24 Company assistance in moving for the reasons listed in Clause 9.23 will be limited to:

- (a) Time Off

An employee shall be entitled to a reasonable period between the time he is relieved of his duties and the time he is required to report at the new base. Such time shall be established in advance by the employee and local management and shall have regard to the means of travel and the distance to be travelled. In addition the employee shall be relieved from all duty for a period of seven (7) consecutive calendar days at a time that employee deems necessary, subject only to operational requirements for the purpose of establishing a permanent domicile at the new base. The seven (7) calendar days off shall include working days and days off. During this period there will be no loss of regular salary.

(b) Transportation

Employee, spouse and children will be entitled to two (2) space available trips, per Company policy, by air on Company system to the new base for house hunting purposes. It is expected that these trips will be done during the employee's scheduled days off and/or between assignments. In addition the employee, spouse and children will be allowed to travel once by personal automobile or Company positive space air transportation to a new base at the time he establishes his new residence at his new base.

(c) Expenses

The employee will be reimbursed by the Company for reasonable meal expenses (not per diems), hotel allowance and mileage allowance (one automobile) incurred by himself and dependents during the period of automobile transportation to the changed assignment. Additionally, reasonable current living expenses for the employee and his dependents at the new base will be allowed for a period not to exceed seven (7) days.

(d) Household Effects

Employees will be allowed actual costs of moving household personal effects up to a maximum of ten thousand (10,000) pounds gross weight plus an additional one thousand (1,000) pounds for each dependent child. To qualify for this allowance employees must apply to the Company through the Regional Manager at least three (3) weeks in advance of the preferred

moving date. The three (3) weeks advance notice requirement may be reduced by the Regional Manager.

- (e) House Sale Assistance
An employee with two (2) or more years' service who is a house owner and who is forced to move to another base to retain employment in the event of a base closure or layoff which is expected to be more than four (4) months in duration is entitled to House Sale Assistance to the extent of Company policy (i.e., real estate commission, legal fees and mortgage pre-payment penalty) providing he actually moves his household to within a reasonable distance of his new base. House Sale Assistance shall consist of the employee and the Company jointly having the house appraised for fair market value in accordance with the attached Company procedures. If the employee is unable to sell the house at the established fair market value price within three (3) months he shall be paid the appraised value, less encumbrances at which time the Company will assume title to the property. Refer also to Appendix C.

9.25 A permanent full-time employee, with six (6) years of Company service, who moves from one base to another as a result of filling a vacancy under the provisions of Article 9 and who is not covered under Clause 9.23 will be entitled to Company assistance in moving once during his entire career with the Company. Such Company assistance shall be limited to the assistance provided in Clause 9.24 (a), (b), (c), and (d) only.

An employee who relocates to another base in anticipation of the closure of his home base will have his entitlement under this Clause reinstated providing the notice of base closure occurs within six (6) months of the date the employee relocated.

9.26 Where an employee has been required to relocate, in order to maintain employment in his position and/or classification, he, upon retirement, shall be entitled to one (1) Company assisted move provided he has not previously exhausted his entitlement under Clause 9.25. Such Company assistance shall be limited to the assistance provided in Clause 9.24 (b), (c) and (d).

| 9.27 Shift Exchanges

- (a) The Company and the Union recognize that an employee's privilege to exchange shifts is not intended to allow employees, for all intents and purposes to trade away his/her shift schedule.

- (b) Any difficulties which are anticipated or arise from the exercise of shift exchanges will be discussed and resolved by the District Chairperson and local management or if necessary, will be referred to a higher level.

9.28 Voluntary Step Back

An employee in a senior position may provide notice to the Company to step-back to a non-senior position. The Company will within thirty (30) days accept or reject the request. Such request will not be unreasonably denied. If the request is accepted, the senior position will be filled first by employees at the base who have recall rights to the position, then by a suitable applicant at the base. The Company will place the employee in the non-senior position resultant vacancy at the same status for which the employee is qualified at the base. The employee's rate of pay upon step-back will be at the highest step of the non-senior position in which they have been placed provided they meet the service requirements.

ARTICLE 10
PROBATION

10.01 All new employees shall be required to serve a probationary period of six (6) months. In the event that such new employee is absent from work for any reason, excluding regularly scheduled days off, for more than fourteen (14) calendar days during the six month probationary period, the Company may extend such new employee's probationary period by the number of days such employee is absent in excess of fourteen (14) days. The Company agrees to notify the Recording Secretary of the particular IAM&AW lodge involved when a new employee's probationary period has been extended as provided herein.

10.02 The Company reserves the sole right to make any decision regarding the retention or bid of a probationary employee and during probation, seniority rules shall not apply, but seniority, when established, shall be as provided in the Seniority Article. The Union will be given an opportunity for input into the assessment of probationary employees, including review of the employees' technical qualifications, prior to a final decision concerning the retention or dismissal of such employees.

10.03 If a temporary employee subsequently becomes a permanent employee, and if he has during his period of temporary employment complied with the requirements of Clause 10.01 and if his service is unbroken, he shall not be required to serve a further probationary period, provided that the work to which he is assigned as a regular employee is not substantially different from the work to which he was assigned as a temporary employee.

10.04 An employee who voluntarily transfers from one classification to another within the scope of this Agreement,

shall serve a probationary period of three (3) months in the new position. If he fails to successfully complete his probation in the new position, he may exercise his seniority in his previous position.

ARTICLE 11
TEMPORARY POSITIONS AND
ASSIGNMENTS FOR
PERMANENT EMPLOYEES

PURPOSE: To address varying work loads and to assign employees based on work priorities.

11.01 The time limit of a temporary position or assignment of more than one (1) day duration shall be specified in writing with a copy to the Union and shall not exceed ninety (90) calendar days unless otherwise locally agreed between the Company and the Union.

Away from Home Base - Filling of Temporary Positions

11.02

(a) Away from home base assignments will be offered in order of classification seniority within the position e.g. ICC, Lead Station Attendant, Air Engineer I, from the appropriate work area subject to the following:

- (i) Qualifications required to perform the away from home base assignment.
- (ii) When it is necessary to make an emergency away from home base assignment on the same day in which the necessity arises, the Company will determine the shift from which the employee will be chosen.

If the Company has prior notice of work to be done and in cases of planned work at away from home

bases, then the Company will assign the senior qualified employees.

(iii) Overtime hours worked while on away from home base assignments will be distributed to the affected employees in accordance with Clause 5.09. These hours will not be recorded at the home base unless it is a requirement of the pertinent Overtime Equalization program. Employees offered overtime under Clause 5.09 while away from home base will have no claim on overtime worked at the home base while they were on the away from home base assignment.

(b) Employees will be given as much advance notices as possible and every effort will be made to give a minimum notice of eight (8) hours before leaving time. All details pertaining to the foregoing shall be given to the employee in writing.

11.03 Travelling time for work assignments shall be compensated for at the applicable rate as time worked.

11.04

(a) Where meals, lodging and transportation are not provided by the Company all expenses will be allowed as outlined below:

- Lodging - per Company Administration Manual.
- Transportation - per Company Administration Manual.
- Meals:

Effective date of ratification - per Company Administration Manual:

	Where no Company cafeteria facility exists:	Where a Company cafeteria facility exists:
Breakfast	\$ 8.50	\$ 8.50
Lunch	\$14.50	\$ 8.50
Dinner	\$22.00	\$22.00

- (b) Employees away from their home base on a temporary assignment shall be entitled to be compensated for two (2) long-distance telephone calls home for every seven (7) consecutive days completed away from home base, provided, however, such calls shall not exceed five (5) minutes.
- (c) When assignments are in the United States, the per diem specified in Clause 11.04 (a) will be claimed in US funds.
- (d) In accordance with Clause 2.03 when an employee is required to work outside the territorial limits of Canada, he will be advised of the applicable rates for expenses prior to his departure.

11.05 The employee shall be returned to his/her home base as soon as possible after completion of his/her assignment. Days off earned during and prior to the course of the temporary assignment are to be taken at home base on return, unless agreed between the employee and the Company, except for days off taken during the course of formal training.

At Home Base

11.06

- (a) A permanent employee regularly assigned to a position coming under the scope of this Agreement who is required for a temporary or emergency assignment of one (1) to ninety (90) days' duration shall be compensated for such work at the classification rate to which she/he is entitled as per Article 6.
- (b) The Company shall ensure that assignments of one (1) to thirty (30) days' duration are offered in order of classification

Article 11 Temporary Positions for Permanent Employees

seniority to qualified employees scheduled to work during the hours required, or as otherwise mutually agreed at a local level.

- (c) For assignments of thirty-one (31) to ninety (90) days' duration the Company shall ensure these assignments are offered in order of classification seniority to qualified employees in the shop, crew or work location.
- (d) An employee accepting any temporary assignment under Clause 11.06 does so for the known duration of the assignment.
- (e) The Local Union Representatives will have every opportunity for input into the method the Company utilizes for ensuring such assignments are offered in order of classification seniority.
- (f) Should there be no volunteers the Company may assign the position in reverse order of classification seniority to those employees qualified.
- (g) In the clerical classification (Clause 13.05 (a) 15) when temporary assignments are identified which are expected to last in excess of ninety (90) days, by mutual agreement between the Company and the Union these may be filled under the provisions of this Clause. Should agreement be withheld by the Union these temporary assignments will be filled in accordance with Article 12.

ARTICLE 12
TEMPORARY EMPLOYEES

12.01 A temporary employee is a person who is normally employed on a continuous full-time working basis with the Company for more than one (1) month but not more than six (6) months' duration. Such employee shall come under the scope of this Agreement.

12.02 Temporary employees may be engaged by the Company for a period not exceeding six (6) months, unless extended by mutual agreement between the Company and the Union to accomplish work of a temporary nature.

Temporary employees may be used to relieve permanent employees during periods of sickness, injury, vacation or authorized leave of absence. They shall receive the minimum rate paid permanent employees whose places are being filled.

12.03 In the event of an emergent situation arising due to a sudden change of equipment brought about by emergencies such as war, the Company may hire qualified help for the duration. The aforementioned employees will hold temporary status.

12.04 Temporary employees shall be given preference over outside transfer or outside hire in the filling of any vacancy in a permanent position for a classification in which such employee is qualified. A temporary employee who, by the above, becomes a permanent employee, shall receive seniority credit from date of temporary hire which is continuous with permanent employment.

ARTICLE 13
SENIORITY

13.01 System seniority shall prevail.

13.02 Company seniority for all employees shall be the length of service with the Company and shall govern the following:-

- (a) Vacation entitlement.
- (b) Unpaid leave of absence.
- (c) Any other matter agreed between the parties or covered by Company policy.

13.03 Except as otherwise provided in this Agreement: Classification seniority for all employees shall commence from the date of entry into the trade classification or work group as outlined in Clause 13.05 and shall not be transferable from one trade classification or work group to another; and

Classification seniority earned in a previous trade classification or work group may be used for bumping purposes in the event of a layoff as a result of a reduction of forces. Classification seniority shall govern as follows:-

- (a) Retention as a result of a layoff due to reduction in forces.
- (b) Recall following layoff.
- (c) Displacement rights.
- (d) Filling of vacancies except applications for transfer.
- (e) Rest days and shift selection.
- (f) Any other matters agreed between the parties.

13.04 Bargaining unit seniority for all employees shall commence from the date of entry into the bargaining unit. Bargaining unit seniority shall govern as follows:-

- Vacation preference.
- Application for transfer

13.05

(a) Trade classifications consist of:-

1. Aircraft Mechanic classification which shall consist of: Inspector/Crew Chiefs (Aircraft), Crew Chiefs, Air Engineers, Aircraft Mechanics, Line Engineers, Flight Engineers, Aircraft Inspectors, NDT Technicians, NDT Mechanics, Maintenance Control Technicians, Foremen, Shop Technicians, Shop Inspectors, Lead Inspectors and Apprentices.
2. Avionics Mechanic classification which shall consist of: Inspector /Crew Chiefs (Avionics), Avionics Technicians, Avionics Inspectors, Shop Technicians, NDT Technicians, NDT Mechanics, Maintenance Control Technicians, Mechanics, and Apprentices.
3. Aircraft Electronic Mechanic classification which shall consist of: Inspector Foremen, Shop Technicians, Mechanics and Apprentices.
4. Aircraft Electrical / Accessory Mechanic classification which shall consist of: Inspector Foremen, Shop Technicians, Mechanics and Apprentices.

NOTE: The following items 3 - 12 shall be deemed to include Foremen, Shop Technicians, Shop Inspectors, Inspector/Foremen and Apprentices when applicable:

5. Aircraft Machinist classification which shall consist of: Machinists.
6. Aircraft Painters classification which shall consist of: Mechanics.
- *7. Aircraft Sheet Metal Mechanic classification which shall consist of: Mechanics, NDT Technicians and NDT Mechanics.

8. Aircraft Upholstery Mechanic classification which shall consist of: Mechanics.
9. Aircraft Welder (Mechanic) classification which shall consist of: Mechanics.
- *10. Aircraft Woodworker (Mechanic) classification which shall consist of: Mechanics, NDT Technicians and NDT Mechanics.
11. Process Mechanic classification which shall consist of: Mechanics.
12. Building Maintenance Mechanic classification which shall consist of: Mechanics.
- * Delete from Collective Agreement when all incumbents are trained and/or reclassified to Structures or elsewhere.
13. Ground Equipment Maintenance Mechanic classification which shall consist of: Mechanics.
14. Structures Mechanic classification which shall consist of: Mechanics, NDT Technicians and NDT Mechanics.
15. Stockkeeper classification which shall consist of: Senior Lead Stockkeepers, Lead Stockkeepers, Stores Carpenters, and Stockkeepers.
16. Loadmaster classification which shall consist of: Chief Loadmasters, Check Loadmasters, and Loadmasters.
17. Maintenance and Material Clerks and Records Controllers shall comprise one classification and shall consist of: Basic Clerks, Intermediate Clerks, Complex Clerks, Records Controllers and Lead Records Controllers.
18. Bindery Operator classification which shall consist of: Bindery Operators and Senior Print Shop Operators.
19. Senior Bindery Operator classification which shall consist of: Senior Bindery Operators, and Senior Print Shop Operators.

20. Typesetter classification which shall consist of: Typesetters and Senior Print Shop Operators.
 21. Assistant Press Operator classification which shall consist of: Assistant Press Operators and Senior Print Shop Operators.
 22. One Colour Press Operator classification which shall consist of: One Colour Press Operator and Senior Print Shop Operators.
 23. Two Colour Press Operator classification which shall consist of: Two Colour Press Operators and Senior Print Shop Operators.
 24. Printing Machine Operator classification which shall consist of: Printing Machine Operators and Senior Print Shop Operators.
 25. Platemaker/Camera Operator classification which shall consist of: Platemaker/Camera Operators and Senior Print Shop Operators.
 26. Dry Cleaner classifications which shall consist of: Dry Cleaners and Dry Cleaner Foremen.
 27. Calibration Technician classification which shall consist of: Calibration Technicians and Foremen.
- (b) Work groups consist of:
1. Cleaner classification which shall consist of: Senior Lead Cleaners, Lead Cleaners, Lead Process Cleaners, Process Cleaners, and Cleaners.
 2.
 - (i) Helper Building Maintenance classification which shall consist of: Helpers.
 - (ii) Helper Ground Equipment classification which shall consist of: Helpers.

3. Janitor classification which shall consist of: Lead Janitors and Janitors.
4. Laundry Worker classification which shall consist of: Laundry Workers.
5. Mender classification which shall consist of: Menders.
6. Sewing Machine Operator classification which shall consist of: Sewing Machine Operators.
7. Station Attendants classification which shall consist of: Senior Lead Station Attendants, Lead Station Attendants, Station Attendants, Lead Cargo Service Agents and Cargo Service Agents - Atlantic Region.
8. Security Officer classification which shall consist of: Lead Security Officer and Security Officer.
9. Container Serviceman classification which shall consist of: Container Servicemen and Lead Container Servicemen.

13.06 In the event that more than one employee in a trade classification or work group has the same seniority date including credits, the employee with the longer Company service will appear first on the seniority list and in the event of equal Company service the seniority placement will be determined by random selection with a Union representative present.

13.07 Where special circumstances warrant, an employee's seniority may be reviewed and established by agreement between the Company and the Union.

13.08

- (a) Any employee performing a temporary function that is outside the scope of this Agreement must not exceed ninety (90) calendar days per calendar year in such position. At the end of such temporary function the employee shall return to his previous position. Should an employee exceed ninety (90) calendar days he shall forfeit all acquired seniority.

- (b) When an employee accepts a permanent position in the Company that is outside the scope of the Agreement, the employee shall continue to accrue seniority for six (6) calendar months. If the employee returns to the scope of the Agreement within this six (6) month period he will return to the highest automatic progression attained in his former classification. After completion of the six (6) month period he will forfeit all accrued seniority.

13.09 When an employee is reclassified in accordance with the provisions of Article 9 from one trade classification or work group to another as defined in Clause 13.05 the employee shall continue to retain and accrue seniority in his previous trade classification or work group for an additional six (6) calendar months from the date of reclassification. However once this period has been completed the employee shall continue to retain but not accrue seniority in his previous trade classification or work group on a credit list.

13.10 When an employee is displaced or laid off in accordance with the provisions of Article 14 and subsequently accepts work in another trade classification or work group covered by this Agreement, he shall continue to accrue seniority in both classifications until such time as he is recalled to his previous classification. At that time the employee shall have the option of remaining in his present position or returning to his previous classification. The employee shall have fourteen (14) calendar days to advise the Company in writing of his intent. If the employee chooses to return to his former classification he shall retain but not accrue seniority on a credit list in the trade classification or work group not chosen. If he chooses to remain in his present position the following shall apply:-

- (a) Had he been in the position for less than six (6) months he shall continue to accrue seniority in his previous trade classification or work group until he will have completed six (6) calendar months in the new position. Once this period has been completed he shall retain but not accrue seniority in his previous trade classification or work group on a credit list.
- (b) Had he been in the position for six (6) months or longer he shall retain but not accrue seniority in his previous trade classification or work group on a credit list.

13.11 Employees who may be employed by the Company on operations outside of the territorial limits of Canada shall continue to accrue seniority and upon their return shall be permitted to exercise their seniority rights in accordance with the terms of this Agreement.

13.12 An employee resigning from the Company or discharged for just cause shall lose all seniority rights accrued to the date of resignation or discharge.

13.13 Employees who take authorized leave of absence to pursue Transport Canada accredited school studies shall continue to accrue seniority.

13.14 Employees transferring into the N.D.T. Department will retain and continue to accrue seniority on their previous trade classification. This trade classification seniority will prevail for all seniority provisions while in N.D.T.

13.15 The Company shall on January 15 of each year post on its bulletin boards at all stations where personnel covered by the terms of this Agreement are based, a System Seniority List which shall reflect Company, bargaining and classification seniority as referred to in this article, as of November 1 of the preceding year.

Seniority lists shall remain posted on bulletin boards until January 15 of the following year.

13.16 Employees shall have ninety (90) days after the posting of such seniority list in which to protest in writing any alleged omissions or errors affecting their seniority.

13.17 Seniority protests must be forwarded in writing to the Personnel Department, Administration YVRO256. After each protest has been investigated a reply in writing will be forwarded to the employee concerned with a copy to the Directing General Chairperson of the Union.

13.18 In the event that an employee does not file a written protest with the Company within the time limits stipulated above he

shall not be entitled upon subsequent correction of the seniority list to any retroactive application on a position bid and filled in the interim period unless by agreement between the Company and the Union.

13.19 Seniority list shall have appended to it all employment protection lists.

13.20 Apprentice seniority will be effective from the date in which they enter the appropriate trade classification.

ARTICLE 14
STAFF REDUCTIONS,
DISPLACEMENT RIGHTS AND
RECALL TO WORK

14.01 Where there is to be a reduction in force in a letter of preference location it will be accomplished in reverse order of classification seniority within the trade classification or work group at that letter of preference location. Employees affected will be given as much advance notice as practicable but not less than fourteen (14) calendar days.

14.02 An employee laid off shall at the time of layoff file his/her address with the Company and thereafter keep the Company informed of his/her current address by registered mail to Personnel Placement within fourteen (14) days of the changes of address. Should the employee plan to be away from the address for more than fourteen (14) days, he shall advise Personnel Placement of the duration of the absence and of a contact address and/or phone number. Should the Company be unable to contact the employee at the permanent or temporary address held by the Personnel Placement Department within fourteen (14) days, he shall be deemed unavailable for that recall and the next appropriate individual may be recalled.

The employee who was not available for that recall shall remain on the seniority list for any subsequent recalls but shall not be entitled, on this occasion, to bump the junior employee recalled in their place. Employees failing to respond to a recall estimated to last six (6) months or more will be deemed ineligible to fill a subsequent recall unless a legitimate reason is provided for not responding to the first recall notice. Failure to provide such reason at the time of subsequent recall will result in the employees' records being closed.

This information must be contained in all layoff notices.

14.03 Notices of recall issued to employees shall be sent by registered mail or prepaid telegram to the last address filed by the employee with the Company with a copy to the Union representative. The employee shall advise the Company official from whom the notice was sent of his intentions at the earliest possible time after he receives notice to return, preferably by return collect telegram. Employees must return to work within twenty-one (21) days of receipt of notification from the Company unless otherwise agreed between the Company and the employee.

14.04 During a period of layoff an employee will continue to accrue seniority.

14.05 Notwithstanding the provisions of Clause 14.01 of this Article, the Company may lay off employees holding senior positions within a trade classification or work group in accordance with reverse order of classification seniority, at the letter of preference location, subject to the ratio of senior positions to junior positions as established in Article 33, provided that laid off employees, including those holding senior positions, are accorded all the rights of bumping and recall.

14.06 All employees affected by a layoff within a trade classification or work group may within fourteen (14) calendar days from the date of notification of layoff elect to displace the junior employees in the following manner at the employee's option:-

1. Displace the junior employee at the same base in the position he currently holds on a permanent basis provided he has the classification seniority to do so.
2. Displace the junior employee at the same base in any one of any other positions he has previously held on a permanent basis provided he has the classification seniority to do so, or
3. In the event that there is no junior employee at the same base the person may bump the most junior employee within the system in any one of any other positions he has previously held on a permanent basis provided he has the classification seniority to do so.

The displacing employee's name then goes on a recall list and, with the exceptions in Clauses 14.07 and 14.15 of this Article, will be subject to recall by classification seniority, or

4. Displace the most junior person holding the same position within the system provided he has the classification seniority to do so. An employee with five (5) years or more in trade classification or work group seniority as of date of layoff will have the option of bumping the most junior person in their trade classification or work group in their region or the system, or
5. Accept layoff at his base and hold recall rights to that position at that base in order of seniority.

NOTE: For the purposes of Option 4 above, two (2) geographical regions are established by extending the Manitoba/Ontario border north. Everything west of this line will be considered the Western Region and everything east of this line will be considered the Eastern Region.

14.07 A person bumping another employee holding the same position at another base will forfeit all recall rights to the base from which he was laid off.

14.08 An employee who has received notice of layoff must advise the Company with respect to his choice provided in Clause 14.06 above within fourteen (14) calendar days of the date of such notice. Once the employee has advised the Company of his choice with respect to his options provided in Clause 14.06 above, he may be required to report to his new position or assignment within a reasonable period of time usually within three (3) to four (4) days following the employee's effective date of layoff, unless extenuating circumstances exist.

14.09 If the employee does not elect to displace elsewhere on the system within the time limit required, he will be laid off at his base and will forfeit such system displacement privileges. A laid off employee recalled for less than ninety (90) days will not re-establish his displacement privileges.

NOTE: The above Clause will not apply to employees who were laid off prior to the date of ratification. These employees will be governed by the provisions of Agreement No. 2, Clause 14.09, until such time that they are recalled for thirty (30) calendar days or longer (including earned days off) in which case displacement rights would be reestablished.

14.10 The Company and the Union agree that an employee can accrue, simultaneously, seniority in more than one trade classification or work group as per Clause 13.05 in accordance with the provisions of Clause 14.11 (b) of this Article and it is further agreed that seniority earned in any trade classification or work group may be used for bumping or recall purposes in the event of layoff subject to the terms and conditions of this Article.

14.11 The Company and the Union recognize that there is a difference between a "laid off employee" and an employee who holds "laid off status":-

- (a) A "laid off employee" is one who has been laid off from a position within a trade classification or work group covered by this Agreement and who is not employed in any capacity in a trade classification or work group covered by this Agreement. Such employee continues to accrue Company seniority and seniority in the trade classification or work group from which he was laid off and shall retain recall rights subject to the provisions of Clause 14.04 of this Article.
- (b) An employee on "laid off status" is one who has been laid off from a position within a trade classification or work group covered by this Agreement, but who has retained employment in another position within the same trade classification or work group or who has retained or been awarded employment in another trade classification or work group covered by the Agreement. Such employee continues to accrue Company seniority and seniority in the trade classification or work group from which he was laid off plus seniority in his current trade classification or work group and subject to Clause 14.06 and Clause 14.14 of this Article shall retain recall rights to the position at the letter of preference location or base (upon his discretion) from which he was laid off.

14.12

- (a) Prior to the posting of a vacancy or a Letter of Preference action at a base the filling of such vacancy will be implemented by the recall of employees who are laid off or on laid-off status either at the base or elsewhere in the system. The recall shall be accomplished in order of classification seniority. These employees must have elected within fourteen (14) calendar days of the date of notification of layoff to exercise their option to displace another employee either at their base or elsewhere in the system (but not necessarily both) as provided in the options in Clause 14.06 of this Article but who were unable to bump at the time of such election.
- (b) A laid-off employee who does not accept recall to a vacancy in accordance with the provisions of paragraph (a) of this Clause will forfeit system recall rights but will retain recall rights to the position from which he was laid off at the base from which he was laid off.

14.13 A laid off employee who does not accept a recall to a position from which he was laid off at the base from which he was laid off which is estimated to last six (6) months or more will forfeit recall rights to that position. Should the employee hold recall rights to only one position and he fails to accept recall which is estimated to last six (6) months or more the employee's record shall be closed.

14.14 An employee on laid off status who does not accept a recall to a position at the base from which he was laid off estimated to last six (6) months or more will forfeit recall rights to that position and will stop accruing seniority in that trade classification or work group but will retain all seniority accrued in his former trade classifications or work groups to date of recall.

14.15 Where there are laid off employees and/or employees on laid-off status at a base the Company will offer temporary recall to such employees prior to resorting to the provisions of Article 12. The normal period of temporary recalls will not be less than thirty (30) calendar days unless this period of time is reduced by agreement between the Company and the Union. Consent for such agreement will not be unreasonably withheld by either party.

14.16 Employees who as a result of layoff under this Agreement accept any position within the Company which is outside the scope of this Agreement shall continue to accrue seniority in the trade classification or work group from which they were laid off and shall retain recall rights.

14.17 Employees who as a result of layoff under this Agreement accept a position within the scope of this Agreement by means other than the exercising of their seniority rights shall continue to accrue seniority in the trade classification or work group from which they were laid off and shall retain recall rights to the position at the base from which they were laid off.

14.18 Notwithstanding the provisions of Article 6, of this Collective Agreement between the parties, an employee who retains employment in a position within a trade classification or work group which provides a lower rate of pay than that which applied to the position within the trade classification or work group from which the employee received notice of layoff, shall be paid the lower rate of pay while employed in such lower rated position. However in the event that the employee bumps into a position that is not a senior position his salary within the classification shall be determined by the employee's period of service within the trade classification or work group.

14.19 Subject to the provisions of this Article, during a period of layoff an employee will continue to accrue classification and Company seniority other than for automatic reclassification.

14.20 When a laid-off employee is recalled he will be entitled to benefit coverage as outlined below:-

Group Life Insurance - effective date of return.

Medical - effective first of the month following date of return.

Extended Health Plan - effective first of the month following date of return.

- Dental - effective first of the month following date of return.
- Disability Plan - effective date of return providing the period of layoff has not exceeded six (6) months. If the period of layoff has exceeded six (6) months coverage will be effective on the first of the month following three (3) months' active service.

Providing coverage under any of the above plans has not elapsed so that reinstatement is not required, such employee will continue to be covered under these plans from the date of return.

14.21 Industrial Disputes

Notwithstanding the provisions of Article 14, the following will be the procedure by which employees may be laid off and subsequently recalled in the event of an industrial dispute affecting the Company which results in a reduction in the Company's services.

1. When the Company has received sufficient warning of the disrupting occurrence, it will give each employee a minimum of three (3) calendar days notice of layoff. When the Company has received no notice of such an occurrence, a minimum of two (2) calendar days will be given to each employee. Initial notice of layoff shall be by bulletin board and telephone call as necessary, to be confirmed in writing to each individual.
2. Layoff shall be by reverse order of classification seniority by calendar day at each base. Personnel requirements retained or recalled during such a dispute, shall be established by the Company. The selection to fill the requirements, and the scheduling of the workload, shall be mutually agreed to by the Company and delegated representatives of the Union. The first employee retained or recalled shall be the senior position in that trade classification or work group (e.g., a Crew Chief on a crew, a Foreman in a shop, a Senior Lead Stockkeeper in Stores, a Lead Inspector in Inspection).
3. All personnel on vacation shall not be laid off or recalled until the vacation is completed, nor shall the approved vacation

- schedule be altered, except where mutually agreed between the Company and delegated representatives of the Union.
4. All personnel on duty away from base will not be laid off until return to home base and completion of earned days off.
 5. Senior eligible employees required to work will be recalled as required in relation to classification seniority, and will be eligible for such recall after respecting his earned days off.
 6. No overtime will be worked while any employees are laid off.
 7. No reduced-time or temporary employees will be employed while any employees are laid off within their work group unless mutually agreed to by the Company and delegated representatives of the Union.
 8. The fourteen (14) day time limit regarding bumping rights will be waived during such dispute.
 9. The Company will continue to pay all benefits for the duration of layoff.
 10. Recall of employees after such a dispute shall be by order of trade classification or work group seniority by calendar day at each base in accordance with the previous published work schedules.
 11. All employees shall return to bid positions held prior to layoff procedure, with the following exceptions:
 - (a) Employees exercising their seniority to bump a junior position, or
 - (b) Any employees exercising their seniority to bump at another base.
 12. Overtime bank may be used to defray lost time as a result of such a dispute up to the amount of time banked, but not to exceed one hundred and forty-four (144) hours.

14.22 A permanent employee returning to Canada from a permanent foreign assignment will exercise his seniority at the base from which he departed and in the classification held at the time of leaving Canada, by displacing the most junior employee in that classification.

14.23 For the purposes of Article 14 only, senior positions shall include the following: Inspector / Crew Chief (Aircraft), Inspector / Crew Chief (Avionics), Lead Avionics Technician, Inspector / Foreman, Crew Chief, Air Engineer II, Foreman, Shop Technician, Lead Inspector, A/C Inspector, Avionics Inspector, Shop Inspector, Flight Engineer, Line Engineer, N.D.T. Technicians 1, 2 and 3, Avionics Technician II, Senior Lead Stockkeeper, Lead Stockkeeper, Lead Records Controller, Records Controller, Complex Clerk, Intermediate Clerk, Senior Lead Cleaner, Lead Cleaner, Lead Janitor, Senior Lead Station Attendant, Lead Station Attendant, Lead Cargo Service Agent, Lead Container Serviceman, Chief Loadmaster, Check Loadmaster, Dry Cleaner Foreman, Lead Process Cleaner, Lead Security Officer, Senior Print Shop Operator, Planners III and IV.

ARTICLE 15

LAYOFF / REDUNDANCY PAY

15.01 A permanent employee covered by this Agreement who has completed one (1) year of continuous service under this Agreement immediately prior to being laid-off through no fault or action of his own, including layoff resulting from merger or geographical relocation, shall receive layoff pay as provided in Clause 15.02, subject to the limitations and conditions set forth herein, but he shall receive no layoff pay if any one or more of the following conditions exist:

- (a) He exercises his seniority in order to remain in the employ of the Company or accepts transfer.
- (b) He accepts any other employment with the Company or refuses to accept a job in his own or comparable work and pay classification at his base under this Agreement. Where an employee accepts employment at Company request at another station, he shall be entitled to relocation benefits as outlined in the Company's Administration Manual.
- (c) He fails to exercise his seniority at his base station which would enable him to remain in the employ of the Company.
- (d) The layoff is caused by an act of God, a national war emergency, revocation of the Company's operating certificates or certificate, or grounding of a substantial number of Company aircraft for reasons beyond the Company's control.
- (e) The layoff is caused by a strike, lockout or picketing of the Company's premises.

- (f) He is on leave of absence on the effective date of layoff. In the case of an employee on leave of absence due illness on the date of layoff for his seniority position, these layoff provisions will become effective on the date that he is able and reports for work following termination of such leave of absence.
- (g) His service is terminated as a result of discipline, retirement, correctable medical reasons or resignation other than as a direct result of, or during, a layoff.

15.02 The amount of layoff pay due under this Article shall be based on the length of actual straight time continuous service with the Company under this Agreement, and shall be computed on the basis of the employee's regular straight time weekly rate at time of layoff, as follows:

If employee has completed:	Lay-off Pay
1 year but less than 3 years of service	2 weeks
3 years but less than 4 years of service	3 weeks
4 years but less than 5 years of service	4 weeks
5 years but less than 6 years of service	5 weeks
6 years but less than 7 years of service	6 weeks
7 years but less than 8 years of service	7 weeks
8 years but less than 9 years of service	8 weeks
9 years but less than 10 years of service	9 weeks
10 years but less than 11 years of service	10 weeks
11 years but less than 12 years of service	11 weeks
12 years but less than 13 years of service	12 weeks
13 years but less than	

14 years of service	13 weeks
14 years but less than 15 years of service	14 weeks
15 years but less than 16 years of service	15 weeks
16 years but less than 17 years of service	16 weeks
17 years but less than 18 years of service	17 weeks
18 years but less than 19 years of service	18 weeks
19 years but less than 20 years of service	19 weeks
20 years of service or more	20 weeks

15.03 The employee eligible for lay-off pay shall receive such pay starting at the time of layoff, and payments for the amount due shall be at regular pay periods and continue until all lay-off pay credit is used, except that in no event shall any such pay be due after the effective date of recall by the Company.

15.04 In the event that a laid-off employee is recalled or obtains other employment with the Company without having used all his lay-off pay, the unused time will be credited to his account; however, service for additional lay-off pay credits will only be accumulated from his date of recall to a position covered by this Agreement.

ARTICLE 16
EMPLOYEES'
REPRESENTATIVES

16.01 The Union will select and designate from the employees such representative or representatives as may be necessary for the purpose of representing the employees under the terms of the Agreement.

16.02 The Union shall notify the Company in writing of the names of its accredited representatives and the General Chairpersons, and of any changes in the personnel thereof. The Company shall inform the Union in writing of the supervisor's position with whom said accredited representatives and the General Chairpersons shall deal and of any changes in the personnel thereof.

16.03 The Company will not discriminate against any employees, shop stewards or other Union representatives who from time to time represent other employees.

16.04 A shop steward or any member of the executive is a representative of the Union when dealing with the Company unless he specifically states that he is unable to act as such in a particular situation.

16.05 The Company recognizes the desirability of maintaining adequate opportunities for the Union representatives, specifically the Chief Shop Steward, Assistant Chief Shop Steward, Union System Safety Representative and members of the Union Executive, to communicate with the Company during corporate working hours. Therefore shift arrangements for these representatives will be such that all Chief Shop Stewards and Presidents shall have a day shift with weekends off. Bases with five hundred (500) or more employees, all representatives shall have day shift with weekends off, and bases with

less than five hundred (500) employees, day shift with weekends off, for representatives other than the President and Chief Shop Steward or equivalent may be arranged by local agreement. Refer also to Letter of Understanding No. 22.

16.06 Employee representatives and/or Grievance Committee members shall not leave their work to investigate or settle grievances until permission has first been obtained from their supervisors and such permission shall not be unreasonably withheld.

16.07 The Union District Safety Representative will be on day shift and be allowed one (1) hour per day to attend to safety matters, and as much time as required to assist a Company officer in accident investigation.

16.08 The Company will grant accredited representatives and the General Chairpersons leave of absence without pay. Such leaves of absence for accredited representatives will only be withheld when emergent operational requirements cannot be met by any other means. The Company shall provide free transportation over the Company lines to attend to Union business in accordance with Company policy.

16.09 The Company will continue to pay the monthly normal straight time salaries of eight (8) designated members of the IAM&AW Negotiating Committee while engaged in direct negotiations with the Company.

16.10 A Union representative or his/her deputy must be present when an employee is required to make statements on matters affecting the Agreement, Company working rules, compensation, accidents, or incidents from which discipline may arise.

16.11 Union appointed personnel who by prior agreement with the Company are required to meet with the Company will not suffer a loss of pay as a result of such meeting. If such meetings are held at another base the Company will provide transportation.

ARTICLE 17
GRIEVANCE / ARBITRATION
PROCEDURE AND HEARING

For the purposes of this Agreement a grievance is defined as any difference between the Company and the Union and/or those parties on whose behalf this Agreement was entered into concerning the interpretation, application, administration or alleged violation of this Agreement.

The parties recognize that in the best interests of the Union, the Employees and the Company the emphasis in this Article should be placed on resolving complaints at the lowest possible level and in an expedited manner.

17.01 INDIVIDUAL/GROUP GRIEVANCES

Individual or group grievances arise when an employee, or employees, believe his or their rights as set out in the Collective Agreement have been violated.

Step One

A meeting to resolve the issue will be held between the shop steward, employee(s), and the Company within fifteen (15) working days after the occurrence or awareness of the situation causing the complaint. If the parties are unable to resolve the complaint, a grievance will be filed with a joint written summary of the Company and the Union's positions prior to the end of the meeting.

The grievance, summary, and all relevant documentation will be forwarded immediately to the Joint Local Review Committee.

Step Two

Within ten (10) working days of receipt, the Joint Local Review Committee will meet for potential resolution.

If resolved by all parties, the grievance shall be concluded in writing at that meeting.

If the parties are unable to resolve the grievance, another joint written summary of positions will be created at that meeting and forwarded immediately to District Lodge 721 and Labour Relations along with all relevant documentation.

Step Three

Within ten (10) working days of receipt of the compiled summaries, District Lodge 721 will advise Labour Relations whether the grievance is to be discontinued or will proceed to arbitration.

District Lodge 721 and Labour Relations will have five (5) working days to schedule an arbitration.

17.02 POLICY GRIEVANCES

Any matters affecting the Union, or matters of interpretation, or any subject in which the Union or Company may have an interest, could be the subject of a policy grievance.

Step One

A meeting to discuss the issue will be held between the Chief Shop Steward and the Company. If there is no resolve at this meeting, a joint written summary of positions will be created and forwarded immediately to District Lodge 721 and Labour Relations.

Step Two

A meeting will be held between District Lodge 721 and Labour Relations within ten (10) working days of receipt. Should the issue be resolved, the resolution will be forwarded system wide to all Chief Shop Stewards and appropriate management, within fifteen (15) working days.

If the parties are unable to resolve the issue, a grievance will be filed. District Lodge 721 and Labour Relations will have fifteen (15) working days in which to schedule an arbitration.

17.03 DISCIPLINE GRIEVANCES

Discipline grievances arise when an employee feels that he/she has been unjustly disciplined.

Step One

A meeting to resolve the issue will be held between the Chief Shop Steward or designate, the Company and the employee within three (3) working days of the imposed discipline. If the parties are unable to resolve the issue, a grievance will be filed with a joint written summary of the Company and the Union's positions prior to the end of the meeting.

The grievance, summary, and all relevant documentation will be forwarded immediately to the Joint Local Review Committee.

Step Two

Within five (5) working days of receipt, the Joint Local Review Committee will meet for potential resolution.

If resolved by all parties, the grievance shall be concluded in writing at that meeting.

If the parties are unable to resolve the grievance, another joint summary of the positions is created at that meeting which will then be forwarded immediately to District Lodge 721 and Labour Relations along with all relevant documentation.

Step Three

Within ten (10) working days of receipt of the compiled summaries, District Lodge 721 will advise Labour Relations whether the grievance is to be discontinued or will proceed to arbitration.

District Lodge 721 and Labour Relations will have five (5) working days to schedule an arbitration.

Following the lodging of a grievance the parties agree that no material information related to the resolution of the matter grieved will be withheld from the other party throughout the grievance/arbitration procedure.

17.04 Notwithstanding Clause 17.03, grievances arising from discipline as a result of action taken under the Joint

Harassment Policy in accordance with Article 39, shall be forwarded immediately to the District Lodge for processing.

17.05 All time limits mentioned in this Article will be full calendar days and excluded Saturday, Sunday and General Holidays.

17.06 The parties may waive any step in this procedure and/or extend the time limits by written agreement. If an extension is requested, the time limits will be frozen until such time as a written response is received. Should either party exceed the time limits set out in this Article or fail to request an extension of the time limits in writing within the time limits the party exceeding the time limits must concede the grievance. The settlement must be in keeping with the provisions of the Collective Agreement, and if there is a dispute, the settlement would be subject to review by an Arbitrator.

17.07 A grievance/arbitration will normally be processed at the base where the affected employee is stationed or in the case of a policy grievance, at the base where the grievance was initiated, unless such arrangements would unduly affect the schedules of the representatives involved in the grievance/arbitration process, or, unless both parties agree that costs involved in processing such grievance/arbitration would be prohibitive.

17.08 If the parties cannot reach agreement on a resolution of the dispute at the final step of the grievance, the case will be referred to arbitration per the following:-

- (a) An Arbitration Board per procedures in Clause 17.09, or
- (b) Agreement between the parties to submit the dispute to a single Arbitrator, or
- (c) Agreement between the parties to submit the dispute to an Expedited Arbitration process as follows:
 - 1. Location of hearings will be agreed to by the parties and in most cases will be held at the nearest major base to where the grievance arose.

2. Grievances shall be presented by a designated representative of the Union and a designated representative of the Company (i.e. not outside representatives such as lawyers).
3. All presentations are to be short and concise with:
 - (i) Comprehensive opening statement dealing with the facts and provisions of the collective agreement upon which reliance is placed.
 - (ii) Limited use of precedential authorities.
 - (iii) Parties endeavouring to conclude cases within one working day.Nothing in the foregoing limits either party from introducing all the evidence they believe relevant to this case.
4. Decisions will be:
 - (i) Rendered verbally to parties within three (3) working days of hearing.
 - (ii) Confirmed in writing within two (2) calendar weeks of hearing.
 - (iii) The written decision shall set forth a brief explanation of the facts and the terms of the Agreement and/or law, relied upon for the decision.
 - (iv) Without precedent or prejudice to future proceedings unless otherwise agreed by the parties.
 - (v) Binding on both parties.
 - (vi) Consistent with the terms of the Agreement.
5. Fees and expenses of the Arbitrators shall be shared equally by the parties.

It is understood that changes to this procedure may be made at any time by agreement between the parties. Additionally, the hearings will be governed by the following guidelines which can be amended by agreement between the parties at any time.

1. A brief of pertinent documents will be jointly presented to the Chairperson.
2. If possible a statement of agreed to facts will be jointly presented to the Chairperson.

3. Responses to opening statements will cover any facts which are in dispute and any additional facts available.
4. The hearing will be conducted in an informal manner with limited objections by the parties and without concern for procedural irregularities.
5. Hearsay evidence and extrinsic evidence will be allowed to be entered without objection from the opposing party and given the appropriate weight by the Chairperson.
6. Witnesses will only be used to enter evidence relative to facts in dispute or for expert explanations and their testimony will be guided to the issues of fact.
7. Arguments will be presented only to points in issue.
8. Case authorities will be limited to founding Companies of Canadian Airlines or the airline industry whenever possible and will go only to points at issue.
9. Mediation of the issue by the Chairperson will be permitted if the parties both agree, but the parties must have authority to settle the issue at the table.

17.09 If an Arbitration Board is desired the Union will notify the Company in writing within five (5) days of receipt of the decision from the final step. The notification will include the name of the Union representative who will act as one of the Board members. Within seven (7) days of the receipt of this notice the Company will notify the Union in writing of the Company nominee chosen to sit on the Board.

As soon as possible after the receipt of this last notice the two (2) representatives shall meet and endeavour to reach agreement on the selection of a third member who shall act as chairperson. Should the representatives fail within five (5) days to agree on a chairperson the Minister of Labour for Canada shall be requested by the above mentioned representatives to appoint to the Arbitration Board a third member who shall act as chairperson. After the Arbitration Board has been formed by the foregoing parties it shall meet and hear evidence of

both parties and render a decision within sixty (60) days after the appointment of the chairperson or such longer period as may be mutually agreed upon. A majority decision shall constitute the decision of the Board but failing such a majority the decision of the chairperson shall govern. The decision rendered shall be final and binding on both parties.

The award shall be stated in writing and furnished to the Company and the Union. The Board of Arbitration shall not have jurisdiction to establish new provisions or to change by its decision in whole or in part the provision of the existing Agreement.

Witnesses who are deemed by the Union to be essential to their case presentation, excluding the arbitration process, and whose participation will not unduly interfere with the service of the Company will be granted time off with pay for a time sufficient to permit them to participate.

At any arbitration hearing, the Union may have the assistance of the employee or employees concerned and any necessary witnesses and they will be granted the necessary time off without pay.

For involvement in grievance or arbitration hearings, transportation over the Company lines shall be provided in accordance with Company policy.

The fees and expenses of the Arbitrator or the Chairman of the Arbitration Board shall be equally shared by the parties. The fees and expenses of the Arbitration Board representatives shall be paid by the respective parties.

17.10 All meetings between Company representatives and representatives of the Union will be held by appointment during regular working hours without loss of time to representatives of the Union. If the Union representatives call such meetings, overtime will not be paid.

A Union representative or his deputy must be present when an employee is required to make statements at hearings on matters affecting the Agreement, Company working rules, compensation, accidents or incidents from which discipline may arise.

17.11 No disciplinary action shall be taken by the Company prior to giving the employee the opportunity to have his case presented at a hearing. Notification of such hearing shall be given in writing within fifteen (15) days of the time when the Company became aware of the incident. The notification shall be given to the employee and the shop steward; except that in the absence of the employee such notification shall be given to the shop steward and a copy mailed to the employee's last known address.

17.12 Nothing in this Article shall be construed to prevent the Company from suspending with pay an employee pending a hearing. Notice of such suspension shall be in writing by hand delivered letter or if necessary by a special delivery letter to the employee's home. The Union shop steward must be handed a copy of such letter forthwith.

17.13 An employee will be informed of any correspondence of a disciplinary nature against the employee which the Company wishes to place on their personnel record, subject to their rights under this Article. When a notation of discipline is made against the record of an employee, he will be furnished with a copy and a copy will be sent to the Union. Disciplinary letters will be removed from an employee's personnel file after two (2) years from date of origin. An employee may peruse his personnel file not more than twice annually. Only the pertinent material and information contained in the file under the jurisdiction of the Personnel Department will be used in disciplinary action against the employee.

17.14 All hearings shall be scheduled to commence between the hours of 0900 - 1600 on weekdays (i.e., Monday to Friday inclusive) and every reasonable effort will be made to schedule such hearings during the employee's scheduled working hours. Exceptions to the above will be made when the employee is unavailable due to assignment, sickness, vacation, etc.

17.15 Employees are expected to give relevant evidence at hearings and investigations.

17.16 If it is found that an employee has been unjustly suspended such employee shall be reinstated with full pay for all time lost. If it is found that a penalty of suspension or discharge has been imposed

which is too severe in light of the circumstances the employee may be completely exonerated or given a lesser suspension or given a lesser disciplinary measure such as a letter of warning or letter of reprimand.

17.17 If a stenographic report is taken on a hearing or an investigation by either party to this Agreement, the other party will be furnished with a copy.

ARTICLE 18
VACATIONS

18.01 For the purpose of calculating and recording annual vacations a "vacation year" has been established. The year begins January 01 and ends December 31.

18.02 Vacation entitlement listed below will be increased by one (1) day for each General Holiday that occurs during their vacation period:-

During the vacation year in which the employee begins:	The employee will be entitled to	With the following pay applicable (subject Clause 23.15)
YEARS OF SERVICE	TIME ENTITLEMENT	PAY ENTITLEMENT
1	(per Clause 18.04)	(per Clause 18.04)
2	(per Clause 18.03)	(per Clause 18.03)
3 - 5	2 weeks (14 calendar days)	2 weeks regular earnings or the Canada Labour Code whichever is greater.
6 - 10	3 weeks (21 calendar days)	3 weeks regular earnings or the Canada Labour Code whichever is greater.
11 - 15	4 weeks (28 calendar days)	4 weeks regular earnings
16 & over	5 weeks (35 calendar days)	5 weeks regular earnings.

NOTE 1 Notwithstanding the provision that all vacation earned in one vacation year is to be taken in the following vacation year it is recognized that the employees formerly covered by the CPAL/IAM & AW Collective Agreement No. 26 are currently taking one week vacation in the year in which it is earned. It is agreed that this practice will continue for those employees but will not be instituted for any employees who were not covered by Agreement No. 26.

NOTE 2 Notwithstanding the above employees will be granted vacation entitlement and vacation pay based on current wages or the provisions of the Canada Labour Code, Part III, whichever is the greater.

NOTE 3 Notwithstanding what shift an employee may be working as outlined in Article 3, an employee's vacation week shall be defined as thirty-seven and one-half (37½) hours or as otherwise mutually agreed.

NOTE 4 These provisions for calculation of service will be effective January 1, 1988. For retroactive calculation of service dates for the purposes of vacation entitlement, the methods of calculation at PWA and CPAL, respectively, prior to January 1, 1988 will continue to be applied.

It was agreed between the parties that Note 4 of Clause 18.02 will be deleted effective January 1, 1991. There will be no retroactive application of this deletion.

Former CP Air employees who had their vacation service date changed because of lay-off will have their vacation service date amended January 1, 1991 to reflect the deletion of the above Note.

An employee who receives one additional week's vacation in 1991 as a result of this change will not bid this week as part of his vacation bid in November/December 1990 in accordance with 18.07 but will have such week placed in his Overtime Bank to be taken as time off at a mutually agreeable time no later than December 31, 1991 or to be paid out as cash.

- 18.03 Employees with less than one (1) year of service shall be entitled to fourteen (14) calendar days free of duty in the following vacation year. Wages for this period shall be four percent (4%) of total wages during the year in which the vacation was earned.
- 18.04 Employees leaving the service of the Company who have completed thirty (30) days but less than one (1) year of continuous service with the Company excluding any layoff period or authorized leave of absence shall be entitled to four percent (4%) of total wages earned during their period of employment as vacation pay.
- 18.05 Employees leaving the service who have completed one (1) year of continuous service with the Company excluding any layoff period or authorized leave of absence at a time when an unused period of vacation stands to their credit shall be paid the amount due them in lieu of vacation calculated to the date of their leaving the service as provided for above.
- 18.06 Employees within the same classification in each base, department, shop or crew shall be given preference for vacation selection in order of bargaining unit seniority.
- 18.07 A vacation list will begin circulation by November 1 in every year so that employees may select their vacation period.

All employees in the same vacation group and individual employees will be required to indicate their first choice by no later than November 15, their second choice by no later than November 30, their third choice by no later than December 15 and their fourth and subsequent choices by December 31. The approved list shall be posted no later than January 15 of the following year.

Employees may split their vacation entitlement into minimum one (1) week segments. However, when vacations are split the employee's first preference will be in order of bargaining unit seniority and the awarding of his second and subsequent preference will be in order of bargaining unit seniority only after all employees have made their choice in each selection round. Employees who have not made their choice in each selection round shall forfeit such choice and following the last selection

round, the unbid vacation will be assigned after March 31. The format will be the same for all bases.

18.08 No employee shall have more than four (4) calendar weeks off as annual vacation during the period starting July 1 ending August 31 in the first selection round.

18.09 Local Union Vacation Committees will be established to meet with the local management to discuss any problems arising from vacation scheduling.

18.10 Vacation periods will not be altered after having been approved without local agreement between Company and the Union.

18.11 An employee who is unable to commence his scheduled vacation period due to injury or illness including Workers' Compensation shall be awarded a new vacation period upon return to duty. However, if the employee does not return to duty on or before December 1 of any year he shall have the option to receive the pay in lieu of the vacation earned but not taken.

18.12 Employees will not be permitted to defer or accumulate annual vacation nor will they be allowed to work through any assigned vacation period and receive the vacation pay credits due them.

18.13 A ratio will be observed between the number of vacation weeks for which employees in a department, shop, or crew is eligible and the number of employees in that group who will be released at any one time on the basis of one employee for each thirty-two (32) weeks (1:32) or portion thereof vacation entitlement in that group.

In determining the number of vacation weeks for which the group is eligible the paid Leave of Absence weeks and the overtime bank vacation weeks are excluded.

This ratio can be exceeded depending on the local operational requirements. Actual vacation ratios will be arranged on a local basis to meet operational requirements. The vacation ratio guidelines that have been used in the past for the hangar and shops in Vancouver will continue to be used.

18.14 On fourteen (14) days' notice employees proceeding on annual vacation will be entitled to receive their vacation pay cheques prior to departure.

18.15 An employee's normal days off will not be changed as a result of his vacation period.

18.16 An employee who moves voluntarily to a new crew, shop, or base after the vacation list is posted shall not be allowed to exercise his seniority to disrupt the list but shall accept an open vacation period. This Clause shall not prevent the employee from requesting and the employer from granting vacation in excess of the vacation ratio.

An employee who is bumped or assigned to a new crew, shop, or base shall retain his vacation selection.

ARTICLE 19
LEAVE OF ABSENCE

19.01 Effective January 1, 1978 all permanent full-time employees who have completed twelve (12) continuous months of service in a permanent position covered by this Agreement will be entitled to elect one of the following options:

- (a) Five (5) day's leave each calendar year with pay at their regular rate in accordance with the following:-
 - 1. For the purposes of selection of the leave period the five (5) days of paid leave will be added to the employee's regular vacation entitlement and selection then made in accordance with the provisions of Article 18.
 - 2. The five (5) days of paid leave under this Clause will not be considered in establishing the number of employees permitted to be absent on vacation at any one time in each base, department, shop or crew.
 - 3. Following the date on which the required service is completed new employees will be eligible for the five (5) days' paid leave in the calendar year in which they complete twelve (12) months of continuous service in a permanent position providing the twelve (12) months' service requirement is completed prior to December 1 of the calendar year.
 - 4. Employees who have established eligibility for paid leave in accordance under this Clause and who were absent for more than seventy (70) calendar days in the preceding year for reasons other than compensable injury will have their five (5) days' paid leave prorated on the basis of one (1) day's leave for

each seventy (70) calendar days of service or major portion thereof.

NOTE 1 It is understood and agreed that the provisions of this Clause have been established in lieu of an additional two percent (2%) on the wage rates established in accordance with this Agreement.

NOTE 2 The provisions of Clause 19.01 (a) shall not apply to reduced-time employees as outlined in Article 38. All reduced-time employees will be granted the bonus provision of Clause 19.01 (b) based on actual earnings in the previous vacation year on a non-elective basis, to be paid in the first pay period of the calendar year.

(b) Prior to July 01 of the preceding year, the employee may elect to receive a 2% bonus identified in (a) above in lieu of the extra week, to be paid at his earliest vacation time.

19.02

(a) Employees may be granted leave of absence up to ninety (90) days by the Company without loss of seniority rights. This leave may be extended up to a maximum of one (1) year by local agreement between the Company and the Local Lodge. An employee absent on leave who engages in other employment will lose his seniority unless special permission has been first obtained from the proper officials of the Company and with the consent of the Union. The terms of the permission must be in writing.

(b) For education purposes only, the Company and the District Lodge may, upon written request from an employee consent to a leave of absence of up to one (1) year without loss of seniority rights. This leave may be renewed by mutual consent of the Company and the Union.

19.03 An employee may be granted leave of absence up to five (5) days by approval of the supervisor in the employee's work area.

Requests for such leave must be submitted in writing with reasonable advance notice and will be considered in order of receipt.

19.04 All leave of absence requests shall be in writing. All requests for extensions shall be submitted not less than two (2) weeks prior to expiry date of original leave.

19.05 In the event of a national emergency if an employee is granted leave of absence for the purpose of serving in the Canadian Armed Forces or for the purpose of engaging in essential war work with the government or other employer he shall be governed by the provisions of the Reinstatement in Civil Employment Regulations as amended or other applicable law. Such employee shall retain and continue to accrue seniority and classification service for pay purposes during such absence.

19.06 An employee who is appointed as the accredited representative of the employees and who is furloughed from his position for this purpose shall be granted leave of absence.

19.07 *Compassionate and Special Leave*

Employees will be granted a leave of absence with pay on compassionate grounds under the following circumstances:

- (a) Three (3) days with pay when there is a serious illness, serious injury or death of a member of the immediate family.
- (b) One (1) additional day with pay shall be allowed for out of town travel in excess of one hundred and sixty (160) kilometers or two (2) additional days with pay where travel is required outside of North America.
- (c) Any other situation which the supervisor considered to be legitimate compassionate grounds. Any such leave over three days necessitated by distance of travel or granted for any other reason considered by the department head to be valid, shall either be without pay, or vacation credits may be used at the employee's request.
- (d) In addition an employee will be granted a leave of absence with pay for the wedding day of the employee or a member of the immediate family.

- (e) For the purposes of this Article, immediate family means husband, wife, common-law spouse, parents, children, sisters, brothers, person in loco parentis, grandparents, grandchildren, parent-in-law or legal guardian of the employee.

19.08 Maternity and Child Care Leave

Every employee who has six (6) months' service with the Company is entitled to and shall be granted a leave of absence and the following rules shall apply for maternity, parental, adoption and child care leave.

- (a) The Company shall not dismiss, suspend, layoff, demote nor discipline, nor deny promotion or training because the employee has applied for leave under these Clauses.
- (b) No employee can be laid off while on leave under these Clauses 19.09, 19.10, 19.11 and 19.12. However, this shall not prevent the Company from laying off active employees who are senior to him/her during his/her leave of absence under this Clause.
- (c) Every employee who intends to take a leave of absence under these Clauses 19.09, 19.10, 19.11 and 19.12 shall:
 - (i) Give at least four (4) weeks notice in writing to the Company unless there is a valid reason why such notice cannot be given.
 - (ii) Inform the Company in writing of the length of leave intended to be taken.

NOTE: Nothing in the foregoing shall prohibit the employee from returning to work prior to the expiration of the leave of absence.

- (d) The Company must inform in writing, every employee who takes leave under these Clauses 19.09, 19.10, 19.11 and 19.12 of every employment bid, promotion or training opportunity for which the employee is qualified. The employee must request this in writing.

- (e) Every employee who takes leave under these Clauses 19.09, 19.10, 19.11 and 19.12 is entitled to be reinstated in the position that that employee occupied when the leave commenced. If for a valid reason the Company cannot reinstate an employee in that position the Company shall reinstate the employee in a comparable position with not less than the same wages, benefits, and same location or awarded a position as per (d) above.
 - (f) The pension, health and disability benefits and the seniority of any employee who takes or is required to take a leave of absence from employment under this Article shall accumulate during the entire period of the leave.
 - (g) Where a monetary contribution is normally required of an employee for the employee to be entitled to a benefit referred to in (f) above, the employee is responsible for and must, within a reasonable time, pay that monetary contribution.
 - (h) For the purposes of calculating the pension, health and disability benefits of an employee who fails to pay the monetary contribution required by (g) above, employment on the employee's return to work shall be deemed to be continuous with employment before his absence.
 - (i) For the purposes of calculating benefits of an employee who takes or is required to take a leave of absence from employment under this Article, other than benefits referred to in (f) above, employment on the employee's return to work shall be deemed to be continuous with employment before his absence.
- 19.09 Maternity Leave
- (a) Where an employee is pregnant that employee is entitled to and shall be granted a leave of absence of up to nineteen (19) weeks which leave may commence not earlier than eleven (11) weeks prior to the estimated date of her confinement and end not later than nineteen (19) weeks following the actual day of her confinement.

- (b) In the case of a female employee applying for leave under this Clause she shall provide the Company with a medical certificate stating expected confinement date.
- (c) The Company shall not require an employee to take a leave of absence because the employee is pregnant, however if an employee is unable to perform an essential function of her job and no appropriate alternative job is available for that employee, that employee may be required by the Company to take the leave but the burden of proving this rests with the Company.
- (d) If an employee is unable to work because of a pregnancy related or unrelated illness she shall be allowed to use her sick leave under this Agreement. This shall not be construed to mean that she shall be allowed sick leave while on Maternity or Child Care Leave.

19.10 Child Care Leave

Where an employee has or will have the actual care and custody of a new born child that employee is entitled to and shall be granted a leave of absence of up to twenty-four (24) weeks commencing as the employee elects,

- (a) In the case of a female employee:
 - on the expiration of any leave of absence taken by her under Clause 19.09,
 - on the day the child is born, or
 - on the day the child comes into her actual care and custody, and
- (b) in the case of a male employee:
 - on the day the child is born, or
 - on the day the child comes into his actual care and custody.
- (c) The combined amount of leave of absence from employment that may be taken by two (2) employees of this Company under this Clause, shall not exceed twenty-four (24) weeks.

19.11 Adoption Leave

- (a) Where an employee commences legal proceedings under the laws of a province to adopt a child or obtains an order under

the laws of a province for the adoption of a child, that employee is entitled to and shall be granted a leave of absence from employment of up to twenty-four (24) weeks commencing on the day the child comes into the employee's care.

- (b) The combined amount of leave of absence from employment that may be taken by two (2) employees of this Company under this Clause, shall not exceed twenty-four (24) weeks.

19.12 Parental Leave

An employee shall be paid at his/her regular rate of pay for two (2) working days due to the absence of that employee or his spouse due to child birth or the adoption of a child.

This Clause will not apply during any approved absence from work.

ARTICLE 20
ABSENCE FROM WORK

20.01 In the event that any employee is late or prevented from reporting for work due to extreme weather conditions or other related conditions (flood, forest fire), they shall not be discriminated against.

If detained from work on account of sickness or any other cause he must if possible advise his immediate supervisor in time so that a relief can be arranged.

ARTICLE 21
ORDERS IN WRITING

21.01 All orders to an employee involving a change in his base or station assignment, promotion, demotion, layoff, leave of absence, recall, and change in pay or classification shall be stated in writing with a copy to the Union and such employee shall be given as much advance notice as possible.

21.02 The Company agrees to provide each Lodge of the Union with a copy of the Maintenance Control Manual, Maintenance Standards Manual, Technical Information Bulletins and Pass Manual, and all amendments to these manuals and bulletins as they are amended.

ARTICLE 22
HEALTH AND SAFETY

22.01 The Company shall establish healthy and safe working conditions and shall take all necessary precautions to protect the health and safety of its employees.

The Company will supply all special safety equipment or devices required by Part II of the Canada Labour Code.

Consideration will be given to any suggested improvements advanced by Union representatives.

22.02 The Company shall supply on a continuous return basis up to six (6) coveralls, shirt and pant combinations or smocks at no cost to the employee, and will arrange to launder and repair such clothing at stations where Company or commercial facilities are available. Where no laundry services are available, the Company shall provide adequate compensation for costs incurred by employees for laundering and repair of such clothing.

22.03 Employees shall not be required to work on aircraft or other equipment outside of hangars during inclement weather when hangar space is available. This does not apply to emergency work on aircraft for immediate use.

In any event an employee will not be required to work outside for periods of time in excess of those considered safe, taking into account temperature, wind, and other existing environmental conditions.

22.04 With due consideration to the environmental conditions, the Company will make available special clothing to employees assigned to work outside as follows:

1. Rain gear and rubber footwear on a return basis;
2. One parka or bomber jacket, twenty-four (24) months from previous issue, to employees assigned to work outside on an average of four (4) days or more per month with fifty percent (50%) of the cost borne by the Company. In the application of the foregoing it is understood that a heavy-duty parka (Woods 620 or equivalent) will be made available to eligible employees;
3. Clean parkas to employees assigned to work outside less frequently than in 2) above as required on a loan basis;
4. Clean cold-weather parkas, pants and footwear as required on a loan basis.

NOTE: Clothing in items 3) and 4) above may be purchased through Company stores at cost upon written purchase order from such employees.

22.05 For employees permanently assigned or assigned on a rotational basis to operations requiring Arctic clothing, a complete set of Arctic parka, wind pants and "ski-doo" type boots will be made available every other year on a return basis with the complete cost being borne by the Company.

22.06 One (1) bargaining unit employee will be appointed by the Union to co-ordinate with the Company the evaluation and selection of suitable cold-weather clothing.

22.07 For Flight Engineers, Line Engineers, Loadmaster, Security Officers and Cargo Sales Agent - Atlantic Region who are required to wear a Company specified uniform, the Company will assume the cost of one (1) uniform every four (4) years.

- (a) The Company will assume fifty percent (50%) of that cost of any uniform or portion of a uniform that is required in excess of the above allowance.
- (b) The Company specified uniform will consist of:-

One (1)	cap (except Security Officers)
One (1)	tunic
Two (2)	pairs of trousers
One (1)	trench coat
One (1)	raincoat
Six (6)	shirts
One (1)	parka (every two years when authorized for a particular operation)
Three (3)	pairs of coveralls (Charter and Contract Operations)
Buttons, braid, badges and insignia	

NOTE: The Company will supply flying coveralls for Charter Operations as required to employees temporarily assigned to such duties.

- (c) All uniforms will be purchased from the Company approved uniform supplier.
- (d) Should an employee be required to purchase a new uniform due to the Company changing the type or style of uniform such cost will be borne by the Company.
- (e) A uniform maintenance allowance of twenty dollars (\$20.00) per month will also be paid while assigned to positions specified in this Clause. This allowance will not be paid during any period of leave of absence without pay.

22.08 Where in the interests of safety, the Company requires the wearing of protective footwear, the Company will reimburse the employee, on receipt of proof of purchase, the cost of same up to a maximum of \$80.00 once every twenty four (24) months. If as a result of work related conditions, an employee's protective footwear becomes unserviceable, and it must be replaced, the Company will pay to the employee the benefit outlined above, prior to the expiration of the twenty four (24) month period.

The areas where such footwear is required will be determined by the Company Safety Representative in consultation with the Union Safety Representative.

22.09 Ear-muff type hearing protectors will be made available to all employees on a return basis at work locations where required by the Canada Labour Code.

22.10 The Company will establish and maintain a hearing test programme. An annual audio test will be established for all employees at all bases when required by job conditions.

22.11 Full size individual lockers will be provided for each employee required to wear Company supplied clothing and special safety devices.

22.12 Adequate first-aid coverage will be maintained at all bases as per Canada Labour Code, Part II.

22.13 The Company will not require employees to participate in searches of Company equipment, property or premises in the event of a bomb threat. The Company shall inform employees that a bomb threat has been reported or is suspected before requesting voluntary participation by employees in such searches.

22.14 All questions of unsafe working conditions shall be reported to the employee's immediate supervisory personnel and, if unresolved, will be handled in accordance with Part II of the Canada Labour Code (Refer to Appendix B).

All incidents involving employees and/or equipment shall be reported on the approved Company Incident Report Form. A copy of all such forms involving Union employees will be provided to the Union Area Safety Representative by the originating Company officer.

Any incident report and the subsequent investigation as to cause may be reviewed by the appropriate Safety Committee upon the request of any employee whose name appears on the report form and/or the Union Area or System Safety Representatives.

22.15 A pregnant employee who is concerned that working with hazardous substances or with video display terminals may be injurious to her unborn child or herself by reason of her pregnancy, and provides a medical certificate attesting to her concern, the Company shall make every reasonable attempt to modify her job or workplace to alleviate her concern. If this is not practical, then the employee may elect one of the following options:

- (a) Pre-natal extended leave of absence without pay.
- (b) Exchange of positions with another employee in the same classification on a voluntary basis until the pregnant employee commences maternity leave.
- (c) Transfer to any vacancy covered by the Collective Agreement for which she is qualified. She will be paid the rate of pay applicable to the new position.
- (d) Exchange positions with the junior employee in the same classification employed at a work site not having such exposure on a displacement basis.

22.16 If an employee has a particular and adverse reaction to continuous and consistent exposure at a workplace to certain hazardous chemical substances, and provides a medical certificate attesting to his/her concern, the Company shall modify either the employee's job or workplace to alleviate his/her concern. If this is not practical, then the employee may elect one of the following options:

- (a) Exchange of positions with another employee in the same classification on a voluntary basis.
- (b) Exchange of positions with the junior employee in the same classification employed at a work site not having such exposure on a displacement basis.
- (c) Transfer to any vacancy covered by the Collective Agreement for which s/he is qualified. She will be paid the rate of pay applicable to the new position.
- (d) Leave of absence without pay.

22.17 The Company will designate smoking areas in lunchrooms.
It is understood that these smoking areas may not necessarily be separated from the general lunchroom.

22.18 The Company will provide all training and manuals as required by WHMIS and the Hazardous Products Act.

ARTICLE 23
EMPLOYEE BENEFITS

23.01 Pension Plan

The CAI Pension Plan is established as a continuing policy by Canadian Airlines International, the terms and conditions of which are set out in the Pension Plan Rules and shall not be amended except in accordance with those rules.

Changes to the structure of the plan and improvements to the plan as negotiated in Agreement No. 1 are outlined in Letters of Understanding Nos. 18 and 19.

23.02 Except as provided elsewhere in this Article, an employee who files a WCB claim will be paid directly by the Provincial Worker's Compensation Board once it is accepted. In those cases where the employee has met her onus with respect to proper and timely submission of the correct forms, or cases where the adjudication of the claim is delayed due to the complexity of the claim or as a result of the Company not providing the necessary information in a timely manner, the employee will receive the WCB benefit directly from the Company for a maximum of sixty (60) days or until the employee's claim has been adjudicated, whichever comes first. This period may be extended by mutual agreement between the parties. In these cases, the employee will immediately reimburse the Company the amount owing.

23.03 The Company will assume one hundred percent (100%) of the cost of the Overall Medical Services Plan premiums in the Province of British Columbia or a maximum monetary equivalent in another recognized plan in any other province or in the Yukon Territory in Canada. It is understood by both parties that this participation by the Company will not be compounded by any compulsory Provincial or Federal medical plan, either in existence or introduced at a later date.

23.04 Dental Plan

- (a) The Company will assume one hundred percent (100%) of the cost of a Group Dental Plan. It is understood by both parties that this participation by the Company will not be compounded by any compulsory Provincial or Federal Dental Plan, either in existence or introduced at a later date.
- (b) It is further understood by both parties that the Company shall have full trusteeship of the Dental Plan and that the present benefit level will be maintained.
- (c) Effective the first of the month following three (3) months of service, Dental Plan benefits will be paid in accordance with the Dental Association fee schedule of the Province or Territory of residence of the employee.
- (d) Payment by the Dental Plan described above for benefits listed under Plan "A" will be one hundred percent (100%).
- (e) Payment by the Dental Plan described above for benefits listed under Plan "B" will be seventy-five percent (75%).
- (f) The maximum annual benefit per employee and per listed beneficiary under Plans "A" and "B" described above will be two thousand dollars (\$2,000.00).
- (g) Payment by the Dental Plan described above for benefits listed under Plan "C" will be fifty percent (50%). The life time maximum benefit per covered member will be one thousand, two hundred and fifty dollars (\$1,250.00).

"Orthodontic Treatment" means treatment by a dentist for the correction of malposed teeth. Services for purely cosmetic purposes will not be covered. Benefits do not include replacement costs for lost or stolen appliances.

23.05 Extended Health Benefit Plan

- (a) The Company will assume one hundred percent (100%) of the cost of an Extended Health Benefit Plan. It is understood by both parties that this participation by the Company will not be

compounded by any compulsory Provincial or Federal Medical Plan, either in existence or introduced at a later date.

- (b) It is further understood by both parties that the Company shall have full trusteeship of the Extended Health Plan and that the present benefit level will be maintained.
- (c) The Extended Health Benefit Plan will provide coverage for corrective lenses in accordance with the provisions of the vision care rider. The maximum amount claimable during any consecutive twenty-four (24) month period will be one hundred and twenty dollars (\$120.00).

23.06 Group Life Insurance

- (a) Group Life Insurance coverage for employees coming within the scope of the Agreement will be based on three (3) times annual salary. The Company will pay one hundred percent (100%) of the premiums up to a maximum of \$25,000.00. The cost of coverage in excess of \$25,000.00 will be assumed by the employee.
- (b) Employees may elect to increase their life insurance by an additional one (1) times their annual salary.

Employees may elect to change their previous election at any time. Any employee electing this increased coverage following a period without such coverage must submit an Evidence of Insurability document at his own expense. The Insurance Underwriter will have the power of decision regarding the applicant's insurability.

100% of the premiums will be paid by the employee so electing, however the premiums will be variable on the basis of smoker and non-smoker, age related rates.

- (c) Group Life Insurance coverage of two thousand dollars (\$2,000.00) shall be established for spouses of permanent full-time employees coming within the scope of the Agreement, with the Company paying one hundred percent (100%) of the premiums.

23.07 Salary Continuation Plan

The employee will assume one hundred percent (100%) of the cost of the Salary Continuation Plan premium. The Company agrees to provide payroll deduction of these premiums and further agrees that the Union will have full trusteeship of this Plan.

23.08 An employee who becomes sick or injured as a result of having been or being outside of Canada on Company business, due to causes related to his/her occupation or to the living and health conditions peculiar to the countries in which s/he performed services, shall be properly hospitalized and treated at Company expense. The Company will recover all allowable costs from the applicable Medicare and Extended Health Plans.

If the sickness or injury necessitates treatment or convalescence in Canada, such employee shall be returned by the Company to Canada and settlement leave shall not commence until the employee is declared fit for duty. This same provision shall apply to recurrences of the same sickness or injury as long as the employee remains an employee of the Company.

If it is mutually desirable and advantageous to both the Company and the employee in the case of a long convalescence, the employee's settlement leave and/or earned vacation leave may be deferred to allow the employee to return to work. The deferred time off would then be taken later at a mutually agreed upon time.

An employee who becomes sick or injured while on assignment away from home base will receive his normal basic home base salary until compensation liability has been established. Once compensation is established any monies paid by the Company to the employee after the effective date of compensation will be reimbursed to the Company by the employee.

23.09 Any employee who, engaged in the Company's operations, is interned, captured, held as hostage or as prisoner of war, shall receive his normal basic home base salary until released. If such employee becomes involuntarily missing because of an act of aggression or war he shall receive his normal basic home base salary until proof of his death is established in fact or until there is reasonable presumption of death, in which event the Company shall, in addition to the above

compensation, cause to be paid the death benefits provided under this Article (Insurance Benefits) of this Agreement to the beneficiary or beneficiaries designated in writing by the employee prior to his disappearance.

23.10 As an alternative to paying compensation in accordance with the rate of pay provided for in Clause 23.09 above, the Company may pay the difference between the amount of such compensation and the amount of any compensation provided for by any law in respect of persons interned, captured, held as a prisoner or hostage of war, or missing as a result of an act of war.

23.11 Benefit assignments: The monthly compensation allowable under Clause 23.09 above to an employee who is missing shall be credited to such employee on the books of the Company and shall be disbursed by the Company in accordance with written directions from him. The Company shall request each employee hereafter employed to execute and deliver to the Company prior to such employment, a written direction in the form hereinafter set forth. The Company shall as soon as practicable, request all employees now employed to execute and deliver to the Company such a written direction. The direction referred to shall be in substantially the following form:

"Date

You are hereby directed to pay all monthly compensation allowable to me while missing under Article 23 (Missing, Internment, Hostage or Prisoner of War Benefits), of that certain Agreement between Canadian Airlines International and the Maintenance employees in the service of Canadian Airlines International as follows:-

*\$ per month to
Name
as long as living and
Address*

*thereafter to
Name
Address*

as long as living.

The balance if any and any amounts accruing after death of all persons in the above designation shall be held for me or in the event of my death before receipt thereof, shall be paid to the legal representative of my estate.

The foregoing direction may be modified from time to time by letter signed by the undersigned and any such modification shall become effective upon receipt of such letter.

Payments made by the Company pursuant to this direction shall fully release the Company from the obligation of making any further payment with respect thereto.

Employee's Signature"

23.12 Any payments due to any employee under this section which are not covered by a written direction as above requested, shall be held by the Company for any such employee and in the event of his death shall be paid to the legal representative of his estate.

23.13 Employees shall maintain and continue to accrue seniority and seniority for pay purposes during the period in which they are missing, interned, a hostage or prisoner of war.

23.14 It is recognized that employees' private life insurance policies may be invalid under certain conditions such as in a war zone or a hostile zone. In this event the Company will guarantee payment of the total amount of such private insurance policies up to a maximum of \$100,000.00 (one hundred thousand dollars) if the employee is killed on Company services.

23.15 Sick Leave

1. A permanent employee absent from work due to illness or injury (other than illness or injury covered by Workers' Compensation) will be allowed sick leave with pay as outlined below.

2. An employee will be credited with one day sick leave for each month worked in any year, beginning with the fourth month of his service with the Company.
 3. In the first, second and third absences from work due to illness or injury not covered by Workers' Compensation in any calendar year, employees will be entitled to sick leave with pay to the extent of the sick leave credits accumulated by the employee in accordance with 2. above.
 4. For fourth and subsequent absences from work due to illness or injury not covered by Workers' Compensation in any calendar year, employees will be entitled to sick leave with pay for only the second and subsequent days of such periods of absence, except as provided in 5. below.
 5. Any employee who has accumulated sixty (60) days or more of sick leave credit at the time of the absence will be entitled to sick leave with pay on all absences due to illness or injury not covered by Workers Compensation.
 6. Employees who are suffering from a suitably verified illness which requires recurring treatment will be entitled to all absences related to that illness to the extent of the sick leave credits accumulated by the employee in accordance with 2. above.
 7. Sick leave will be accumulated to a maximum of seventy-two (72) days.
 8. The Company may require a doctor's certificate in support of any absence due to sickness or injury. In the event that the Company requires such a certificate it must so advise the employee in time to enable him to consult with a doctor during his illness and such certificates will be at Company expense upon presentation of a valid receipt. (Ref. 18.11)
- 23.16 For the purpose of automatic wage progression and vacation pay the following will apply:
1. grace for duration

- occupational injury
- Union leave of absence
- jury duty
- maternity leave
- child care leave
- pre-natal leave of absence

NOTE: Notwithstanding the above, the grace period as it affects automatic wage progression will be capped to nineteen (19) weeks for employees on either maternity leave or child care leave or any combination of the two. For the purposes of vacation pay, the seventy (70) calendar day grace period shall apply.

2. 70 calendar day grace period
 - authorized sick leave
 - non occupational injury
3. no grace period
 - layoff
 - suspension
 - personal leave of absence

23.17 In the event that an employee is absent due to illness, or non-occupational injury the Company will continue to pay medical premiums for a maximum of six (6) months. Further, the Company will continue to pay Group Life Insurance premiums for 24 months, however, if the employee is declared permanently and totally disabled, the Company will pay the Group Life Insurance premiums for the duration of the absence. The Company will continue to pay 100% of the premiums for dental and extended health benefit plans for the first 12 weeks of illness or non-occupational injury. After the 12 weeks, the employee is responsible for and must, within a reasonable time, pay 100% of the dental and extended health premiums, unless at the commencement of the absence, the employee notified the Company that she/he does not wish to continue contributions after the 12 weeks. The employee may continue participation in the pension plan upon payment of normal contributions.

In the event that an employee is absent due to occupational injury, all benefit plans, i.e. pension, Group Life, medical, dental and extended

health will continue to be paid by the Company for the duration of treatment and rehabilitation under WCB unless the employee does not pay the employee's contributions, if any, within a reasonable time.

In the event that an employee is absent due to personal leave of absence, layoff, or suspension, the employee may, at his/her option continue in all benefit plans at 100% cost to the employee for duration of absence, except Short Term and Long Term Disability Plans.

In the event that an employee is absent due to maternity or child care leave, all benefit plans, i.e. pension, medical, dental and extended health will be paid by the Company for the duration of the absence, unless the employee does not pay the employee's contributions, if any, within a reasonable time.

When an employee is on jury duty, the benefits will be maintained with the current cost sharing arrangement between the Company and the employee.

If an employee is absent for any of the above reasons and does not wish to continue any of her/his contributions during that period he/she must notify the Company. For the purposes of calculating the benefits in this case, the employment on the return to work shall be deemed to be continuous with employment before the employee's absence.

ARTICLE 24
UNUSUAL CIRCUMSTANCES

24.01 Employees who have become unable to handle heavy work or who, because of non job-related illness or injury, can no longer carry out the duties of their job shall be given preference of such light work as they are able to perform. Employees shall be paid the rate of the job to which assigned.

24.02 Special shift schedules may be arranged by agreement on a local level between the elected representatives of the Union and the Company for employees who have given long and faithful service.

24.03 Employees who return to work after a job related injury or illness covered by Workers' Compensation and find upon medical advice (by a qualified Medical Practitioner) that they can no longer carry out the duties of their previous job will be given such light work as they are able to perform if such work is available, or allowed the reasonable opportunity to qualify for other work covered by this Agreement. In this circumstance, the employee will retain his/her current rate of pay until such time as the rate of pay in the newly assigned position catches up to their current rate.

24.04 It is agreed that the hiring and retention of the disabled is desirable. It is also agreed that special considerations of working conditions for the disabled may be required.

Therefore provisions of this Agreement may be amended or waived by agreement between the Company and the Union. These amendments or waivers will be implemented by Letter of Agreement on an individual basis to suit the employment of the individual concerned and the position in which he is to be employed.

The Company agrees to give consideration to the "IAM CARES" Program when hiring the disabled.

ARTICLE 25
BULLETIN BOARDS

25.01 Places shall be provided at bases where proper notices of direct interest to employees may be posted by the representatives of the Union.

Such notices are to bear the signature of one of the members of the Executive Board.

ARTICLE 26
TRANSPORTATION

26.01 Transportation on Company aircraft and/or ground transportation when proceeding on annual vacation will be granted in accordance with the regulations of the Company. In all cases involving special circumstances the Company will consider on its merits each application submitted for free transportation.

26.02

- (a) When it becomes necessary for an employee to travel to another location in carrying out his duties the Company will supply suitable transportation to the point of assignment and return.
- (b) On request, an employee during a temporary assignment away from home base will be provided with a Company business pass for travel to his home base. Such travel will not take place on Company time.

26.03 Where necessary the Company agrees to make every reasonable effort to provide transportation between the parking lot and the terminal work area for employees required to report directly to the terminal by utilizing available transport vehicles.

26.04 Vacation periods for employees at bases where no rail service is available shall not include any unavoidable delays in travelling from the employee's base to the closest main base as a result of enroute delays of the Company aircraft or bumping by revenue passengers.

26.05 Where it can be shown that unsafe conditions exist, Company transportation, airline limousine, cab or suitable transportation

will be provided for employees who are required to report for duty or who are released from duty between the hours of 2300 and 0700.

26.06 Whenever an employee is travelling on Company business on a Company aircraft, they must ensure they fulfill one of the following two conditions:

1. They must be travelling as a crew member. Such employee will have their name entered as crew on the Aircraft Flight Log Book.
2. They must be in possession of a properly issued ticket and/or written authorization signed by a properly authorized Company representative.

ARTICLE 27

**MEDICAL ATTENTION AND
PERSONAL INJURIES**

27.01 Employees injured at work will not be required to make accident reports before they are given medical attention, but will make them as soon as practicable thereafter. Transportation as recommended by the First Aid Attendant, will be provided by the Company to and from a doctor or hospital if medical care is required.

27.02 Employees shall be permitted to return to work when approved by the Company doctor or other doctor satisfactory to the employee and the Company without signing any release, pending the disposition or settlement of any claim for damage or compensation.

27.03 If the Company Doctor does not agree with the decision of a WCB Doctor regarding an employee's ability to resume his duties the Company and Union will select an independent Doctor to give a binding decision.

ARTICLE 28
PICKET LINES

28.01 Neither the Company nor the Union will discriminate against employees who cross or refuse to cross a legal picket line assembled by another bargaining unit within the Company.

ARTICLE 29
SAVINGS CLAUSE

29.01 Should any part or provision of this Agreement be rendered invalid by reason of any existing or subsequently enacted legislation by the Government of Canada, such invalidation of any part or provision of this Agreement shall not invalidate the remaining portions thereof, and they shall remain in full force and effect.

29.02 Any matter that is not specifically covered by this Agreement which may affect the employer-employee relationship can be discussed between the General Chairperson of the Union and the appropriate Vice President of the Company.

29.03 No provision of this Agreement shall be used to reduce an employee's current wage rate except as otherwise provided in this Agreement.

ARTICLE 30
GENERAL

30.01 The Planned Maintenance System has been devised to calculate maintenance times and costs. It is not the intention of the Company to utilize this system as a primary measure of an employee's performance. Employees will be requested to check the estimated times required to complete a given task in order that adjustments can be made to these estimates based on experience. It is the intention of the Company to apply the "Lead Time" column on the Production Control computer system as a method of scheduling the progress of a repair scheme. Where an individual's performance in relation to a lead time is in dispute the matter may be discussed by the Company and the Union.

30.02 The Company will reimburse an employee who is required to have a tool kit in the performance of his duties for the loss or damage of such tool kit or major portion thereof subject to the following:-

- (a) Any reimbursement will not exceed the replacement value of tools.
- (b) Each employee shall submit an identifiable inventory of the contents of a tool box. Each tool box shall have a lock and shall be left locked at a place designated by the Company.
- (c) The inventory form referred to in paragraph (b) shall contain the following information:
 - 1. Quantity
 - 2. Description

- 3. Identifying mark
- 4. Signed by: Employee Company
- Distribution: Employee
 Personnel
 File

30.03 Employees required to leave home base to act as holiday or emergency relief at outside bases or on rotational assignments shall be entitled to expenses as identified in Clause 11.04 of this Agreement.

30.04 Within six (6) months of notice of ratification the Company will be responsible for the translation of this Agreement into French, and such translation will be approved by the Union before the Agreement is printed in book form.

The Company will supply all employees covered by this Agreement with the employee's choice of an English or French Agreement at no cost to the employees. Costs associated with the printing of the Agreement shall be shared equally between the Company and the Union.

Such Agreements will be printed by the Company and will be made available within ninety (90) days of final signing.

30.05 Engine runs will be performed by qualified personnel of the Aircraft Mechanic classification. Qualified personnel of the Avionics Mechanic classification may be utilized.

At bases where separate hangar and ramp crews exist, engine runs at the hangar will normally be carried out by the hangar crew and engine runs at the ramp will normally be carried out by the ramp crew.

Intent is for the language to reflect the present practice. Not to alter the training policy, i.e. Training by seniority, Avionics in seat No. 2 or 3.

ARTICLE 31
DEDUCTION OF DUES

The Company shall deduct from the pay period which contains the twentieth (20th) day of the month, from wages dues and payable to each employee coming within the scope of this Collective Agreement an amount equivalent to the uniform monthly union dues of the Union, subject to the conditions and exceptions set forth hereunder.

31.01 The amount to be deducted shall be equivalent to the regular dues payment of the Union and shall not include initiation fees or special assessments. The amount to be deducted shall not be changed during the term of the Agreement excepting to conform with a change in the amount of regular dues of the Union in accordance with its constitutional provisions.

31.02 Membership in the Union shall be available to any employee eligible under the constitution of the Union on payment of the initiation or reinstatement fee uniformly required of all other such applicants by the Local Lodge. Membership shall not be denied for reasons of race, national origin, colour or religion.

31.03 Deductions shall commence on the first pay period which contains the twentieth (20th) day of the month in the month employment last commences in a position covered by this Agreement or such other date as may be mutually agreed to by the Company and the Union, subject to the provisions of Clauses 31.04 and 31.05.

31.04 If the wages of an employee payable on the payroll for the last pay period of any month are insufficient to permit the deduction of the full amount of dues, no such deductions shall be made from the wages of such employee by the Company in such month. The Company shall not, because the employee did not have sufficient wages

payable to him on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.

31.05 Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Company, pension deductions and deductions of provident funds shall be made from wages prior to the deduction of dues.

31.06 The amounts of dues so deducted from wages accompanied by a statement of deductions from individuals, shall be remitted by the Company to the Union as may be mutually agreed by the Union and the Company, not later than twenty-one (21) calendar days following the pay period in which the deductions are made.

31.07 The Company shall not be responsible financially or otherwise, either to the Union or to any employee for any failure to make deductions or for making improper or inaccurate deductions of remittances. However in any instance in which an error occurs in the amount of any deduction of dues from an employee's wages the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Union, the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions of this Article shall terminate at the time it remits the amounts payable to the Union.

31.08 The question of what, if any, compensation shall be paid the Company by the Union in recognition of services performed under this Agreement shall be left in abeyance subject to reconsideration at the request of either party on fifteen (15) days' notice in writing.

31.09 In the event of any action at law against the parties hereto resulting from any deduction or deductions from payrolls made or to be made by the Company pursuant to this Article of this Agreement, all parties shall co-operate fully in the defense of such action. Each party shall bear its own cost of such defense except that if at the request of the Union, counsel fees are incurred these shall be borne by the Union. Save as aforesaid, the Union shall indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by it as a result of any such deduction or deductions from payrolls.

31.10 Employees covered by Clause 13.08 (a) and (b) shall continue to pay Union Dues.

ARTICLE 32
ATTENDING COURT

32.01 When attending court as witness for the Company employees shall receive their salary as though employed at their home base and shall be paid on the basis of their normal work schedule including Sundays, holidays and travelling time. Actual expenses shall be allowed when away from home base and necessary expenses shall be allowed when at home. When necessary the Company will furnish free transportation and will be entitled to certificate for witness fees in all cases.

32.02 An employee required to perform jury duty, appear for jury selection or appear as a subpoenaed witness will be paid at his straight time rate. He shall turn over to the Company all monies received from the court for such service excluding payment for meals, lodging, transportation, and parking.

NOTE: It is understood that when subpoenaed as a witness the employee will take all steps reasonably necessary to claim payment of wages from the party requesting the subpoena.

The Company will provide a suitable form letter for this purpose.

32.03 The Company will pay for lost time for employees required by the Workers' Compensation Board to attend Workers' Compensation Board hearings.

ARTICLE 33
RATIO

33.01

- (a) The ratio applying to trade classifications throughout the System shall be five (5) senior positions to each junior position except as provided hereunder and excluding Printing classifications.
- (b) In the application of (a), senior positions consist of all Air Engineers and Mechanic positions and junior positions consist of Apprentices only.
- (c) In the application of (a) to the Mechanic classification in a trade where five (5) or less Mechanics are employed, one (1) Apprentice may be used. In a trade where six (6) to ten (10) Mechanics are employed, two (2) Apprentices may be used. In a trade where eleven (11) to fifteen (15) Mechanics are employed, three (3) Apprentices may be used, etc.
- (d) In view of the nature of work requirements, a minimum of four (4) senior positions to each junior position shall apply in the sheet metal trade.

33.02 In applying ratio as provided in this Article, reference to positions covers only those positions which come within the scope of this Agreement.

33.03 The number of senior positions will be established solely by the Company consistent with manpower requirements, provided that the ratio of junior positions to senior positions at any one base shall not exceed ten (10) to one (1). In the application of this Clause, senior positions consist of Inspector/ Crew Chief (Aircraft), Air Engineer II, Inspector/Crew Chief (Avionics), Avionics Technician II,

Crew Chiefs, Lead Avionics Technician, Planner III and Planner IV, and junior positions consist of Air Engineer I, Avionics Technician I, Mechanics and Apprentices.

33.04 The number of senior positions in shops will be established solely by the Company consistent with manpower requirements provided that the ratio of junior positions to senior positions at any one base shall not exceed ten (10) to one (1). Senior positions consist of Inspector/Foremen and Foremen. Junior positions consist of Mechanics and Apprentices.

33.05 At each base where Stockkeepers are assigned there will be a ratio of at least one (1) Lead Stockkeeper or Senior Lead Stockkeeper for every four (4) Stockkeepers.

33.06 At each base where Cleaners are assigned there will be a ratio of at least one (1) Lead Cleaner or Senior Lead Cleaner for every ten (10) Cleaners.

33.07 At each base where Station Attendants are assigned there will be a ratio of at least one (1) Lead Station Attendant or Senior Lead Station Attendant for every ten (10) Station Attendants.

33.08 The Company undertakes to ensure that adequate supervision is maintained on all shifts. Where, in the opinion of the Union, inadequate supervision is being furnished and too much responsibility placed on the occupant or any specific employee in these categories, the matter shall be referred to the Company for mutual discussion.

33.09 There will be one NDT Technician III maintained at Vancouver, Calgary and Toronto unless the NDT function ceases at the base.

ARTICLE 34
LINE ENGINEERS

Line Engineers will accompany the aircraft on its scheduled flight and will carry out all duties necessary to assure a safe and efficient operation.

34.01 Line Engineers (permanent, relief and temporary) must possess Company Certification Authority to cover the types of aircraft to which they will be assigned.

34.02 Line Engineers shall not be governed by Article 5 of the current Agreement but shall work on the basis of normal work month comprising one hundred and sixty-two point five (162.5) hours of service including all hours flown with a maximum of ninety (90) hours' flying time. All hours in excess of this will be paid at overtime rates.

34.03 The scheduled trips of Line Engineers will be posted one (1) month in advance subject to change as a result of operational requirements of the service. However when extra sections are required Line Engineers will when necessary, accompany such trips on a first in first out basis. Each Line Engineer will be allowed to select a block of flying for the month according to his classification seniority.

34.04 Permanent Line Engineers will not be required to work on aircraft at main bases, except Winnipeg.

34.05 The daily time of Line Engineers shall not exceed fourteen (14) hours, otherwise overtime rates shall prevail.

34.06

- (a) A Line Engineer shall be entitled to time off at the rate of nine (9) days per calendar month which may be accumulated and taken in a group by arrangement between the Line Engineer and his Supervisor.
- (b) Should a Line Engineer be called out on a regularly scheduled day off he shall be paid in accordance with Article 5, in which case that day off shall be considered to have been granted. In any case he shall receive minimum time off clear of all duty at the rate of nine (9) days per month. Whenever possible time off will be granted in forty-eight (48) hour periods.

34.07 In each month where a statutory holiday falls, the total hours of service will be reduced by seven and one-half (7½) hours or by the number of hours per day normally worked at the base concerned, whichever is greater.

34.08 Work performed on a statutory holiday will automatically become overtime hours and will be compensated for at overtime rates but calculated at straight time toward the one hundred and sixty-two point five (162.5) hours of service in the month affected.

34.09 Relief Line Engineers may be selected to stand by and fill in in the event of sickness, accident, or any other reason for which the regular assigned Line Engineer is not available. He shall receive the rate of pay of said Line Engineer on a day to day basis for each day of such assignment and he shall be entitled to all other conditions as may apply while assigned away from his home base. He shall carry out his normal duties and hours of work schedules at his home base when not required to fly with the aircraft.

34.10 All vacancies pertaining to Line Engineers shall be bulletined in accordance with Article 9 of the current Agreement.

ARTICLE 35
FLIGHT ENGINEERS

35.01 Qualifications: Must be in possession of a current M.O.T. Flight Engineer License and Company's Certificate; also must have a current Restricted Radio License.

35.02 Duties: To perform both "in-flight" duties and ground service duties as required to ensure the safety and airworthiness of the Company's aircraft. To supervise the work of sub-contractors re: servicing of the aircraft while away from base of operations. Will not be required to work on aircraft at Company bases.

35.03

- (a) Hours of Work: One hundred and sixty-two point five (162.5) hours shall constitute monthly maximum hours which shall include both flight and ground duty hours. Time in excess of one hundred and sixty-two point five (162.5) hours combined or ninety (90) hours flying time in any month will be paid for at overtime rate.
- (b) A minimum of forty-eight (48) hours clear of all duty will be allowed at home base between flights, provided that in no case shall time off at home base be less than five (5) forty-eight (48) hour periods each month.
- (c) The Flight Engineer will record all flight and ground time in his log which will be certified by the Captain.
- (d) Each Flight Engineer will be allowed to select a block of flying for the month according to his classification seniority.
- (e) Flight Engineers working part of the year for reasons other than retirement or layoff will accumulate one (1) day off in lieu of

general holidays for each of the general holidays falling within any period of his employment as per the Canada Labour Code. An additional three (3) days off shall be granted to Flight Engineers who have completed sixty (60) days of service. The total accumulated days off in the calendar year will be added to the Flight Engineer's vacation for the following year. These days off shall be taken as second choice vacation.

35.04 Accommodation and expenses will be as provided in accordance with Company Policy and each employee concerned will be given a copy of the rates prevailing in the area to which he is assigned.

35.05 **Sickness and Accident:** While on duty on international flight Flight Engineers will receive benefits no less than those afforded to pilot flight crew members.

35.06 **Insurance Benefits:** The Company shall provide each Flight Engineer with life insurance amounting to thirty-six (36) times the monthly salary at no cost to the employee.

35.07 **Missing, Internment, Hostage or Prisoner of War Benefits:** Flight Engineers will be covered by this Agreement.

35.08 The Company will give a minimum of forty-eight (48) hours' notice to a Flight Engineer before a check flight or training flight.

ARTICLE 36
LOADMASTERS

36.01 All flights which required Loadmaster duties shall be flown with Loadmaster(s) whose name(s) appear on the Loadmasters System Seniority List. Must pass appropriate examinations at intervals established by the Company.

36.02 Duties: The Loadmaster is responsible for the correct safe and efficient loading and unloading of any aircraft to which he is assigned in accordance with the Air Regulations or Company Manuals. In the performance of his duties he will also supervise any labour force assigned to him and ensure the safety of all related Company equipment. He will be responsible for the preparation and processing of documentation pertaining to an aircraft load as required by the Captain. He may be assigned such additional duties related to his work as specified by the Director of Flight Operations or his deputy.

36.03 Hours of Work:

- (a) Because of the continuous nature of the operation it is understood that hours of work conform to the operational requirements of the service. The normal work year shall be computed at thirty-seven and one-half (37½) hours a week for fifty-two (52) weeks, totalling nineteen hundred and fifty (1950) hours, reduced by:
 - (i) The employee's annual vacation entitlement at thirty-seven and one-half (37½) hours per week.
 - (ii) Nine (9) general holidays at seven and one-half (7½) hours per day.
 - (iii) Two (2) floating general holidays at seven and one-half (7½) hours per day.

- (b) Hours worked in any calendar year which exceed the total hours for the year as set out in Clause 36.03 (a) above will be considered overtime and paid at time and one-half (1½X). However the overtime shall not exceed three hundred and ninety (390) hours. (7½ hours per week in a calendar year)
- (c) Employees working for a part year shall be dealt with on a pro rata basis consistent with the above conditions.
- (d) The duty time of Loadmasters shall not exceed fourteen (14) hours on domestic operations or eighteen (18) hours on overseas operations, otherwise overtime rate at time and one-half (1½X) the hourly rate of pay shall prevail.
- (e) To provide a balance between duty time and time spent away from home base a Loadmaster shall be credited duty times as follows: One (1) hour for each three decimal two (3.2) hours away from home base or actual duty time, whichever is greater for the period.
- (f) Loadmasters will be guaranteed a minimum of twelve (12) days off a month at home base clear of all duties and will be granted where feasible, in periods of not less than forty-eight (48) hours. When assignment away from home base makes it impossible for a Loadmaster to obtain all or part of his time off the unused portion shall be granted in one (1) continuous period at the Loadmaster's base, within sixty (60) days immediately following the month in which it was earned. However such liquidation of unused time off shall not take precedence over annual vacations.
- (g) Loadmasters working part of the year for reasons other than retirement or layoff will accumulate one (1) day off in lieu of general holidays for each of the general holidays falling within any period of their employment as per Canada Labour Code. An additional three (3) days off shall be granted to Loadmasters who have completed sixty (60) days of service. The total accumulated days off in the calendar year will be added to the Loadmaster's vacation for the following year. These days off shall be taken as second choice vacation.

- (h) When a Loadmaster is required to deadhead by air at Company request he shall be credited with such deadhead time for pay purposes at the rate of one-half (½) hour duty time for each one (1) hour of such deadhead time, based on the actual flight time involved. In the event the minimum crew rest has not been taken and the duty and deadhead time exceeds fourteen (14) hours combined the applicable overtime rates will be paid for each hour in excess of fourteen (14) hours. Full deadhead credits will be given for purposes of duty time limitations. On overseas operations a Loadmaster deadheading by air shall be credited with one-half (½) hour flying time credits for each hour of actual flight time involved.

36.04

- (a) Maximum Duty Periods: A Loadmaster shall not be scheduled to perform any duties after being on duty for eighteen (18) consecutive hours on domestic operations and twenty-one (21) consecutive hours on overseas operations. However exceeding these limitations due to an irregular operation will be at the discretion of the Loadmaster.
- (b) Rest Periods: Away from home base a rest period will be a minimum of ten (10) hours (with a minimum of 8 hours available for prone rest). At a Loadmaster's home base a rest period shall be a minimum of twelve (12) hours. When a duty period exceeds fourteen (14) hours the rest period will be a minimum of the duty period minus four (4) hours.
- Any duty period following a rest period that is less than the minimum shall be paid at the applicable overtime rates. On overseas operations the rest period entitlement shall be limited to a maximum of sixteen (16) hours.
- (c) Maximum total of duty hours, deadhead hours and rest periods of less than eight (8) hours will not exceed thirty-seven and one-half (37½) hours.
- (d) Maximum air hours shall be one hundred (100) hours or one hundred and twenty (120) hours with flying hour credits per thirty (30) day period. Any time in excess of these maximums will be paid at time and one-half (1½) the hourly rate of pay.

- (e) Minimum crew rest of forty-eight (48) hours off duty returning from an overseas tour or after working an aircraft home from an overseas flight.

36.05

- (a) Where applicable, advancement in pay within each category shall be automatic on the first day of the pay period following that in which the employee has completed the required service.
- (b) In addition to monthly rates all Loadmasters will be paid two dollars (\$2.00) per flying hour.
- (c) Loadmasters shall be paid an allowance of twenty-five dollars (\$25.00) for each day or major portion thereof in which s/he is assigned to operate from a base in a remote region. Remote region means locations where communications, living and/or climatic conditions are below normally accepted standards as mutually agreed to by the Company and the Union.

36.06 Expenses: Accommodation and expenses will be in accordance with Company Policy and each employee concerned will be given a copy of the rates prevailing in the area to which s/he is assigned.

36.07 Sickness and Accident: While on duty on an international flight Loadmasters will receive benefits not less than those afforded to pilot flight crew members.

36.08 Insurance Benefits: The Company shall provide each Loadmaster with life insurance amounting to thirty-six (36) times monthly salary at no cost to the employee.

36.09 Loadmasters' scheduling as to "blocks and cycles" and "duty cycles" will be as outlined in the current Loadmasters Scheduling Rules. These rules may be changed during the life of this Agreement by mutual agreement between the Loadmasters Scheduling Committee and the Company.

36.10 The Company will give a minimum of forty-eight (48) hours' notice to a Loadmaster before a check flight.

36.11 All provisions of the current Agreement which are not contrary to anything provided herein shall apply hereto.

ARTICLE 37
ISOLATED POSTS

37.01 The Company and the Union agree that conditions provided for in this Article apply to employees assigned to isolated posts and supersede any preceding provisions dealing with the same subject matter.

37.02 This Article is applicable to Rotational Assignments and Non-Rotational Assignments and limited to those qualified employees permanently based in Quebec.

For the purpose of this part the words "isolated post" means places like:

- Hall Beach
- Kuujuarapik (Great Whale)
- Iqaluit (Frobisher Bay)
- Kuujuuaq (Fort Chimo)
- Nanisivik
- La Grande

Ice reconnaissance operations when performed away from base (presently based in Dorval) are covered by the provisions of this Article.

37.03 Employees at isolated posts shall receive a field allowance of one hundred and fifty dollars (\$150.00) per thirty (30) calendar days in addition to their regular base pay. When conditions at such isolated posts do not allow normal work scheduling employees shall be compensated for irregularity of work and overtime based on the following formula:-

- (a) An employee who does not work more than fifty (50) hours in a calendar week (Monday through Sunday) shall receive a weekly pay equivalent to fifty-five (55) hours calculated at regular rate.

- (b) An employee who works more than fifty (50) hours in a calendar week (Monday through Sunday) shall be paid for the first fifty (50) hours at regular rate and all exceeding hours up to fifty-five (55) hours at time and one-half (1½X) regular rate. Hours worked after fifty-five (55) hours shall be paid at double time (2X) regular rate.
- (c) While the foregoing paragraphs are intended to provide the basis of calculating the payment for hours worked, in no event shall the total weekly pay for employees at isolated posts be less than the equivalent of fifty-five (55) hours at regular rate.
- (d) Where the number of days of the assignment is less than a full calendar week, the provisions of the above paragraphs shall be prorated to the number of days worked over seven (7). e.g.

$$\frac{\text{No. of days} \times 55}{7} \quad \& \quad \frac{\text{No. of days} \times 50}{7}$$

37.04

- (a) The normal tour of duty at isolated posts for employees on a rotational basis shall be for a maximum of thirty (30) days or any longer period agreed upon between the Company and the employee and concurred in by the Union. If due to operational requirements an employee is required to advance his scheduled return to home base or his assignment period is scheduled for a lesser term than a normal tour of duty, he will be considered as having served a tour of duty (for the purpose of assignment limitations under this Clause) provided his actual period away on assignment has exceeded fourteen (14) days. The list showing the proposed rotation of the employees intended to be used shall remain posted on the appropriate bulletin boards and there shall be no deviation from this list without prior agreement between the Company and the employee and agreed upon by the Union. It is also understood that employees on rotational assignment will be given a minimum of thirty (30) days' notice of such scheduled assignments.
- (b) The aforementioned rotation list will reflect the employee's last return date and prior vacation allotment.

37.05 No employee shall be forced to rotate to isolated posts more than two (2) times in a calendar year with a minimum period of two (2) months at home base between any two (2) consecutive tours of duty. Notwithstanding the above, in the event the foregoing prescribed assigned tours of duty are exhausted by each employee in the classification before the calendar year ending and no volunteers agree to accept a third tour, the provisions of Clause 5.14 shall apply. It is further understood that this paragraph will not be utilized by the Company to curtail promotional opportunities for employees.

37.06 Employees assigned to isolated posts on a rotational basis will be allowed time off without loss of pay based on the following formula:

- (a) Two (2) days off for every seven (7) days, subject to a minimum of nine (9) days off for the first thirty (30) day period of such assignment.
- (b) Three (3) days off for every seven (7) days for the second thirty (30) day period or part thereof, when said second period follows without interruption of the first thirty (30) day period.
- (c) Days off allowed for an incomplete calendar week shall be calculated on a prorata basis by dividing the number of assigned days by seven (7) and multiplying the answer by the number of days off applicable to the length of his assignment as hereinbefore provided.
- (d) All days off will be on a calendar day basis and shall be granted immediately upon return after completion of assignment or when agreed upon within a period of thirty (30) days after return between the employee and the Company.
- (e) Employees returning from tour of duty shall be assigned to his/her normal shift/crew prior to taking their accumulated days off.

37.07 No employee shall be assigned to an isolated post on a non-rotational basis unless he agrees. In such a case the agreement covering his working conditions must be endorsed by the Union. Such

assignment shall be of no less than one (1) year duration except under extenuating circumstances agreed to between the Company, employee, and Union, and will continue on a year-to-year basis subject to what is contained below. Such assignment shall not be terminated except by local agreement between the Company and the Union, with the agreement of either party not being unreasonably withheld.

37.08 Employees assigned to isolated posts on a non-rotational basis will be allowed two (2) weeks of time off with pay for each completed calendar year of such non-rotational assignment or in the case of less than one (1) completed calendar year, one (1) calendar day for each completed calendar month of such assignment. This time off is in lieu of general holidays provided for in Article 4.01 occurring during such assignment. Every three (3) months during non-rotational assignment, such employees shall be entitled to a long weekend leave consisting of three (3) consecutive days at his/her home base without loss of pay one of which must be taken in conjunction with the employee's annual vacation leave or another weekend leave. Transportation to and from his/her home base on Company scheduled services shall be provided at no cost to the employee.

37.09 For employees accompanied by their family assigned to isolated posts on a non-rotational basis, the Company will provide them living accommodations together with related facilities and services at reasonable terms and conditions agreed upon by the employee and agreed to by the Union, prior to their actual assignments.

37.10 For single employees and employees not accompanied by their family assigned to isolated posts, either on a rotation or a non-rotation basis, the Company will provide them, at its cost, adequate living accommodations and facilities and proper meals in order to ensure the well being of the employees.

The Company at the Vice President level and the Union at the Executive Officer level will meet, upon written request from either party, to mutually review and approve the conditions as set forth above.

37.11 It is understood that all days off referred to in the above are to be taken in addition to an employee's regular paid vacation entitlement in accordance with Article 18.

37.12

- (a) Travelling time from home base to an isolated post shall be compensated for at straight time rates.
- (b) An employee assigned to isolated posts shall be released from his regular shift at his home base without loss of pay at least twenty-four (24) hours prior to the aircraft departure date.

37.13 Employees on non-rotational assignment and their qualified dependents residing with them will be eligible for three (3) passes each calendar year to enable them to travel to a nearby major base. Normal pass boarding priority will apply but there shall be no service charge. Requests for such passes shall be issued upon application to the Travel Services, given reasonable notice. (Extraordinary) medical circumstances may require additional passes and will be issued at Company discretion upon application to the Travel Services.

37.14 The Company agrees that in Company owned buildings in the northern areas, proper fire fighting equipment shall be provided and it shall be maintained in proper working condition.

37.15 For those bases listed in 37.02, it is understood that this Article applies to permanent full time only.

37.16 The Company will pay the cost of transportation and insurance of the employee's personal tools when assigned to isolated posts.

NOTE: Any employee permanently based in a Northern Base shall be entitled to receive a Northern Base Allowance calculated in accordance with Company Policy following the standards of the Federal Government Isolated Post Allowance. The Union will be provided with the opportunity for input in determining the Policy, with the Union providing same to the Company.

NOTE: Any changes or additions in Article 37 must be mutually agreed to between the Company and the Union; Article 37 of Agreement No. 1 shall be the minimum to start negotiations.

ARTICLE 38
REDUCED TIME EMPLOYEES

PURPOSE: *To maximize the ability to respond quickly to operational requirements and to cover same in the most cost effective manner.*

The Company shall maintain the current number of permanent full-time employees at the base that will remain constant for the life of this Agreement provided the operational requirements support this number. This number will be determined from those actively employed in a permanent full-time positions effective January 01, 1996.

38.01 Definition

A reduced-time employee (RTE) is defined as a permanent employee (subject to Clause 10.01) working scheduled hours totaling up to but not more than thirty seven and one half (37½) hours in a week.

38.02 Designated bases are YVR, YYC, YEG/YXD, YWG, YYZ, YUL & YHZ*

*YHZ will be fully included as a designated base if and when the ramp duties are performed by bargaining unit personnel. In the meantime it is included as a designated base for all purposes, except Clause 38.03.

38.03 Ratio

- (a) At designated bases a minimum of 65% of all RTE's will be scheduled to work not less than nineteen (19) hours each week and not more than thirty seven and one half (37½) hours each week at each base.
- (b) At the Vancouver, Toronto and Dorval bases, the Company will schedule all RTE's for a minimum of nineteen (19) hours

per week. At these bases, the number of RTE's shall not exceed the number of FTE's in the classification at the base.

38.04 Reduced-time employees will be governed by all of the provisions of the Collective Agreement including wages and benefits except as provided below in Article 38.

- (a) RTE's who are scheduled to work less than nineteen (19) hours per week on a regular basis will be entitled to a credit of \$17.00 in any pay period which is in lieu of medical, dental and extended health coverage.
- (b) All RTE's are eligible for all of the benefits provided in the Collective Agreement however, disability insurance, life insurance and standard pension plan contributions and benefits including Clause 19.01(a) will be based on earnings. Eligibility (option) to the new pension plan will be governed by the Pension Benefits Standards Act.
- (c) All RTE's Sick Leave: RTE's will accumulate paid sick leave in accordance with the following formula:

$$\frac{\text{previous years hours worked} \times 90}{26 \times 75}$$

to a maximum of 90 hours in any year.

38.05 Reduced-time employees will be limited to the classifications of: Station Attendant, Cleaner, Janitor, Security Officer, Bindery Operators and Laundry Workers. Reduced-time employees in the Bindery classification may be used to perform hand work which includes feeding and removing from bindery equipment.

38.06 Scheduling Hours
When the shift schedule process determines a requirement for additional full-time operational shift lines, RTE's will be offered the opportunity to fill this requirement. These full-time shift lines will be used for calculation purposes of Clause 38.13.

In the event an RTE is scheduled to work a full shift the appropriate provisions of Article 3 will apply in the same manner as they apply to full-time employees on this same shift.

RTE's at the designated bases shall work in accordance with schedules which are developed to cover periods of at least one month. The scheduled hours of work are to contain work periods which are

- (a) not less than four hours per day
- (b) continuous in one day except for scheduled meal periods
- (c) RTE's shall have at least a 6th and 7th consecutive rest day scheduled each week

For the purposes of scheduling RTE's at designated bases certain provisions do not apply. They are Clauses 3.01, 3.02, 3.03, 3.04, 3.09, 3.10, and 3.17.

Other provisions are modified for the purpose of scheduling RTE's as follows:

- Clause 3.07 - applies only if a full shift is worked
- Clause 3.10 - is modified to provide rest breaks and meal periods as follows:
 - 4 hour shift - 1 rest break (10 mins.)
 - 5 hour shift - 2 rest breaks of 10 mins. or 1 rest break of 20 mins.
 - 6 hour shift - 2 rest breaks and one unpaid meal period. The unpaid meal period does not count towards scheduled hours of work.
- Clause 3.14 - applies to the end of the parenthetical phrase.
- Clauses 3.05, 3.13, 3.16 - applies where RTE's are scheduled based on Clauses 6 and 8 of this Article.

38.07 Company to provide the Union with a monthly list of all reduced-time employees at the unions request, (including the calculation and verification of the 65:35 ratio).

38.08 RTE's shall be included on a separate seniority list for the following purposes only:

- (a) Article 14 of the Collective Agreement
- (b) Clause 38.06 of this Article
- (c) Clause 38.11 of this Article
- (d) In the application of Article 5 overtime will be offered to full-time employees prior to RTE's.
- (e) Clause 9.15(b) (1) of the Collective Agreement

LOU No. 1(A), Clause L1A.03 does not apply to any RTE who was not a permanent full-time employee as of November 10, 1984.

38.09 On a daily basis RTE's shall be paid overtime in accordance with this agreement when they work more than seven and one-half (7½) hours in any day or thirty-seven and one half (37½) hours in any week. In addition at bases where RTE's are scheduled, days which are scheduled as rest days shall be considered as overtime days except if required to work for purposes of replacing other employees who are absent for reasons of illness, injury or training. At all bases RTE's shall be assigned a consecutive 6th and 7th day of rest each week which shall be considered as overtime days. Operational overtime at all bases shall be governed by the provisions of Article 5. In accordance with Clause 3.08, RTE's can be assigned hours on non-designated rest days with seventy-two (72) hours notice unless they have identified in writing to the local manager that they will not be available on non-designated rest days. The minimum duration of notice indicating the employees unavailability for assignment will be six (6) months unless otherwise mutually agreed. Employees who have indicated their unavailability will be bypassed for any work assignments on such day(s).

38.10 The joint Local Union/Management shift committee will resolve any problems with RTE scheduling. Refer to Article 3.

38.11 Reduced-time employees will not be employed in a classification at a base where employees who were permanent full-time in that classification as of March 31, 1996, have been laid off from, and are not working in that classification at the base.

38.12 The Company does not have access to Article 12 in the classifications listed in Article 38, Clause 5 however RTE's can be reassigned to full-time status in those classifications for a period of up to 12 months for the reasons listed in Article 12.

38.13 Prior to the commencement of the 3rd - 6 month period, the local shift committee comprising of elected Union, and Company representatives shall review the number of RTE's that were scheduled on a full-time basis during the previous 12 month period for operational requirements (e.g. not for LTD, WCB replacement) and the projected requirement for the next six months. They will determine the number of permanent full-time positions that will be created by taking 50% of the minimum number of upgraded RTE's over the 18 months. E.g. minimum number five (5), two (2) positions awarded; minimum six (6) three (3) positions awarded.

FORMULA:

	1st six month period	2nd six month period	3rd six month period	4th six month period	5th six month period
RTE's Upgraded	10 RTE's	5 RTE's	6 RTE's	4 RTE's	10 RTE's
Permanent FTE positions created			2 FT	2 FT	1 FT
Revised upgrade no.			4 RTE's	2 RTE's	9 RTE's

On a monthly basis the Company shall provide the Local Shift Committee with the number of RTE's working 37.5 hours/week. This number shall assist with, and determine the additional permanent full-time positions.

38.14 If as a result of the loss of a third party contract the full-time operational lines are reduced, the equivalent number of full-time employees identified as upgraded for that contract per the provisions of Clause 38.13, will revert to reduced-time status at the Letter of Preference location.

38.15 In developing the RTE shift schedules the current RTE's as of March 31, 1996 will be given the opportunity to work scheduled hours equal to or greater than the RTE with the later classification seniority date.

The wage rate for employees hired into the classifications covered in Clause 38.05 after March 01, 1996 will be entry level rate of pay within the work group classification for the duration of this Collective Agreement.

ARTICLE 39
SEXUAL AND PERSONAL
HARASSMENT

39.01 The Company and the Union recognize the right of employees to work in a harassment free environment and are committed to providing a workplace that is supportive of the dignity, self-esteem and contribution of all employees.

Workplace harassment is conduct that is unwanted or unwelcome and unnecessary and is known or ought reasonably be known to be unwelcome, and that can be related to any of the grounds of discrimination prohibited by law, the Collective Agreement and/or Company Policy.

39.02 Any complaints of sexual or personal harassment shall be processed in accordance with the Workplace Harassment Policy and Procedure that has been jointly developed by the Union and the Company. It is agreed that the Workplace Harassment Policy contained within the Company Policy Manual shall not be changed without mutual agreement between the parties.

ARTICLE 40
ELECTRONIC SURVEILLANCE

40.01 Employee identification cards and electronic surveillance equipment such as closed circuit television or camera equipment installed in areas where employees covered by this Agreement are working will not be used for surveillance of employees on scheduled duty in their assigned work areas, nor will such equipment be installed in employees' lunch rooms or rest areas. Prior to any of this equipment being installed to control access/egress or prior to the Company expanding the use of the employee identification card beyond that of its present use a full discussion will be undertaken between the Union and the Company. The Company will give reasonable consideration to any input from the Union.

40.02 Information gathered through any form of electronic surveillance, i.e. VDT, Workload Statistics, telephone systems record, shall not be used to measure productivity for disciplinary purposes against any member of the bargaining unit unless substantiated by other evidence.

40.03 Notwithstanding the above, where there are unforeseen circumstances related to a breach of security, the Company will enter into discussions with the Union prior to determining what if any special security measures should be activated.

ARTICLE 41
RELIEF FUNCTION

41.01

(a) Vacation Relief Function

1. Employees performing the vacation relief function may be used to replace other employees in the classifications identified in Clause 38.05 who are absent due to scheduled vacation.
- 2) Schedules will be developed to cover periods of at least one (1) month which will be subject to the applicable provisions of Article 3.

(b) Relief Function

1. Employees performing the relief function may be used to replace other employees in the Station Attendant and Cleaner classifications who are absent for reasons of illness, injury, training, or any authorized leave of absence other than vacation.
2. Schedules will be developed to cover periods of at least one (1) month, however, the schedule may be adjusted at any time with a minimum of twenty-four (24) hours' notice.
3. For the purposes of scheduling, the applicable rules of Article 3 shall be those which would normally apply to the employee being relieved. In recognition of these scheduling flexibilities, employees performing the relief function will receive a premium of seventy-five (75) cents per hour.
4. The creation of full time relief positions will necessitate the upgrading of some existing RTE positions to full time status at the affected work locations. The initial filling of these full

time vacancies will be in accordance with Article 9, however Clause 9.25 will not apply. Only letters of preference on file as of July 11, 1990 will be eligible for consideration in the filling of these vacancies.

ARTICLE 42
RENEWAL AND TERMINATION

42.01 This Agreement shall become effective as of March 01, 1996 and shall continue in full force and effect until April 30, 1999, and shall renew itself without change each succeeding May 01 thereafter unless written notice of intended change is served by either party thereto not less than sixty (60) days or more than ninety (90) days prior to May 01 in any year.

42.02 In the event of notice as provided in Clause 42.01, this Agreement shall remain in full force and effect while negotiations are being carried on for the arrangement of a further Agreement.

42.03 There shall be no retroactive application of the terms of the Agreement to employees not on the payroll as of March 01, 1996 other than those retired, on leave of absence or on laid-off status.

LETTER OF UNDERSTANDING NO. 1 (A)

EMPLOYMENT PROTECTION (TERM)

L1A.01 This letter of understanding relative to employment protection is applicable to:

- (a) Employees of former Nordair, and Eastern Provincial Airways, working in a permanent full-time position as of November 10, 1984 and who remain in permanent full-time positions as of December 9, 1986.
- (b) Employees of former Pacific Western Airlines and who were working in a permanent full-time position as of November 10, 1984 and who remain in permanent full-time positions as of the date of ratification for Agreement No. 1.
- (c) Employees of former CPAL, ND and EPA who held classification seniority dates of November 10, 1984 or earlier and who were otherwise omitted from the employment protection afforded to employees by LOU No. 2 and who are senior to any employee on the applicable list.
- (d) Employees of former Wardair who were working in a permanent full-time position as of November 10, 1984 and who remain in a permanent full time position as of January 1, 1990.

These employees will not be laid off from the classification in which they were working or would have been working in on November 10, 1984 for the duration of Agreement No. 3 except as follows.

L1A.02 This Clause will not apply in the event of:

- (a) Strike, lock-out or picketing of the Company's premises for the duration of such action and any following period necessary for the resumption of normal operations. When such action is concluded and employees are returned to work, the provisions of these clauses will resume.

- (b) An Act of God, a National War emergency, the grounding of all or a substantial number of the Company's aircraft for reasons beyond the Company's control, (other than by reason of decreased use of the Company's aircraft due to a downturn in the economy), a revocation of the Company's operating certificate(s) which has a substantial impact upon the employment requirements of the Company, or a total cessation of the Company's flying operation for any reason.

L1A.03 Further this Clause will not apply to an employee who refuses to exercise his seniority in the classification in which he was working in a permanent full-time position as at November 10, 1984 in a manner which would enable him to remain in the employ of the Company, is terminated as a result of disciplinary action, or who retires, resigns or moves to a position with the Company outside the scope of the bargaining unit in accordance with the provisions of Article 13.

This letter will expire with the expiration of Agreement No. 3.

LETTER OF UNDERSTANDING NO. 1 (B)

EMPLOYMENT PROTECTION (TERM)

It is agreed that the changes in Article 7 to facilitate a more productive and quality driven maintenance operation for the airline, require both functional and attitudinal changes on the part of both Management and affected employees. Based on these principles, the following terms shall be in effect for the duration of Agreement No. 03.

L1B.01 This Letter of Understanding applies to employees in the following classifications who were working in full time permanent positions on July 11, 1990 and who had been working in full time permanent positions as of January 01, 1990:

Woodwork and Sheet Metal.

If on an individual basis an employee was affected by changes made to his classification as a result of revisions in classifications negotiated for Agreement No. 02, he will not be laid off from the classification in which he was working on July 11, 1990, or from the new classification, during the duration of Agreement No. 03 except as covered in Clause L1B.02.

L1B.02 This Clause will not apply in the event of :

- (a) Strike, lockout or picketing of the Company's premises for the duration of such action and any following period necessary for the resumption of normal operations. When such action is concluded and employees are returned to work, the provisions of these clauses will resume.
- (b) An act of God, A National War emergency, the grounding of all or a substantial number of the Company's aircraft for reasons beyond the Company's control, (other than by reason of decreased use of the Company's aircraft due to a downturn in

the economy), a revocation of the Company's operating certificate(s) which has a substantial impact upon the employment requirements of the Company, or a total cessation of the Company's flying operation for any reason.

L1B.03 Further this Clause will not apply to an employee who refuses to exercise his seniority in the classification in which he was working in a permanent full-time position as at November 10, 1984 in a manner which would enable him to remain in the employ of the Company, is terminated as a result of disciplinary action, or who retires, resigns or moves to a position with the Company outside the scope of the bargaining unit in accordance with the provisions of Article 13.

This letter will expire with the expiration of Agreement No. 3.

LETTER OF UNDERSTANDING NO. 2

EMPLOYMENT PROTECTION

L2.01 It is agreed that this Letter of Understanding will survive the expiry of this Collective Agreement and will be attached to and form part of any subsequent Collective Agreement entered into between the parties or entities declared by the Canada Labour Relations Board to be their successors.

L2.02 Employees in the Aircraft Mechanic classification working in a permanent full-time position as at November 10, 1984 shall not be laid off from their trade classification as long as the current work rules applicable to Station Attendants outlined in Letter of Understanding No. 3 and/or while Letter of Understanding No. 4 "Mechanic - Common Tasks" remain in effect.

L2.03 Employees in the Avionics Mechanic classification working in a permanent full-time position as at November 10, 1984 shall not be laid off from their trade classification as long as Letter of Understanding No. 4 "Mechanic - Common Tasks" remains in effect.

In the application of this provision such employees may be required, and are specifically permitted by this letter to exercise their seniority in the Aircraft Electrical and Accessory Mechanic, Aircraft and Ground Radio Mechanic or the Aircraft Instrument Mechanic trade classifications in which they hold seniority to displace the most junior employee in the applicable classification who is not identified in the Employment Protection lists for Aircraft and Ground Radio Mechanic, Instrument Mechanic, and Aircraft Electrical and Accessory Mechanic classifications.

L2.04 Employees in the Sheet Metal Mechanic classification working in a permanent full-time position as at November 10, 1984 shall not be laid off from their trade classification as long as Letter of Understanding No. 4 "Mechanic - Common Tasks" remains in effect.

L2.05 Employees in the Upholstery Mechanic classification working in a permanent full-time position as at November 10, 1984 shall not be laid off from their trade classification while Cleaners are performing the additional duties outlined in Letter of Understanding No. 6 and/or while Letter of Understanding No. 4 "Mechanic - Common Tasks" remains in effect.

L2.06 Employees in the Aircraft Painter classification working in a permanent full-time position as at November 10, 1984 shall not be laid off from their trade classification while Cleaners are performing the additional duties outlined in Letter of Understanding No. 6.

L2.07 Employees in the Aircraft Electrical and Accessory, Aircraft and Ground Radio, or Aircraft Instrument Mechanic classification working in a permanent full-time position as at November 10, 1984 shall not be laid off from their trade classification as long as Letter of Understanding No. 4 "Mechanic - Common Tasks" and the results of Letter of Understanding No. 5 "Joint Study" remain in effect, but he may be required, and is specifically permitted by this Letter, to utilize his trade classification seniority to displace the junior Avionics Mechanic. It is understood that such employee will have his shop trade classification seniority transferred to the Avionics trade classification and will be required to exercise that seniority to displace the junior employee in the Avionics trade classification who is not covered by this letter.

L2.08 Employees in the Stockkeeper classification working in a permanent full-time position as at November 10, 1984 shall not be laid off from the Stockkeeper classification while the three (3) classifications (Storeman, Truckdriver and Tool Crib Attendant) are amalgamated in the Storeman classification and Mechanics are working under the provisions for LOU No. 7 "Moving Parts".

L2.09 Employees in the following classifications working in a permanent full-time position as at November 10, 1984 shall not be laid off as long as the provisions of Article 38 "Reduced-Time Employees" remain in effect:

Station Attendants	Cleaners
Security Patrolmen	Janitors
2/Colour Press Operator	1/Colour Press Operator
Senior Bindery Operator	Platemaker/Camera Operator
Printing Machine Operator	Assistant Press Operator
Typesetter	Bindery Operator
Mechanic - Machinist	Mechanic - Welder
Mechanic - Woodworker	Mechanic - Process
Helper	Sewing Machine Operator
Maintenance & Material Clerks	Records Controller Writers
Loadmaster	Mender
Dry Cleaner	Ground Equip Maint. Mechanic
Laundry Workers	
Building Maintenance Mechanic	

L2.10 This Clause will not apply in the event of:-

1. Strike, lockout or picketing of the Company's premises for the duration of such action and any following period necessary for the resumption of normal operations. When such action is concluded and employees are returned to work, the provisions of these clauses will resume.
2. An Act of God, a national war emergency, grounding of all or a substantial number of the Company's aircraft for reasons beyond the Company's control, (other than by reason of decreased use of the Company's aircraft due to a downturn in the economy), a revocation of the Company's operating certificate(s) which has a substantial impact upon the employment requirements of the Company, or a total cessation of the Company's flying operation for any reason.

Further, this Clause will not apply to an employee who refuses to exercise his seniority in the classification in which he was working in a permanent full-time position as at November 10, 1984 in a manner which would enable him to remain in the employ of the Company, is terminated as a result of disciplinary action, or who retires, resigns or moves to a position with the Company outside the scope of the bargaining unit in accordance with the provisions of Article 13. All such employees shall have their names removed from the Employment Protection list to which this Clause is applicable at the appropriate time.

L2.11 The rights and obligations contained herein may be enforced as follows:

- (a) In the event of a purported breach of this Agreement during the currency of a Collective Agreement between the Company and the Union, the Union and/or employee may file a grievance pursuant to the Collective Agreement then in effect; and
- (b) In the event of a purported breach of this Agreement at a time when there is no Collective Agreement in effect between the Company and the Union, the employee may institute court proceedings,

to enjoin the breach and to recover any losses incurred as a result thereof.

L2.12 Where an employee institutes court proceedings in the circumstances described in (b), and where an employee succeeds in his claim that this Agreement has been breached, then the Company will pay to an employee a sum representing reasonable legal expenses incurred as a result thereof.

NOTE: For the purposes of the application of Article 14, in the event an employee on the attached list moved from this classification and subsequently returned, the employee will be considered to have seniority greater than the most senior employee in the classification, who is not on the attached list.

L2.13 An individual tripartite agreement between the Company, the Union and the employee will be provided to each affected employee.

L2.14 Lists of employees to which this Letter of Understanding applies will be appended to System Seniority List.

Signed: June 20, 1988

LETTER OF UNDERSTANDING NO. 3

STATION ATTENDANT DUTIES

L3.01 During negotiations for Agreement No. 1 the parties agreed that the following provisions should be included in the Agreement in the Letter of Understanding format as an extension to the provisions of Clause 7.49.

L3.02 Station Attendants will be trained in accordance with a training programme approved by the Training and Licensing Committee and will be licensed to operate equipment related to their duties and will be responsible for the routine servicing, fueling and cleanliness of such equipment.

L3.03 In the absence of any other Union classification of employees, Station Attendants will be responsible for Commissary, Cleaning, Customer Service and other duties associated with the performance of the foregoing functions. Notwithstanding the above, Station Attendants will continue to perform Commissary duties in Toronto.

L3.04 Ramp duties will normally be performed by Station Attendants, however, Mechanics will perform the work for purposes directly related to maintenance.

L3.05 At bases where the Company does not employ Station Attendants but does employ Mechanics, ramp duties such as aircraft towing, marshalling, pushouts, de-icing, positioning, connecting and operating ground support equipment, will normally be the responsibility of the Mechanics.

Signed: June 20, 1988

LETTER OF UNDERSTANDING NO. 4

MECHANIC - COMMON TASKS

PURPOSE: *To maximize the use of employees' skills, knowledge and experience in order to achieve efficiencies in productivity by reducing cycle times, hand-offs and standby time.*

L4.01 In keeping with the stated purpose of this LOU, employees will carry out the duties of their own classification and, provided they possess the necessary skills and/or capabilities, will perform and assist with duties of other classifications. The following is a minimal list of duties which indicate the skill and knowledge level of tasks that may be performed by the trades identified herein, and it is understood that it shall not limit the current practices related to the duties performed by employees in the Mechanic classification at different bases:

- | | | | |
|----|---|---|---|
| 1. | Electrical connectors; connect/disconnect/lock. | - | Aircraft & Avionics Mechanics.
Upholstery Mechanics-seats only. |
| 2. | Lamp and lens replacements. | - | Aircraft & /Avionics Mechanics. |
| 3. | Removal & replacement of access panels. | - | Aircraft, Avionics & Sheet Metal Mechanics.
Upholstery Mechanics interiors only. |
| 4. | Opening & closing of engine cowls | - | Aircraft, Sheet Metal and Avionics Mechanics. |

- | | | | |
|-----|--|---|---|
| 5. | Simple repairs, e.g. galley latches, damaged screws, curtain tracks. | - | Aircraft, Avionics, Sheet Metal & Upholstery Mechanics. |
| 6. | Dressing of fan blades. | - | Aircraft & Sheet Metal Mechanics. |
| 7. | Hangar safety & daily hangar check. | - | Aircraft, Avionics, Sheet Metal & Upholstery Mechanics will perform these duties in a balanced effort to ensure a safe efficient and orderly workplace. |
| 8. | Layover & transit checks. | - | Aircraft & Avionics Mechanics. |
| 9. | Check dates, remove & install slides & vests. | - | Aircraft, Avionics & Upholstery Mechanics. |
| 10. | Connect/disconnect engine test cell harness. | - | Aircraft & Avionics Mechanics & Aircraft Electrical & Accessory Mechanics. |
| 11. | Engine electrical harness install/remove. | - | Aircraft & Avionics Mechanics.

Aircraft Electrical & Accessory Mechanics - engine assembly/disassembly only. |
| 12. | In-flight entertainment system-check. | - | Aircraft & Avionics Mechanics.
- Aircraft electrical & Accessory Mechanics - Shop work only.
- Upholstery Mechanics seats only.
- |

- | | | | |
|-----|--|---|--|
| 13. | Cabin equipment check e.g. loudhailer, fire extinguisher, first-aid kits, cargo tiedowns, and Vivopak. | - | Aircraft, Avionics & Upholstery Mechanics. |
| 14. | Seat assembly removal and installation. | - | Aircraft & Upholstery Mechanics. |
| | | - | Avionics & Sheet Metal Mechanics - as required to perform his trade tasks. |
| 15. | In-situ seat repair (cabin/cockpit/flight attendant). | - | Aircraft & Upholstery Mechanics |
| 16. | Cabin & cockpit sidewall, ceiling & insulation removal & installation | - | Upholstery Mechanics |
| | | - | Aircraft, Avionics & Sheet Metal Mechanics - as required to perform his trade tasks. |

L4.02 It is recognized that, in order to perform the foregoing duties, it may involve additional work not specifically listed. Provided such work requires equal or lesser skills, the work may be performed by the tradesman.

L4.03 It is not the intent of the Company to require mechanics from one trade to specialize in the trade skills of another trade classification; therefore, neither the Company nor the Union will unilaterally add to, delete from or otherwise amend the foregoing list.

Recognizing the need for orderly change in this regard required to accomplish this change in practice, a joint review committee will be established comprised of 2 employees of the Company designated by the Company, 2 employees of the Company designated by the Union, and a non-voting Chairman who shall be the designate of the Senior Vice President Operations.

L4.04 All additions or amendments to this list will be proposed to this committee. The committee will have the authority by unanimous agreement to authorize such additions or amendments provided they do not exceed the skill or knowledge levels portrayed by this list, and provided such changes are not in contravention of the collective Agreement.

L4.05 Further, disagreements related to practice changes as intended by this Letter will immediately be referred to this committee for adjudication prior to employees being required to perform duties not indicated by this letter.

L4.06 Should the committee fail to reach a unanimous decision, the task(s) in question may be submitted to expedited arbitration, in accordance with Article 17.

L4.07 The arbitrator shall have the authority to determine whether the disputed task(s) or portion thereof is consistent with the intent established by this Letter of Understanding.

NOTE: The implementation of these changes will be phased in after the required training, both technical and practical, has been completed in order to ensure that aircraft safety is not compromised.

LETTER OF UNDERSTANDING NO. 5

**IMPLEMENTATION OF AIRCRAFT
ELECTRONIC MECHANIC & AIRCRAFT
ELECTRICAL / ACCESSORY MECHANIC
CLASSIFICATIONS**

The following constitutes an agreement reached between the parties with respect to instituting new positions titled Aircraft Electronic Mechanic and Aircraft Electrical / Accessory Mechanic. This Letter of Understanding will be effective on the date of ratification and the following conditions will apply:

L5.01 Within sixty (60) days of the date of ratification, employees presently working in or laid off from the Vancouver Radio, Instrument and Ground Radio Shops in the Avionics Mechanic classification will have a one time, non-revocable option to move out of the Shop. Employees electing to move will be awarded vacancies in the Avionics Mechanic classification based on seniority. These employees will be awarded vacancies prior to recalls or new hires. Employees who choose to remain in the Shops, will have their current Avionics Mechanic seniority converted to Aircraft Electronics Mechanic seniority and their names will be removed from the Avionics Mechanics seniority list.

L5.02 Within sixty (60) days of the date of ratification, employees in the Avionics Mechanic classification who are not presently working in or laid off from the Vancouver Radio, Instrument and Ground Radio Shops, will have a one time, non-revocable option to move into the Shops. Employees electing to move will be awarded vacancies in the Aircraft Electronics Mechanic classification as they arise. At the time the vacancy is awarded the employee's Avionics Mechanic seniority will be converted to Aircraft Electronics Mechanic seniority and his name will be removed from the Avionics Mechanics seniority list.

L5.03 Within sixty (60) days of the date of ratification, employees presently working in or laid off from the Vancouver Electrical Accessory, Power Plant Accessory, and Sheet Metal Shops in the Avionics Mechanic classification will have a one time, non-revocable option to move out of the Shop. Employees electing to move will be awarded vacancies in the Avionics Mechanic classification based on seniority. These employees will be awarded vacancies prior to recalls or new hires. Employees who choose to remain in the Shops, will have their current Avionics Mechanic seniority converted to Aircraft Electrical/Accessory Mechanic seniority and their names will be removed from the Avionics Mechanics seniority list.

L5.04 Within sixty (60) days of the date of ratification, employees in the Avionics Mechanic classification who are not presently working in or laid off from the Vancouver Electrical Accessory, Power Plant Accessory, and Sheet Metal Shops, will have a one time, non-revocable option to move into these Shops. Employees electing to move will be awarded vacancies in the Aircraft Electrical/Accessory Mechanic classification as they arise. At the time the vacancy is awarded the employee's Avionics Mechanic seniority will be converted to Aircraft Electrical/Accessory Mechanic seniority and his name will be removed from the Avionics Mechanics seniority list.

L5.05 It is understood that in order to maintain continuity in the Overhaul Shops noted in Clauses L5.01 and L5.03, the actioning of bids into and out of the Shop will be staged and will be reviewed by the parties.

L5.06 On the date of ratification, the Vancouver Radio and Instrument Shops will be combined to form one (1) LOP area.

L5.07 Employees in the Aircraft Electrical/Accessory and Aircraft Electronics Mechanic classifications in the Shops listed in Clauses L5.01 and L5.03, who were hired prior to January 01, 1978, will retain and continue to accrue seniority in the Avionics Mechanic classifications.

L5.08 Employees in the Avionics Mechanic classification who were hired prior to January 01, 1978, and who have seniority in the Radio or Instrument trade classifications will have that seniority transferred to the Aircraft Electronics Mechanic seniority list and will

continue to accrue seniority in the Aircraft Electronics Mechanic classification.

L5.09 Employees in the Avionics Mechanic classification who were hired prior to January 01, 1978, and who had seniority in the Electrical Accessory trade classification will have that seniority transferred to the Aircraft Electrical/Accessory Mechanic seniority list and will continue to accrue seniority in the Aircraft Electrical/Accessory Mechanic classification.

L5.10 Calibration Technicians presently working in the Calibration Laboratory, will have their previous seniority in the classifications of Electronics, Electrical Accessories and/or Avionics, put on a credit list as per Article 13.

NOTE: The current practice in Toronto will continue relative to the type of work performed in the Vancouver Shops by these classifications.

Nothing in the foregoing shall limit the movement of the technical work between the two trade groups as practiced during Agreement No. 2.

Any employee in the Electrical Accessories, Electronics, or Avionics trade classification as of date of ratification, will not be laid off on account of a reduction in staff within Canadian Airlines, other than as outlined in the Term Sheet, while these changes are in place. This Clause will not apply in the event of a complete shut down of the Company's operation for reasons beyond the Company's control. Further, this Clause would not apply to any employee whose service is terminated as a result of disciplinary action or who refuses to exercise his seniority at his base in a manner which would enable him to remain in the employment of the Company. A list of employees to which this Clause applies is appended to this Memorandum.

LETTER OF UNDERSTANDING NO. 6A**CLEANER CLASSIFICATION DUTIES**

L6A.01 In addition to their normal cleaning duties, the duties of the Cleaner classification will be augmented to include the following:

1. Assist in cargo aircraft conversions, (e.g. carry seats)
2. Carpet cleaning and changing,
3. Seat cover and drapery changes,
4. Cabin divider movement, (e.g. dunce caps),
5. Replenishment of potable water supply,
6. Stripping and sanding related to aircraft painting,
7. Visual checks of demonstrator equipment and passenger convenience items which shall include such items as:
 - food tray and adapters
 - demonstration oxygen masks, life vests and seat belts
 - coat hangers
 - food cart release tool
 - seat belt extension
 - blankets
 - bassinets
 - waste containers and trolleys
 - used linen bin and wire racks
 - flight attendant rest chairs
 - curtains
 - "Crew Seat Only" headrest and placard
 - hassocks
 - seat track covers
8. Operation of automated exterior aircraft washing equipment when properly trained.
9. Assist with masking and paint preparation related to aircraft painting.

L6A.02 It is recognized that some of those Cleaners hired into the Interior Cleaner group, who are now faced with additional tasks, may be incapable of performing these tasks.

L6A.03 Such individuals who substantiate that they are incapable of performing some or all of the additional tasks, and where training will not rectify the situation, will identify same to their Manager within thirty (30) days of completion of training with a copy to the Union. These employees will not be assigned tasks which are beyond their capability.

L6A.04 Scheduling of these employees must be such that the requirements of the service are met. Therefore these employees will bid to crews in accordance with their seniority within the group of employees so limited.

NOTE: This letter is not intended to impact the Refinisher classification in Montreal.

Signed: June 20, 1988

LETTER OF UNDERSTANDING NO. 6B

**DORVAL CLEANERS / STATION
ATTENDANTS**

Effective with the ratification of Agreement No. 2 the cleaning function in Dorval will continue to be performed by Cleaners. Consistent with the practice at other bases this function will include lavatory servicing and water. Should permanent full-time Station Attendants who were on staff at Dorval on date of ratification of Agreement No. 2 be laid off from their Station Attendant position, they may exercise their seniority to displace into the Cleaner classification at Dorval. If they exercise this option they will continue to be paid at their Station Attendant rate of pay.

Signed: July 07, 1990

LETTER OF UNDERSTANDING NO. 7

MOVING PARTS

L7.01 It was agreed that where an IAM member requires parts or materials, in order to maintain his own work flow, he may move them.

LETTER OF UNDERSTANDING NO. 8

JOINT VENTURE ENGINE FACILITY

This document will confirm our discussion and agreement in the event the Company participates in a joint venture engine overhaul shop in whole or in part during the life of Collective Agreement No. 3.

- (a) The current Canadian Airlines Engine Shop and support shop employees identified as directly supporting the Engine Shop operation, will have the opportunity to transfer to the Joint Venture Company or to exercise their rights in accordance with the provisions of the Collective Agreement to remain with Canadian Airlines.
- (b) Terms and conditions of employment differing from those contained in Collective Agreement No. 3 will be arranged by agreement between the Company and the Union.
- (c) The affected employees identified in (a) above will be provided with the terms and conditions of employment negotiated for application in the Joint Venture Company before being required to make their choice.
- (d) Bargaining Unit employees who elect employment with the Joint Venture Company will, on the date of transfer, be covered by the terms and conditions as outlined in (c) and will continue to be represented by the IAM&AW under District No. 721.
- (e) Bargaining Unit employees will be covered by the wages and benefits contained in Collective Agreement No. 3 until the date of transfer at which time (d) will apply.

LETTER OF UNDERSTANDING NO. 9

EDMONTON BASE

L9.01

- (a) All permanent vacancies at the Edmonton International Airport will be filled first from Letters of Preference submitted by employees assigned to the Edmonton Municipal Airport. These letters shall be honoured in order of trade classification or work group seniority subject to qualifications. Letters of Preference will remain valid until withdrawn or actioned, whichever occurs first.
- (b) If duty time exceeds ninety (90) consecutive calendar days no transportation allowance will be paid.
- (c) Employees assigned to work at the Edmonton International Airport in accordance with L9.01(a) above and in the event that such assignment is terminated by the Company prior to ninety (90) consecutive calendar days, a transportation allowance of \$8.50 (eight dollars and fifty cents) each way will be paid retroactively to such employee.

L9.02

- (a) If Letters of Preference do not cover the workload requirements employees required to perform the duties shall be assigned in reverse order of trade classification or work group seniority in the required trade classification or work group.
- (b) For the purpose of maintaining adequate staff during planned vacation or training, relief will be selected from Edmonton Municipal Airport staff by reverse order of trade classification or work group seniority subject to qualifications. Unplanned staff absences will be filled in accordance with Article 11.
- (c) The time limit on the short term relief in (b) above shall be specified in writing and shall not exceed ninety (90)

consecutive calendar days after which the employee will be returned to his original position and base.

- (d) Should the requirements of L9.02(b) above still exist following ninety (90) consecutive calendar days, the next junior employee in the trade classification or work group will be assigned for a period not exceeding ninety (90) consecutive calendar days.
- (e) If duty time is less than ninety (90) consecutive calendar days a transportation allowance of \$8.50 (eight dollars and fifty cents) each way shall be paid for each day worked.
- (f) Employees who have been assigned to work at the Edmonton International Airport for more than ninety (90) days and thus are not entitled to the transportation allowance provided in L9.01(c) above, will be entitled to the transportation allowance for each day of the assignment when they are required to work and provide their own transportation to the Edmonton Municipal Airport.
- (g) If as a result of an assignment to Edmonton International Airport that is not in accordance with a Letter of Preference, the employee is compelled to travel an additional twenty-three (23) kilometers or more from his domicile to his workplace at the Edmonton International Airport, a transportation allowance of \$8.50 (eight dollars and fifty cents) each way will be paid for each day worked at YEG.

L9.03 Closing of Edmonton Municipal Airport

The Company undertakes that should the Edmonton Municipal Airport be closed to Company operations due to a municipal decision which results in the transfer of work to the Edmonton International airport, those employees who move, in order to come within a 25-mile radius of the operational airport will have their moving expenses paid in accordance with Clause 9.24 of this Agreement.

Signed: July 11, 1990

LETTER OF UNDERSTANDING NO. 10

ARTICLE 37 - VACATION PAY

Section A: Applicable to rotational and non-rotational assignments.

This will confirm the parties agreement that vacation pay applicable to Quebec-based employees performing an assignment under Article 37 will be calculated as follows:

- (i) Rotational Assignment - Two percent (2%) per week based on gross earnings or normal pay, whichever is the greater.
- (ii) Non-rotational Assignment - Same as (i), (Company to provide the local Union Representative with list of employees this provision is applicable to).

Signed: July 09, 1990

LETTER OF UNDERSTANDING NO. 11

DRIVER'S LICENSE

L11.01 This will confirm the parties understanding reached during negotiations for Agreement No. 2 with regard to employees where there is a bona fide occupational requirement to hold a provincial driver's license and/or the M.O.T. "DA" or "D" designation.

- (a) This requirement will not apply to any incumbent employee who does not hold or cannot obtain a valid provincial driver's license and/or the M.O.T. "DA" or "D" designation.
- (b) In the event an employee's provincial driver's license and/or the M.O.T. "DA" or "D" designation is temporarily suspended, and such licenses are required in the performance of his employment obligations, the Company and the Union agree to make every effort to retain the employee in his position, performing assignments not requiring the use of the driver's licenses.
- (c) In the event an employee's provincial driver's license and/or Transport Canada "DA" or "D" designation is temporarily suspended, revoked or restricted and such licenses are required in the performance of his employment obligations, the employee must immediately report the same in writing to his immediate supervisor.

LETTER OF UNDERSTANDING NO. 12

**INTERPRETATION AND
APPLICATION OF ARTICLE 7**

L12.01 This will confirm our discussions during negotiations for Agreement No. 1 regarding the basis for the understanding reached on the Preamble to the Article and its application and impact on the clauses of Article 7.

L12.02 The language of the Preamble to Article 7 as printed in Agreement No. 1 was agreed to on the understanding that the arbitration awards of:

1. J.C. Smith, March 4, 1974
2. P.M. Owen, Q.C., July 15, 1985
3. D.R. Munroe, Q.C. October 24, 1986

would govern the interpretation and application of the language of the Preamble and its impact on other provisions of the Collective Agreement.

Signed: June 20, 1988

LETTER OF UNDERSTANDING NO. 13

**THIRD PARTY CONTRACT WORK -
CABIN SERVICES**

In keeping with the spirit and intent of LOU 15, this Letter of Agreement is entered into for the mutually beneficial purpose of establishing a competitive base to allow for the attraction and retention of 3rd party contract work for Cabin Services. The parties recognize the need to adapt to changing conditions in the domestic and global market place and to provide a product which offers superior customer service. As such flexibility and the ability to respond to the market and customer demands are crucial.

The intention inherent in this letter is that cleaning work on Canadian aircraft will continue to be performed by employees in the Cleaner classification, both full-time and reduced-time, who are governed by the current Collective Agreement. The underlying assumption upon which the agreement is predicated is that such an agreement will allow for future growth of Canadian Airlines including fleet expansion, thereby ensuring continued employment security for employees in the Cleaner classification. Contract Groomers will perform work on third party contract aircraft only. The Agreement will apply at bases throughout the system.

The following provisions stem from this understanding and detail the application of certain amendments to the Collective Agreement. Except as noted herein, the Collective Agreement shall apply.

1. The parties entered into this agreement in the spirit of partnership and open communication, and as such commit to further discussion on any related issue that may arise which affects the terms and/or conditions of this Letter.
2. A joint labour/Management committee will be established to monitor the application of this agreement. The parties will

- endeavor to resolve any dispute arising from the application of this agreement expeditiously. The Letter shall be subject to amendment by mutual agreement.
3. The Company will establish the position of Contract Groomer to perform Cabin Services functions aboard contract aircraft only. Cleaners will be permitted to supplement the crews aboard contract aircraft wherever necessary. Contract Groomers will not perform work aboard any of the Company's own aircraft. The intention is to make full utilization of existing staff complement, full-time and reduced-time, prior to the hiring of Contract Groomers.
 4. Prior to the hiring of any Contract Groomers at a base, all laid off Cleaners at that base will be recalled, and opportunity for employment as a Contract Groomer will be offered to all laid off IAM&AW members at a base. It is not the Company's intention to lay off RTE Cleaners and replace them with Contract Groomers.
 5. The wage structure for Contract Groomers is detailed in Appendix A.
 6. The Company in consultation with the Union, will arrange shift schedules to meet its contractual commitments and be responsive to fluctuations and changes in associated requirements. Contract Groomers may be scheduled to a maximum of thirty seven and one half (37½) hours a week at straight time rates for the duration of this Agreement. The intention is to establish a stable work force per contract and to employ a minimum number of Groomers for a maximum number of hours.
 7. A separate seniority list will be established for Contract Groomers based on date of hire. Contract Groomer seniority will as per the Collective Agreement. The intention is for Contract Groomers to have the opportunity to move into vacancies in the Cleaner classification. Contract Groomers will be selected for such vacancies subsequent to input from both Union and Management representatives, who will

consider both seniority and job performance in their recommendations.

8. All working conditions/benefits will be governed by the provisions of the Canada Labour Code. Employees will receive vacation pay on each pay cheque per the following:
- 1-5 years of service - four (4) percent
 - 6 years or greater - six (6) percent

NOTE: A process will be developed to bank vacation pay. Statutory holiday pay or pay for time worked on a statutory holiday may at the employee's option be paid or banked.

9. Lead Cleaners will lead and direct Contract Groomers. The provisions of Article 33 of the Collective Agreement will not apply. The intention is to ensure a reasonable ratio of Leads per crew, to be determined locally based on joint discussion between the parties.
10. The Nordic Wash function will be performed by both Contract Groomers and Cleaners. The intention is to have dedicated crews to perform the Nordic Wash function, in roughly equal ratios of Cleaners to Groomers.
11. The Company views the attraction of third party work as a shared venture. It is the intention of the Company to involve the Union in the process of soliciting and realizing third party contracts.

LETTER OF UNDERSTANDING NO. 14

CONTRACTING OUT

L14.01 It is recognized that it is mutually desirable that work normally performed by a classification in the bargaining unit not be sub-contracted. However, it is also recognized that it is currently necessary to sub-contract a variety of such work for a variety of reasons, such as lack of facilities, lack of capital equipment, lack of Government approval or other expertise or lack of sufficient work to efficiently utilize full or reduced time employees. In addition, it is recognized that the Company may, from time to time, have a need to sub-contract work on a temporary basis due to workload or the loss of a facility. In that event, the Company will discuss the need with the Union on a local basis prior to proceeding with the contract.

L14.02 Nevertheless, it is not the intention of the Company to sub-contract work currently performed by the bargaining unit for the purpose of evading the negotiated wages and/or benefits of employees currently working for the Company. Nor is it the intention of the Company to increase the practice of sub-contracting bargaining unit work on a regular basis. The Company will only contract out such work when there is a clear economic advantage to doing so.

L14.03 Notwithstanding the above, the Company agrees that the introduction of a sub-contract will not result directly in the loss of employment of any permanent full time employees employed at the date of ratification of Agreement No. 1 in classifications affected by the sub-contracting, except when justified by special circumstances.

L14.04 Should a dispute arise concerning the justifiable special circumstances, as outlined above, the parties agree to refer the matter to Mr. V. Ready on an expedited basis, for a final and binding resolution.

Signed: June 20, 1988

LETTER OF UNDERSTANDING NO. 15

CONTRACTING IN

L15.01 It is hereby agreed that outside contracts are of increasing importance to the Company and its employees. It is also agreed that the provisions of this Agreement have been negotiated primarily for the purpose of governing working conditions applicable to the Company-owned operations and that it is mutually desirable to have Canadian employees doing the Company's business whenever it is economically practicable.

L15.02 Therefore, it is agreed that, when there is an opportunity to bring in outside contract work, and/or to bring in work of the Company which is currently being sub-contracted, the parties will meet in an effort to make competitive arrangements to enable the IAM&AW to share in the growth of the Company. Such arrangements will include a waiver of the provisions of Clause 14.05 and may include a waiver of any other terms and conditions of the Collective Agreement.

L15.03 A joint Union/Management committee may be convened to review manpower requirements and working conditions that will improve the Company's competitive position.

L15.04 The joint committee will consist of one representative from District Lodge 721 and associated local lodges, the Senior Vice-President, Technical Services and Operations Planning, or the Senior Vice-President, Airport Services, or designates, and the Group Vice-President, Human Resources and Administration, or his designates.

L15.05 Should the committee mutually agree that adjustments can be made to Articles within this Agreement, any such adjustments

would only remain in effect during the term of the successfully solicited outside contracts.

Signed: June 20, 1988

LETTER OF UNDERSTANDING NO. 16

ADMINISTRATIVE MATTERS

L16.01 During negotiations for Agreement No. 3, both parties acknowledge that certain matters may have been overlooked.

For the term of Agreement No. 3, the parties agree to meet and resolve such matters.

In the event the parties cannot resolve such matters, or any other matters in the Collective Agreement referred to this LOU No. 16, those items shall be referred to a third party for binding resolution.

LETTER OF UNDERSTANDING NO. 17

FUEL TANK ENTRY

This Letter will confirm the agreement reached with regards to employees who are required to work within a fuel tank. This Letter is entered into for the mutually beneficial purpose of maintaining a qualified fuel tank entry group of employees. The following provisions stem from this understanding. Except as provided below, the terms and conditions of the Collective Agreement will apply.

The parties commit to further discussion on any related issue that may arise which affects the terms and/or conditions of this Letter. This Letter shall be subject to amendment by mutual agreement.

Manpower Requirements

The Company will set the number of employees required for fuel tank entry at each base. Initially, the employees will be selected from current individuals who have been trained in fuel tank entry and are currently, as part of their duties, working within fuel tanks.

Following the initial selection of employees, the Company will choose, by open selection the required number of employees from applicants at each base subject to the employee being medically fit and qualified for fuel tank work. The Company will consider seniority as a factor when qualifications are equal. All selected applicants must successfully complete the appropriate qualification training.

Employees who are selected for fuel tank entry will commit to their name staying on the active list for a minimum of two (2) years following the most recent shift bid. Employees wishing to come off the list will make their written intention known to the Company eight (8) weeks prior to shift bid time.

It is acknowledged that fuel tank entry work is part of the mechanic's job duties. Failing sufficient applicants for fuel tank entry work, the Company will select medically fit and qualified employees in reverse order of classification seniority by work location at each base. All selected employees must successfully complete the appropriate qualification training.

Fuel tank entry personnel may be required to travel on short notice from their home base or work irregular hours in 3rd party fuel tanks and/or Company aircraft in AOG circumstances.

Qualification Training

All personnel, prior to engagement in fuel tank entry, shall be fully qualified through successful completion of IAM/CAI Health and Safety training program for fuel tank entry work.

Classification Flexibilities

All qualified fuel tank employees shall be expected to carry out all associated duties provided he/she has the necessary skills while working in the fuel tank.

Break Periods

Personnel employed for extended periods of time in fuel tanks shall be assigned a break period of ten (10) minutes free from such duties each hour. It will be at the employee's option to take the break or have the time put into the employee's overtime bank at straight time rates.

LETTER OF UNDERSTANDING NO. 18

PENSION PLAN

(INCLUDED FOR ADMINISTRATIVE PURPOSES ONLY)

The following offer is conditional on bargaining unit employees being taken out of their respective general pension plans and put into a separate plan with benefits the same as the CPAL pension plan. Then improve that plan as follows:

1. Change definitions of allowable service to include any credited or allowable service earned under the CPAL, Nordair, the EPA or PWA Plans.
2. Amend early retirement formula to allow employees who have reached the age of fifty-five (55) and who have eighty (80) points (age plus service) to retire without any early retirement penalty.
3. In recognition of the Company position that there is no need to provide a pension cap in excess of \$1143 per year of pensionable service at this time because no bargaining unit member will be adversely affected by that cap during the term of Agreement No. 1, the Union withdraws its proposal in that regard on condition that in the event the Company is mistaken in that position, the parties have the authority to implement a resolution to the problem for the term of this Collective Agreement.
4. Continue accrual of pension service while receiving long term disability benefits without continuing employee contributions. Pension accruals while on disability will be based on salary rate at time of disability.

5. Union proposal with respect to Rule 17 but not after a member is eligible for early retirement unless otherwise agreed between the parties.
6. Union proposal with respect to Rule 18 but not after a member is eligible for early retirement unless otherwise agreed between the parties.
7. Joint pension committees established - which has three (3) Union members, three (3) Company members and one (1) retired IAM&AW member, which has the following duties:
 - (a) to promote awareness and understanding of the pension plan among members,
 - (b) to review, at least once every year, the financial, actuarial and administrative aspects of the plan,
 - (c) such other administrative duties as are presented in the P.B.S.A. regulations, and/or the administrator,
 - (d) such other duties as are specified by the pension plan or the Company.

The intent of the pension committee is to encourage members to gain an understanding of and have a voice in the administration of their plan through representation on a committee. The employee representatives will be expected to liaise between the Company and the membership which, it is believed, will be to the advantage of both.

The onus is on the employer to provide all of the information necessary for the committee to make meaningful decisions and carry out its duties and it is the responsibility of the respective representatives to represent the membership without prejudice or conflict of interest.

Contributions

Increase PW, ND and EPA contribution rate to 4.5% up to YMPE and 6% on remainder.

Reduce CPAL contribution rate to 3.5 up to YMPE and 5% on remainder for the length of Agreement No. 1.

Employees may elect to divert the 1% reduction to the Supplemental Benefit Plan. This option, if exercised, cannot be withdrawn for the length of Agreement No. 1.

- Former ND employees maintain V. Ready award option.
- Former EPA employees with pension bank sick leave credits as per V. Ready award to be cancelled for those employees now enrolling in Pension Plan.
- `Pension bank sick leave credits' referred to above and otherwise referred to as `retirement days' will not be cancelled for former EPA employees who were never enrolled in the EPA pension plan.

Signed: June 20, 1988

LETTER OF UNDERSTANDING NO. 19

PENSION ADMENDMENTS

(INCLUDED FOR ADMINISTRATIVE PURPOSES ONLY)

L19.01 In recognition of the various changes negotiated to the Pension Plan, the parties agree that such negotiated changes will be effective upon:

- (a) The completion of a study to determine the actuarial surplus as outlined in Letter Outside Agreement dated October 15, 1987 and titled "Determination of Actuarial Surplus".
- (b) The splitting of the Pension Plan covering IAM members.

L19.02 Following the completion of the above, former CPAL employees (excluding former plan members from Nordair and Eastern Provincial Airways) will have his/her contribution reduction effected, applied on a retroactive basis to May 25, 1987. Further, former PWA employees will be registered in the Plan effective January 1, 1988.

Signed: June 20, 1988

LETTER OF UNDERSTANDING NO. 20

**IMPLEMENTATION OF THE
INSPECTOR/CREW CHIEF AND
INSPECTOR/FOREMAN POSITIONS**

This Letter of Understanding is intended to cover the proposed I/CC (Aircraft Mechanic), I/CC (Avionics Mechanic), and the Inspector/Foreman (Structures Mechanic).

All incumbent Inspectors, Crew Chiefs, and Sub-Foremen shall have the option of becoming Inspector/ Crew Chiefs and Inspector/Foremen and will, upon successful completion of training, attain a wage rate of \$24.20 per hour, which shall be adjusted by any subsequent general wage increases.

The Company shall implement a training program for incumbents by classification, by base and by seniority which shall be completed no later than July 31, 1991. In any event, the premium rate referred to above shall be paid to all current incumbent Inspectors, Crew Chiefs and Sub-Foremen effective August 01, 1991 until such time as any of these incumbents fails to qualify as an I/CC or I/F.

At any base, should an incumbent be bypassed in his classification for training in accordance with his seniority, through no fault of his own, he shall be paid the premium rate pending only a failure to qualify as an I/CC or I/F.

In future vacancies bid as I/CC's or I/F's, successful bidders shall continue to perform their present functions until fully trained and qualified.

No incumbent Inspectors, Crew Chiefs or Sub-Foremen will be laid off as a result of the new I/CC and I/F position.

In Shops certification of aeronautical products shall continue to be performed as at the date of this LOU.

Any disputes arising out of the implementation of this Letter of Understanding shall be referred to Letter of Understanding No. 16.

Collective Agreement No. 3 shall be amended to reflect the above.

Signed: July 11, 1990

LETTER OF UNDERSTANDING NO. 21

**SENIOR LEAD STATION ATTENDANT /
SENIOR LEAD CLEANER**

L21.01 During negotiations for Agreement No. 2 the parties agreed that the following provisions should be included in the Agreement in the Letter of Understanding format as an extension to the provisions of Clauses 7.29 and 7.51.

L21.02 These positions will primarily be utilized for both practical and hands on training (along with the Lead Station Attendants and Lead Cleaners) and more formal classroom training, in addition to any supervisory duties as directed by the Company, although these classroom training and supervisory duties are not exclusive to these positions.

L21.03 These positions will be on a separate work schedule and will only be established at work locations as and when required by the Company. Senior Lead Station Attendants assigned to the training area of responsibility will bid vacation and rest days within that area.

L21.04 To be eligible for a temporary upgrade to the senior lead positions, the senior qualified employee must have successfully completed all applicable training courses.

LETTER OF UNDERSTANDING NO. 22

**OFFICE SPACE AND PAID TIME OFF
FOR CHIEF SHOP STEWARDS**

L22.01 This will confirm the Company's commitment to allocate office space on Company property at its bases in Vancouver, Calgary, Toronto and Montreal and to make every reasonable effort to allocate office space at its bases in Winnipeg and Halifax for the purpose of facilitating expeditious resolutions to employer/employee problems.

L22.02 The office is to be staffed by the Chief Shop Steward, or if he is absent for significant periods of time due to vacation, illness, or other legitimate reasons, by the Assistant Chief Shop Steward, and it is anticipated that except as otherwise provided by the collective agreement and as required for business meetings with Management, all the Chief Shop Steward's business will be conducted from the office.

L22.03 Further, this will confirm our commitment to provide full-time pay to Chief Shop Stewards at bases with five hundred (500) or more employees represented by the IAM&AW (Technical Services) and to provide a minimum of two (2) hours per day with pay to Chief Shop Stewards at bases with more than two hundred (200) but less than five hundred (500) employees represented by the IAM&AW (Technical Services). The funds from which such payments are made remains as in the past arrangement regarding UIC overpayments. For the purposes of this paragraph it is recognized that notwithstanding actual numbers of employees at the following bases as of this date, these bases are designated as having five hundred (500) or more employees:

Vancouver	Toronto
Calgary	Montreal

and that for the purposes of determining actual numbers of employees the Calgary base will include Edmonton, and the Montreal base will

include Dorval and Mirabel. The following bases are designated to have 200 or more employees:

Winnipeg Halifax

L22.04 It is recognized that on occasion more than two hours per day may be required for a specific purpose. In that event the Company will not withhold permission unreasonably for additional time off with pay as required.

L22.05 As discussed, these designations will not be changed unless the numbers of employees are significantly reduced at these bases or increased at other bases to the extent that they reach and exceed the five hundred (500) mark.

Signed: June 20, 1988

LETTER OF UNDERSTANDING NO. 23

CONTAINER SERVICEMEN

The classification of Container Serviceman will be created as a work group in Toronto as a single letter of preference location. The location will be staffed with a maximum of fifteen (15) Servicemen under the direction of a Lead Container Serviceman.

The work performed will consist of repairs and reconditioning of cargo containers, pallets, and galley containers such as bar boxes, meal trolleys, etc.

The rates of pay for Container Servicemen will be as follows:

Container Serviceman 1	\$13.00	(6 months)
Container Serviceman 2	\$14.00	(6 months)
Container Serviceman 3	\$15.00	(6 months)
Container Serviceman 4	\$16.00	
Lead Container Serviceman	\$17.00	

and will be subject to the increases applicable in Agreement No. 2.

The two (2) incumbent Refurbishment Repairmen in Vancouver will have their technical skills and qualifications established in a review by the Training and Licensing Committee and they will be placed on the appropriate level of the Structures apprenticeship program.

Refurbishment Repairmen in Toronto will be given preferential consideration for Letters of Transfer to Structures Apprentice. Their skills and qualifications will be established in a review by the Training and Licensing Committee.

All rates of pay will be established at the closest pay level to their existing rates but in no event less than their current rate of pay.

NOTE: The above Letter of Understanding will apply to the Sheet Metal shop in Vancouver Cargo. As a result of the transfer of this function to the Container Serviceman classification, Structures Mechanics will not be laid off at the base while a Container Serviceman is working at the base. Prior to the introduction of the Container Serviceman classification in Vancouver, any Vancouver Structures Mechanic on lay-off will be given an opportunity for recall.

LETTER OF UNDERSTANDING NO. 24
IMPLEMENTATION OF STRUCTURES
MECHANIC CLASSIFICATION

The following constitutes an agreement reached between the parties with respect to instituting a new position titled Structures Mechanic. This Letter of Understanding will be effective on the date of ratification and will become part of Agreement No. 2, and the following conditions will apply:

L24.01 Eligibility

Effective upon date of ratification all employees currently in the Aircraft Sheet Metal and Aircraft Woodworker classifications will automatically be reclassified as Aircraft Structures classification. All employees who have held positions in the previously recognized classification will continue to perform only the duties related to that classification until they complete the required training as per this letter. All references to the former classifications will then be deleted from the Agreement.

L24.02 Seniority

An employee's current classification seniority will be transferred to the new Structures classification.

L24.03 Training

- (a) The training standards, course content and other training related aspects associated with the new trade classification will be developed by the Training and Licensing Committee and implemented within six (6) months of ratification of Agreement No. 2. Employees who believe they meet the training criteria may request to sit the qualifying examination. Any disputes arising during the development or implementation of these training requirements will be referred to a third party for resolution within the time frame cited above.

- (b) Training within the classification will be accomplished in compliance with the provisions of Article 8 of Agreement No. 2.
- (c) Training time shall be accepted as time worked.
- (d) Should an employee choose not to become qualified in the new classification, or should he fail to qualify, he shall forego any further opportunity to qualify until all other employees have had an opportunity to qualify. In either case, the employee shall continue to perform his previous duties in the original classification.

L24.04 Recognition

All employees qualified for Company Certification Authority - Category S with one (1) certification will be paid a premium as per Article 6 starting with the pay period following qualification.

All employees qualified for Company Certification Authority - Category S with two (2) certifications will be paid an additional premium as per Article 6 starting with the pay period following qualification.

NOTE: Examinations consist of two (2) parts; practical and written.

L24.05 Main Agreement Integration

- (a) The new trade classification shall be entered into Article 13 as a trade classification.
- (b) All other Articles and Letters of Understanding which reflect this new classification will be amended accordingly.

L24.06 Implementation

Final agreement on this letter is subject to a resolve on all matters in dispute in Articles 6 and 7.

Signed: July 11, 1990

LETTER OF UNDERSTANDING NO. 25

COMMUTERS

During the one year period commencing on the date on which written notice is given to Canadian by the IAM&AW that its membership has ratified tentative Agreement No. 2:

L25.01 The parties, who shall include senior Company representatives from Maintenance, Labour Relations, and Marketing and designated representatives of the Union, will negotiate a solution to the concerns of the IAM&AW relating to job security and job opportunity in cases where any of Time Air, Calm Air, Ontario Express (d.b.a. Canadian Partner) and Air Atlantic (the "Commuters") commences operating flights under Canadian's designator, using Boeing 737-200 aircraft, where such flights were previously operated by Canadian.

L25.02 Canadian will provide ramp handling services using its own IAM&AW employees at all bases served by a Commuter in respect to all flights flown by that Commuter under Canadian designator, if and only if:

- (a) the commercial agreement between Canadian and that Commuter is still in effect, and
- (b) Canadian itself serves that base and handles its own flights at that base, provided, that if the solution referred to in paragraph 1 is not reached within the one-year period referred to above, Canadian's obligation in this paragraph 2 will continue until the expiry of Agreement No. 2.

Signed: July 11, 1990

LETTER OF UNDERSTANDING NO. 26

PENSION PLAN

This letter confirms that the IAM&AW Pension Plan shall be amended to allow for the following changes. The Company and the Union agree to jointly pursue the necessary approvals from the regulatory pension authorities for these changes.

L26.01 Effective May 21, 1990

Former Wardair IAM&AW employees shall be given the option of joining the IAM&AW Pension Plan, with an employee required contribution rate of 5.5% of earnings up to the YMPE and 7.0% of excess earnings from May 21, 1990 to May 16, 1993 inclusive. Thereafter, the employee required contribution rate shall be the same as in effect for other IAM&AW Pension Plan members. Former Wardair employees who are contributing to the Wardair Employees Retirement Plan on May 20, 1990 shall have their benefits for their Wardair contributory pensionable service determined in accordance with the IAM&AW Pension Plan.

NOTE: Canadian employees who were on the Canadian payroll prior to May 20, 1990 will contribute 4.5% of earnings up YMPE and 6% on the remainder from May 21, 1990 to May 16, 1993 inclusive.

L26.02 Effective January 01, 1991

The averaging period for determining final average earnings and the final average YMPE will be 36 months. The pension formula for contributory service after 1965 will be 1.4% for final average earnings up to the final average YMPE.

L26.03 Effective May 18, 1992

The Pension Plan shall be amended to allow for ad hoc post-retirement adjustments to pensions in payment to eligible retired members or the eligible spouse of deceased members. The amount of the ad hoc pension

adjustment shall be determined in accordance with the Letter of Understanding dealing with this matter.

Signed: July 11, 1990

LETTER OF UNDERSTANDING NO. 27

PENSION TRANSITION

It is agreed that liabilities for members, former members, pensioners and their beneficiaries in respect of their benefits accrued under the Wardair International Retirement Plan, as of May 21, 1990, shall become liabilities of the Canadian/IAM&AW Plan on that date.

Assets as agreed to be the Company and the Association shall be transferred to the Canadian/IAM&AW Plan from the former Wardair Plan.

Signed: July 11, 1990

LETTER OF UNDERSTANDING NO. 28

AD HOC ADJUSTMENT

It is agreed that the ad-hoc pension adjustment outlined in this Letter will be extended for the term of Agreement No. 3. It is also agreed that annual amendments will be made to the pension plan text to implement each year's ad-hoc adjustment.

The Company shall grant an ad hoc post-retirement adjustment to pensions in payment to eligible retired members or the eligible spouse of deceased members. The ad hoc pension adjustment shall be granted on the first pension payment date following the anniversary of Collective Agreement No. 2 (May 18, 1992). Thereafter, an ad hoc pension adjustment shall be granted on the anniversary of the above date in 1996, 1997 and 1998.

The amount of the ad hoc pension adjustment for each eligible retired member or spouse shall be equal to the applicable pension in payment multiplied by 50% of the lesser of 8% or the annual percentage increase in the average monthly Consumer Price Index for Canada during the calendar year preceding the adjustment date.

The ad hoc pension adjustment is subject to the following conditions:

- (a) the retired member must be at least age 60 on the applicable adjustment date to receive the adjustment;
- (b) if the member retired within the 12 months preceding the adjustment date, the pension adjustment shall be prorated to reflect the number of months of retirement.

LETTER OF UNDERSTANDING NO. 29

ACTIVE TRAINING PROGRAM

This program will provide technical recurrent and specialty training. The ATP will be developed and presented in module form. Modules may involve practical and/or classroom training.

The ATP will be developed and monitored by the Technical Training Department.

ATP Trainer positions will be bulletined and selection will be made from the qualified bidders within the Technical Services Bargaining Unit.

To qualify as ATP Trainers the successful candidate must complete a "Train the Trainer" course and pass the appropriate examination.

ATP Trainers will be assigned for a period of up to twenty-four (24) months. During this assignment they will continue to accrue seniority in their classification. While in this position ATP Trainers may be assigned to operational duties, but ATP duties will have priority.

During this assignment to the training department the ATP Trainer will be paid at the rate of an I/CC. These positions will be established as and when required by the Company.

LETTER OF UNDERSTANDING NO. 30

**CALIBRATION TECHNICIAN
CLASSIFICATION**

1. Vacancies

Vacancies will be filled in order of bargaining unit seniority as follows:

- (a) First preference to qualified employees resident in the required trade.
- (b) Second preference to unqualified employees resident in the required trade subject to Notes (i) and (ii) below.
- (c) Third preference to qualified employees resident in the alternate trade (Avionics Mechanic, Aircraft Electronic Mechanic, Aircraft Electrical/Accessory Mechanic, Aircraft Mechanic or Machinist as applicable).
- (d) Fourth preference to unqualified employees resident in the alternate trade (Avionics Mechanic, Aircraft Electronic Mechanic, Aircraft Electrical/Accessory Mechanic, Aircraft Mechanic or Machinist as applicable) subject to Notes (i) and (ii) below.
- (e) Fifth preference in accordance with the order set out in Clause 9.17 subject to Clause 7.71.

NOTE (i): All employees awarded Calibration Technician vacancies who have not successfully completed the in-house calibration course and examination must do so within ninety (90) calendar days of the course being made available to them.

NOTE (ii): In all of the above cases even where the term “unqualified” is used, the employee must, at a minimum, have satisfied the requirements of Clause 7.71 (a) and (b) to be considered for a vacancy

in the Calibration Technician classification. However, once the employee is awarded a Calibration Technician position, he may be required to perform any Calibration Technician work in the LOP area.

Foreman vacancies in the Calibration Technician LOP area will be filled in accordance with Clauses 9.12 and 9.13 from amongst the applicants in the Calibration Technician classification.

2. Temporary Assignments

Temporary assignments in the Calibration Technician position will be offered in classification seniority order subject to the following:

- (a) First preference will be given to employees in the required trade classification who have successfully completed the in-house Calibration course and qualifying examination.
- (b) Second preference will be given to employees in the alternate trade classification (i.e. Avionics Mechanic, Aircraft Mechanic, Electrical / Accessory Mechanic, Electronic Mechanic or Machinist) who have successfully completed the in-house Calibration course and qualifying examination.
- (c) Third preference will be given to employees in the required trade classification who have not completed the in-house Calibration course and qualifying examination.

LETTER OF UNDERSTANDING NO. 31

THE COST REDUCTION PROGRAM

This Letter of Understanding (“LOU”) is entered into between and among Canadian Airlines International Ltd. (“Canadian” or the “Company”), Canadian Airlines Corp. (“CAC”) and the International Association of Machinists and Aerospace Workers, District Lodge 721 (“I.A.M. & A.W.” or the “Union”) regarding:

**THE COST REDUCTION PROGRAM
AND THE AMENDMENT AND RENEWAL OF
THE TECHNICAL SERVICES
AND CLERICAL AGREEMENTS**

The I.A.M. & A.W. agrees to participate in the cost reduction program under the terms of this LOU in the following four areas: (1) contract modifications and workforce reductions, (2) financial returns, (3) corporate governance, and (4) other transaction issues.

The collective agreements including all Letters of Understanding as amended by this LOU are also hereby renewed as Agreements No. 3 to commence on March 01, 1996 and expire on April 30, 1999.

I. EMPLOYEE CONTRACT MODIFICATIONS

1. The Company has entered into new collective agreements with the other unions participating in the cost reduction program - the National Automobile, Aerospace, Transportation and General Workers Union (“CAW”), the Canadian Airline Dispatchers Association (“CALDA”), the Canadian Air Line Pilots Association (“CALPA”) and the Canadian Association of Simulator Technologists (“CAST”) and will establish a program for its non-organized and Management employees resident in Canada that in each case produces at least 17.1% annual payroll cost reduction over a 38 month period. This 17.1%

employee cost reduction program produces the following contributions as applied to the annualized 1995 payroll:

Employee Group	1995 Payroll (Millions)	17.1% Target (Millions)
IAM & A.W. (T&C)	\$200.40	\$34.29
CALPA	173.80	29.74
CAW	99.70	17.06
Mgmt/Non-Org.	81.50	13.95
CALDA	2.90	0.49
CAST	0.80	.14

The Canadian employee groups listed above that participate in the cost reduction, financial return and corporate governance framework described in this LOU are referred to in this LOU as the Participating Employee Groups.

2. Defined benefit pensions, disability, insurance, layoff, severance and similar benefits for I.A.M. & A.W. members will be calculated from wage rates as contemplated by Agreements No. 3 and as increased by an performance-based cost of living adjustments described in paragraph II.1 below (but without regard to the wage reductions established in the Wage Reduction and Share Entitlement Program and without regard to employee receipt of entitlements or profit sharing payments).

3. The Company will implement a payroll cost reduction program for non-organized and Management employees resident in Canada (the "Management/Non-Organized Program") through a combination of work force reduction, productivity enhancements and other measures necessary to ensure that the Company achieves at least a 17.1% annual cost reduction from the Company's annualized 1995 domestic non-organized and Management payroll commencing on November 1, 1995 for a period of 38 months, subject to a reasonable ramp up through 1996.

II. FINANCIAL RETURNS

1. Variable Future Compensation Based on CAC Financial Performance.

I.A.M. & A.W. represented employees will receive the performance-based cost of living increases in 1997 and 1998 described in Exhibit A to this LOU.

2. Productivity Contributions. I.A.M. & A.W. represented employees will participate in the lump sum profit sharing plan described in Exhibit B to this LOU from 1996 through 2002 in connection with all productivity improvements by I.A.M. & A.W.

III. CORPORATE GOVERNANCE

It is acknowledged that CAC and Canadian have agreed to revise CAC's and Canadian's current corporate governance structure as set forth in Exhibit C beginning on the effective date of the new collective agreement with CALPA and subject to the terms of such new CALPA collective agreement.

IV. OTHER TRANSACTION ISSUES

1. The Company and the Participating Employee Groups will establish a Business Plan Task Force (the "Task Force") which will include the Senior Vice Presidents of the Company and one representative of each Participating Employee Group. The Task Force will meet quarterly and prior to any presentation to the Board concerning changes in the existing business plan to review the Company's performance under the existing business plan, changes to the existing business plan and forecasts for future business plans. The Task Force will access and provide recommendations on any business plan prior to its presentation to the Board. In addition, the Task Force will study the possibility of obtaining cash from other sources outside the Company.

2. The execution of this LOU will be subject to ratification by the I.A.M. & A.W. membership at Canadian ratifying the applicable I.A.M. & A.W. Agreements.

3. The valuation of all employee cost reductions and contract modifications by the Participating Employee Groups will be based on the same business plan framework with a ramp up period so that the cost reductions are substantially effective during 1996 and fully effective by January 1, 1997. Canadian will provide information to I.A.M. & A.W. upon request regarding the value of the contributions made by any other Participating Employee Group and CUPE.

4. No Management official will receive any economic benefit (including raises, payments, bonuses under any Management bonus plan, additional share, share options or other securities) as a direct or indirect result of any employee cost reduction program in effect between 1995 and 1998 inclusive and adopted with respect to any Canadian employee group in 1995 or 1996.

5. The Company will use its reasonable best efforts to identify international employee groups and other employees within the CAC corporate family who can reasonably participate in the employee cost reduction program and to seek cost reductions from such employees at the same level and for the same length of time as all the Participating Employee Groups.

6. If, during the term of the I.A.M. & A.W. Agreements, all or a substantial portion of another unionized employee group, the domestic Management group or the domestic non-organized employee group receives any across-the-board (i) payment or benefit, (ii) increase in wage rates or benefits, or (iii) enhanced work rule, then the I.A.M. & A.W. members will receive an equivalent payment or benefit, increase in wage rates or benefits, or enhanced work rule. This paragraph will not be triggered, however, by no-cost agreements with groups participating in the cost reduction program that preserve such group's 17.1% annual payroll cost reduction for a 38 month period and that result in no aggregate cost increase in the payroll costs of the applicable group.

7. If any of the Union participating employee groups elect to exercise its rights to revert to Agreement No. 2, effective November 01, 1996 the I.A.M. & A.W. may elect, within sixty (60) days following this date, to give notice of intent to bargain. If the I.A.M. & A.W. exercises such option (i) Agreements No. 3 shall remain in full force and effect up to and including February 28, 1997, (ii) effective March 01, 1997 the terms of I.A.M. & A.W. Agreements No. 2 shall be in effect until new

collective agreements are reached, and (iii) the Financial Returns and Corporate Governance provisions established herein will terminate March 01, 1997. Any election by the I.A.M. & A.W. to give notice of intent to bargain commencing November 01, 1996 will be automatically cancelled if the applicable participating employee group continues participation in the employee cost reduction program valued at 17.1% of payroll.

V. EMPLOYMENT SECURITY

1. This agreement is applicable to those post-probationary employees actively working in a permanent full-time, and permanent reduced-time (excluding Contract Groomers and Aircraft Servicemen) position and on Company payroll as of March 31, 1996.

Such employees covered by the Clerical Agreement will not be laid off for the duration of Agreement No. 3, and such employees covered by the Technical Services Agreement will not be laid off from the classification in which they were working or would have been working in on March 31, 1996 for the duration of Agreement No. 3, except as follows.

2. This section will not apply in the event of:
- (a) Strike, lock-out or picketing of the Company's premises for the duration of such action and any following period necessary for the resumption of normal operations. When such action is concluded and employees are returned to work, the provisions of these sections will resume.
 - (b) An Act of God, a National War emergency, the grounding of all or a substantial number of the Company's aircraft for reasons beyond the Company's control, (other than by reason of decreased use of the Company's aircraft due to a downturn in the economy), a revocation of the Company's operating certificate(s) which has a substantial impact upon the employment requirements of the Company, or a total cessation of the Company's flying operation for any reason.
 - (c) Further this Section will not apply to an employee working in a permanent full-time or a permanent reduced-time position as at

March 31, 1996 who refuses to exercise his seniority in a manner which would enable him to remain in the employ of the Company, is terminated as a result of disciplinary action, or who retires, resigns or moves to a position with the Company outside the scope of the bargaining unit in accordance with the provisions of Article 13.

- (d) Job loss associated with the outsourcing of:
- Yellowknife Ramp Operations
 - Outsourcing of Duty Free (Commissary)
 - The creation of a joint venture powerplant facility
 - Pending VSIP's and layoffs as a result of the Heavy Maintenance Consolidation in YVR from YYC
 - Job loss, if any, associated with the resolution of the Cargo Jurisdiction matter
 - The restructuring of Passenger Sales, North America.

3. Notwithstanding the above, should the Company be in a position where it must reduce employment levels to an extent that impact on protected employees covered by this letter, the terms and conditions of Articles 3 and 38, Agreement No. 2 will apply for the balance of the term for the Technical Services Agreement, and in the case of the Clerical Agreement, the terms and conditions of Articles 9 and 12, Agreement No. 2 shall apply for the balance of the term.

4. Dispute Resolution
Any dispute involving the Union and the Company regarding the interpretation, application or violation of the provisions of this Letter of Understanding shall be settled by expedited arbitration within thirty (30) days of the events giving rise to the dispute, by an arbitrator to be mutually agreed to by the parties.

5. This section will expire with the expiration of Agreement No. 3.

EXHIBIT A

PERFORMANCE-BASED PAY RAISES

Benefit: Canadian Airlines International, Ltd. (Canadian or the “Company”) will provide pay increases to Eligible Employees if Canadian Airlines Corp. (“CAC”) or its successor achieves annual Pre-Tax Profits during the preceding calendar year.

Pre-Tax Profits: Pre-Tax Profits of CAC will be calculated (a) on a consolidated basis in accordance with generally accepted accounting principles (except as otherwise specified below in (b) and (b) without giving effect to (i) any Profit Sharing Amounts; (ii) any accounting entry attributable to the allocation of CAC shares or share options granted to employees in connection with the 1995 cost reduction program; or (iii) any Unusual Items. An Unusual Item includes any accounting entry, including those for net gains or losses on the disposition of assets, which (i) has an impact in excess of \$1.0 million during any Profit Sharing Period and (ii) has not been, nor will be, part of CAC’s current, normal, ongoing business operations as defined by internal accounting policy applied on a consistent basis in accordance with generally accepted accounting principles.

Performance Raise Period: The performance pay raise plan shall measure CAC’s Pre-Tax Profits on a 12 month fiscal year basis.

Performance Pay Raises: For years 1997 and 1998, eligible employees will receive a wage rate increase equal to the increase in the consumer price index during the preceding calendar year up to a maximum of 1% if CAC reports any Pre-Tax Profits during the preceding calendar year.

Review of Calculation: CAC and the Company will supply and review with representatives of the Unions the calculation of the Performance Pay Raises, if any, within 60 days following the end of the Performance Raise Period.

Effective Date of Raise: As of the first pay period following January 1 of the applicable year for any participating employee group with a cost reduction program or new collective agreement effective on November 1, 1995. For any other Participating Employee Group, the first pay period in the Xth month of the following year where X is equal to the number of months between the effective date of the CALPA Agreement and the effective date of that group’s new collective agreement.

Eligibility/Application: Performance Pay Raises shall be applied to all wage rate scales or, where relevant, to individual employee wages, for Canadian employees who (i) are working under the respective collective agreement of a union participating in the cost reduction program; or (ii) are Canadian Management/non-contract employees resident in Canada and covered by the Management/Non-Organized Program.

Benefit Credit: Defined benefit pensions, disability, insurance, layoff, severance and similar benefits will be calculated off the wages rates contemplated by Agreements No. 3 as adjusted by any Performance Pay Raises.

EXHIBIT B

PROFIT SHARING PLAN

Company Contribution: Canadian Airlines International, Ltd. ("Canadian") will contribute 100% of the profit sharing pool. The contribution will be based on Canadian Airlines Corp. ("CAC") (or its successor) achieving certain annual Pre-Tax Profit margins.

Pre-Tax Profits: Pre-Tax Profits of CAC will be calculated (a) on a consolidated basis in accordance with generally accepted accounting principles (except as otherwise specified below in (b) and (b) without giving effect to (i) any Profit Sharing Amounts; (ii) any accounting entry attributable to the allocation of CAC shares or share options granted to employees in connection with the 1995 cost reduction program; or (iii) any Unusual Items. An Unusual Item includes any accounting entry, including those for net gains or losses on the disposition of assets, which (i) has an impact in excess of \$1.0 million during any Profit Sharing Period and (ii) has not been, nor will be, part of CAC's current, normal, ongoing business operations as defined by internal accounting policy applied on a consistent basis in accordance with generally accepted accounting principles.

Pre-Tax Profit Margin Pre-Tax Profits (as defined above) divided by Total Operating Revenue for CAC.

Profit Sharing Period The profit sharing plan shall measure CAC's pre-tax profit margin on a twelve (12) month fiscal year basis.

Profit Sharing Pool A share of Pre-Tax Profits shall be contributed by Canadian to the Profit Sharing Pool according to the following schedule:

<u>Pre-Tax Profit Margin</u>	<u>Share of Pre-Tax Profits Within the Range to be Contributed to the Pool</u>
3.0 to 4.0%	10%
4.0% and above	20%

For example, if the Pre-Tax Profits are \$150 million and Total Operating Revenue is \$3 billion, the share of Pre-Tax Profits to be contributed by Canadian to the Profit Sharing Pool will be a total of \$9 million - \$3 million in connection with Pre-Tax Profits from \$90 million to \$120 million plus \$6 million in connection with Pre-Tax Profits from \$120 million to \$150 million.

Adjustment of the Pool: In the event that CAST, CALDA, CAW or CALPA do not participate in the 1995 cost reduction program under the framework described in LOU No. , such Participating Employee Group(s) will not participate in this Profit Sharing Plan, the Profit Sharing Pool will be reduced by an amount equal to (x) the amount of the unadjusted Profit Sharing Pool multiplied by (y) a fraction, the numerator of which is the total of the annual 17.1% cost reduction target listed in paragraph I.2 of LOU No. for the non-participating employee groups) and the denominator of which is 93.77.

Division of the Pool:

Between employee groups: The Profit Sharing Pool will be divided among Participating Employee Groups, pursuant to a division formula to be negotiated among such groups, on the basis of each group's share of (i) all cost reductions contained in the new collective agreements or the Management/Non-Organized Program in effect for the applicable Profit Sharing Period (other than the ongoing Cash Contributions made by CALPA or any other Participating Employee Group in return for stock options under the terms described in paragraph II.1 of CALPA's LOU No. 43) plus (ii) the ongoing cost reductions contained in the

Summer Initiative and the B747 Crew Augment Agreement relating to CALPA. CALPA shall receive credit for the incremental earnings resulting from the additional annual revenue created by the AMR Code Share agreement in the allocation of the Profit Sharing Pool if any other Participating Employee Group receives credit for incremental earnings from additional sources of revenue.

Within employee groups: To be determined by each employee group. If any Participating Employee Group fails to select a method of division prior to closing, the pool shall be distributed within that group based on an individual's share of T-4 payroll within such group.

Maximum Annual Amount: In the event that Participating Employee Groups other than CALPA provide Cash Contributions in return for Stock Options or any other financial return of the type described in paragraph II.1 of CALPA's LOU No. 43, then no such Participating Employee Group will receive an annual Profit Sharing Payment that exceeds ten percent (10%) of that group's T-4 payroll for the applicable Profit Sharing Period.

Review of Calculation: CAC and the Company will supply and review with representatives of the unions the calculation of the profit sharing pool, if any, within 60 days following the end of the profit sharing period.

Distribution of the Pool: The pool shall be distributed to eligible employees in a single lump sum payment within 90 days after the end of each Profit Sharing Period.

Participating Employee Groups CALPA, CAW, IAM, CALDA, CAST and the domestic Management/non-organized employees if such groups fully participate in the Company's cost reduction program under the contributions schedule described in paragraph I.2 of LOU No.

Eligibility: To be determined by each Participating Employee Group. If any Participating Employee Group fails to select an eligibility rule prior to closing, eligible employees for that group shall include all individuals within that group who received T-4 payroll earnings during the applicable Profit Sharing Period.

Benefit Credit: No deductions or credits shall be made to defined benefit pensions, disability, insurance, layoff, severance and similar benefits associated with the distribution of any profit sharing payments.

Duration: The plan will be applicable to CAC's financial performance for calendar years 1996 through 2002.

EXHIBIT C

CORPORATE GOVERNANCE

1. Subject to the terms of paragraph 8 below, the membership of the Board of Directors of CAC will be revised to include: (a) subject to the approval of the Council of Canadian Airlines Employees ("CCAЕ"), one director designated by CALPA's Canadian Master Executive Council ("Canadian MEC"), one director designated by the Canadian component of the I.A.M. & A.W., and one director designated by the Participating Employee Groups other than CALPA and the I.A.M. & A.W.; (b) one senior Management official; (c) six Outside Directors (as described in paragraph 3 below); and (d) one director who may be a senior Management official or an Outside Director. The membership of the Board of Canadian will be revised to include the same persons who serve as directors of CAC plus 2 directors designated by AMR for so long as AMR maintains the right to designate such directors to the Canadian Board under its current arrangements with Canadian.

2. Subject to the terms of paragraph 8 below, the Company will authorize and issue a new and separate series of shares similar to the current Series X share for each of the Canadian MEC, the I.A.M. & A.W. and the other Participating Employee Groups (collectively referred to as the "Employee Director Stock"). Subject to the terms of paragraph 8 below, each series of the Employee Director Stock will be entitled to elect one director on behalf of the Canadian MEC, the Canadian component of the I.A.M. & A.W. and the other Participating Employee Groups respectively. Any director designated or elected by the holder(s) of any series of Employee Director Stock will satisfy the current Human Resources and Nominating Committee Director Guidelines (the "Guidelines"), provided that the Guidelines will be revised for the duration of the new corporate governance structure (subject to the terms of paragraph 8 below), to permit the designation as an Employee

Director of any active or retired Union member of a Participating Employee Group currently or previously employed by Canadian who directly represents the Canadian component or executive of the Union or any active or retired employee of Canadian currently or previously employed in the Management or non-organized employee group and who shall be deemed to be a Union official for the purposes of the Guidelines. Neither the Company nor the Board nor AMR will maintain any right of review or refusal with respect to the individual directors elected by the holder(s) of any series of Employee Director Stock provided that such directors satisfy the Guidelines.

3. The Outside Directors and the senior Management director(s) will be nominated by the Human Resources and Nominating Committee of the Board and elected by the holders of the Company's common stock. The Human Resources and Nominating Committee of the Board will be required to nominate individuals for the Outside Director positions on the Board who meet the Toronto Stock Exchange Corporate Governance Guidelines for outside directors, are not affiliated with AMR, and are not affiliated with any labour organization that represents Canadian employees.

4. Subject to the statutory disqualification provisions contained in 101.(1) of the Alberta Business Corporations Act, an Employee Director may only be removed from office by the holder(s) of the Employee Director Stock that elected the director. Any vacancy in any Employee Director position occurring as a result of removal, resignation, death or otherwise will be filled by an individual elected by the holder(s) of the Employee Director Stock that elected the departed director at the next meeting of the Board, but no later than 30 days, following notification by such holder(s) of the identity of the replacement director.

5. If the Board maintains a committee structure for doing business during the term of this corporate governance structure, (a) at least one Employee Director shall be entitled to serve on each significant committee of the Board (including the Executive Committee, the Audit Committee, the Human Resources and Nominating Committee, any committee that performs comparable functions, and any similar committees), (b) the Employee Directors will rotate periodically but no less than once every two years among such Board committees to ensure substantially equivalent participation on such committees, and

(c) at least one-half of the directors who serve on all such Board committees will be a combination of Outside Directors and Employee Directors. The Employee Directors will consult with the Chairman of the Board concerning the composition of Board committees each year, and the Employee Directors may agree to waive these committee staffing rules on a case-by-case basis by a vote of two of the three Employee Directors.

6. The following actions will require an affirmative vote of a majority of the votes entitled to be cast by the entire CAC Board (with respect to CAC Board actions) and the entire Canadian Board (with respect to Canadian Board actions) and, notwithstanding such majority vote(s), cannot be approved in the event that five (5) members of either the Canadian or the CAC Boards cast a dissenting vote on the proposed action.

- (a) Any matter which requires the approval of CAC's or the Company's shareholders under applicable Canadian corporate law or any substantive amendment of the CAC's or Canadian's Articles of Incorporation, Corporate by-laws or similar document;
- (b) Any merger, consolidation or amalgamation of CAC or Canadian with or into any other person or entity (including CAC's or Canadian's current or future subsidiaries or affiliates);
- (c) (1) Any material acquisition of another airlines or (2) any acquisition of airline assets or operations from other carriers involving expenditures of more than \$50 million in any one year or any investment in or joint venture with another airline involving expenditures of more than \$50 million in one year.
- (d) (1) Any material entry into a new line of business or (2) any investment outside the airline business involving expenditures of more than \$50 million in any one year or any acquisition of or investment in assets for use outside of the airline business involving expenditures of more than \$50 million in any one year.

- (e) Any sale, lease transfer, disposition or abandonment, in a single transaction, a series of related transactions, or pursuant to an annual business plan, of assets, routes or operations that (I) constitute 10% or more of Canadian's or CAC's assets or (ii) produce 10% or more of the Canadian's or CAC's gross revenues, except for transactions in the ordinary course of business and sale-leaseback transactions or similar financial arrangements in which Canadian or CAC continues to utilize the assets in question.
- (f) Any sale or issuance of Canadian's or CAC's capital securities or Canadian's or CAC's common shares or securities into or exercisable for Canadian's or CAC's common shares except (i) to AMR pursuant to its rights as of July 1, 1995 or (ii) pursuant to options, warrants, entitlement or convertible debentures, notes or other securities outstanding or committed as of July 1, 1995; and
- (g) Any dissolution or liquidation of the Company or CAC or any filing for bankruptcy, reorganization or receivership under any reorganization or insolvency law.

No committee of the Board will be given any power or authority to approve any of the actions described this paragraph 6.

7. This revised governance structure will remain in place through December 31, 2002. In the absence of a further governance agreement, CAC, the Company and the Participating Employee Groups will then revert to the corporate governance structure contained in the current Series X share and the Wage Reduction and Entitlements Program if and for so long as that structure remains effective according to its terms.

8. Until such time as the new collective agreement with the I.A.M. & A.W. becomes effective, (i) the three Employee Directors described in this corporate governance structure will consist of one CALPA-designated director selected under terms of the Employee Director Stock granted to CALPA pursuant to paragraph 2 above plus two directors selected through the current CCAE process (which will be revised to provide for CAW participation upon the effective date of the new CAW collective agreement) and (ii) all other aspects of the governance structure (Board composition, Board committee staffing and Board

consensus rules) will be fully effective with respect to all such Employee Directors.

LETTER OF UNDERSTANDING NO. 32

VOLUNTARY SEPARATION

Voluntary Separation Incentive Program (VSIP) for full-time and part-time employees who may wish to retire or otherwise voluntarily separate from employment with Canadian Airlines International in order to mitigate the layoff of surplus employees.

1. Initial Selection for acceptance for VSIP will be made from employees in the affected LOP area where the surplus has been identified. If insufficient volunteers can be found from the affected LOP area the Company may consider volunteers from other LOP areas.
2. Acceptance will be based on classification seniority within the position in the affected LOP area. The release date will be based on operational requirements.
3. Determination of acceptance of the applications for VSIP will be solely at the discretion of the Company.
4. Employees who voluntarily sever will mitigate a lay-off (thus preserving employment for another employee) and will be eligible for Unemployment Insurance in accordance with Unemployment Insurance regulations.
5. The amount of VSIP will be calculated at one (1) week's pay for each completed year of service up to a maximum of twenty (20) weeks.
6. For purposes of VSIP calculation, completed year of service shall be defined as including occupational leave, union leave of absence, jury duty, maternity leave, child care leave and pre-natal leave and will take into account any lost time due to leaves of absence.

7. Part-time and reduced-time employees would be entitled to VSIP payment on a pro-rata basis. For part-time and reduced-time employees an average of their straight-time hours worked in the previous twelve (12) months will be used.
8. Employees who are participants in the IAM pension plan and who would reach a pension milestone of either
70 points
80 points
age 55
may elect to participate in VSIP and remain on the payroll for payment of severance monies associated with the program until the milestone is reached. In these cases the bi-weekly payments would be subject to EIP contributions. Once the milestone is reached the remaining monies will be paid out in a lump sum.
9. Employees whose VSIP entitlement would enable them to reach a retiree travel card milestone of age and service = 70 with a minimum of ten (10) years of service, or a twenty five (25) year retiree card, may remain on payroll until the milestone is reached recognizing that payments would be subject to EIP contributions and once the milestone was reached, the remaining monies would be paid out in a lump sum.
10. Employees who elect to remain on the payroll to reach a milestone will be eligible for all benefits at 100% employee cost except for STD, LTD and WCB which are not available.
11. Employees who are within forty (40) weeks of normal retirement who are accepted for VSIP will be limited in lump sum payment to one half the weeks left to retirement e.g. if an employee has thirty (30) weeks to retirement, VSIP will be equivalent to fifteen (15) weeks pay.
12. In the case of a base closure, the following provisions will apply in lieu of provisions of (5) and (11) above:
 - Employees at the bases which are closing, who wish to sever will be given two (2) weeks pay for each year of completed

service as defined in provision (6) above, up to a maximum of twenty-six (26) weeks

- Employees who are within fifty-two (52) weeks of normal retirement who are accepted for VSIP will be limited in lump sum payment to one half the weeks left to retirement, e.g. if an employee has thirty (30) weeks to retirement, VSIP will be equivalent to fifteen (15) weeks pay.

Signed: June 05, 1996

LETTER OF UNDERSTANDING NO. 33

HELPER, GROUND EQUIPMENT

As a result of the transfer of this function to the Helper Classification, Ground Equipment Mechanics will not be laid off at the base where the Helper has been introduced. Prior to the introduction of the Helper classification, any Ground Equipment Mechanics will be given an opportunity for recall.

LETTER OF UNDERSTANDING NO. 34

CARGO SERVICE AGENT - HALIFAX

With the introduction of a single work group into YHZ Cargo, the intent is not to immediately reduce staff as a result of the single work group (Cargo Service Agent YHZ). The implementation process will include a review of manpower levels, as well as training requirements. In conjunction with the single classification in the YHZ Cargo, a Lead Cargo Service Agent YHZ will be created.

The salary will be \$3,132.86 per month plus the premium of \$1.99 per hour. Following blending of the two current classifications in the YHZ Cargo warehouse, the recognized salary scale would be that of the Cargo Service Agent classification. The steps of that salary scale are to be determined.

On completion of training, the layoff procedure will be the Cargo Service Agent will remain on the Station Attendant seniority list.

For the purpose of filling vacancies and displacements, a YHZ based employee in the Station Attendant classification will be allowed a period of ninety (90) calendar days in which to qualify as a Cargo Service Agent, failing which he will revert to the Station Attendant position and exercise his seniority rights as such. Following this process should a vacancy still exist, the regular procedures in the Collective Agreement will apply.

The number of Lead Cargo Service Agents will be determined by the manpower requirements once the single classification is formed.

LETTER OF UNDERSTANDING NO. 35

CARGO JURISDICTION

During negotiations for Agreement No. 3 the Company and the IAM&AW reviewed the need to become more efficient. The parties agreed that there was a need to achieve a more efficient process to handle customers and their cargo.

The areas that should be addressed are:

- Shift schedules
- Duplication of work
- Common work rules
- Utilization of work force

The parties agreed to meet as a tri-partite committee, consisting of three (3) representatives from each of the IAM&AW, the CAW and the Company. The parties will meet on April 02, 1996, to set a timeline in an attempt to resolve the jurisdictional issues.

Many of the items that require discussion within this committee were identified to both the CAW and the IAM&AW in a summary document provided on June 24, 1995. Further to the above, it has also been agreed that LOU No. 34 and No. 35 in the IAM&AW Collective Agreement No. 2 will be deleted.

Should this process fail in achieving the desired efficiencies, all parties agree that it will be referred to the Canada Labour Relations Board.

LETTER OF UNDERSTANDING NO. 36

WAGE REDUCTION PROGRAM

This Letter of Understanding (“LOU”) is entered into between:

- (A) Canadian Airlines International Ltd. (the “Company”), Canadian Airlines Corporation (“CAC”) and the International Association of Machinists and Aerospace Workers (“IAM”) regarding the 1997 Business Plan and the Amendment and Extension of Agreement No. 3 (the “Company Agreement”);
- (B) Ontario Express Ltd. (“OEL”) and the IAM regarding the 1997 Business Plan and the Amendment and Extension of Agreement No. 2, (the “OEL Agreement”);
- (C) Inter-Canadien (1991) Inc. (“ICN”) and the IAM regarding the 1997 Business Plan and the Amendment and Extension of Agreement No. 1 (the “ICN Agreement”).

The Company and all of its subsidiaries are collectively called “Canadian”. For greater certainty, reference to the term Canadian shall include the Company, OEL, ICN and CRAL as defined hereafter. The Company Agreement, the OEL Agreement and the ICN Agreement, including all Letters of Understanding and Letters of Intent in force and effect as of this date are collectively called the “Collective Agreements”.

Canadian’s 1997 Business Plan is intended to improve the operating profitability of Canadian by \$180 million per year for the four (4) years 1997 - 2000 by improving the network (\$40 million), reducing overhead costs and the AMR Corporation (AMR) services fee (\$70 million), reducing the payment of fuel or other taxes (\$38.1 million) and reducing wages (\$31.9 million).

The Collective Agreements are hereby amended as provided in this LOU and shall expire on December 31, 2000. Unless otherwise stated herein,

all other terms in the Collective Agreements shall remain in full force and effect and unamended.

This LOU is one of six Letters of Understanding which will be entered into between the Company and each of the unions representing its organized employees, being the Canadian Air Line Pilots Association (“CALPA”), the National Automobile, Aerospace and General Workers of Canada, Local 1990 (“CAW”), the Canadian Union of Public Employees (“CUPE”), the Canadian Air Line Dispatchers Association (“CALDA”), the Canadian Association of Simulator Technologists (“CAST”) and the IAM (collectively, the “Unions”) relating to the participation of each union in the 1997 Business Plan of the Company. The Unions and non-organized and management employees of the Company based in Canada and the organized and non-organized and management employees of Canadian Regional Airlines Ltd. and its subsidiaries (collectively “CRAL”) based in Canada are collectively called the “Participating Groups”.

I. AGREEMENT MODIFICATIONS

Contribution Period

1.01 The parties agree to implement a Wage Reduction Program, as hereafter defined, for all Participating Groups for a period of four (4) years commencing with the second payment for wages in 1997 (e.g., January 17, 1997 for IAM represented employees of the Company) (the “Contribution Period”). The wage reduction calculation shall only apply to base salary and overtime. The Wage Reduction Program shall be a sliding scale such that the first \$25,000 of a full or parttime employee’s annual wage compensation (the “Base Salary”) shall not be subject to any reduction (the “Capped Amount”). The parties agree that 10% shall be deducted from the employees’ annual compensation in excess of the Capped Amount (collectively “the Wage Reduction Program”). For greater certainty, the following sets out examples of the effective reduction rates based on annual compensation:

ANNUAL BASE PAY NET REDUCTION RATE

\$25,000	0%
\$30,000	1.7%
\$35,000	2.9%
\$40,000	3.75%
\$45,000	4.4%
\$50,000	5.0%
\$60,000	5.8%
\$70,000	6.4%
\$80,000	6.9%
\$100,000	7.5%

The Wage Reduction Program shall be implemented by determining each employee's estimated annual salary and applying the Wage Reduction Program pro-rata for each pay period. Any reconciliation shall be completed at the end of the applicable fiscal year by the Company, OEL or ICN (as the case may be).

No management official of Canadian shall receive any economic benefit (including raises, payments, bonus under any management bonus plan, additional shares, share options, securities, car allowances or any other benefit) for the Contribution Period for the sole purpose of avoiding the direct or indirect effect of the Wage Reduction Program. The calculation shall be based on an individual basis and not on a group or department level.

Salary and wage levels will revert back to the December 31, 1996 book rates effective at the expiry of the Contribution Period.

Productivity Improvements

- 1.02 On or before April 1, 1997, the parties shall negotiate an agreement on worker participation, partnership and empowerment modelled on the IAM High Performance Work Organization (the "HPWO"). The actual measurable annual cost savings realized by Canadian during the balance of the Contribution Period as a direct result of the implementation of

changes agreed to by the parties subsequent to the implementation of the HPWO shall be returned by Canadian by way of a wage increase for the IAM for the balance of the Contribution Period in a manner which is mutually acceptable to Canadian and the IAM. If the parties cannot agree to the value of the contribution, a mutually acceptable person shall determine the aggregate amount of the contribution.

Benefits

- 1.03 For the term of the Contribution Period, defined benefit pensions, life insurance benefits, AD&D benefits where applicable and related contributions to each shall be calculated from book rates as of December 31, 1996. The *ad hoc* pension provisions shall be extended for the term of the Contribution Period.

Profit Sharing Plan

- 1.04 Employees represented by the IAM shall be entitled to participate in a new profit sharing plan (the "New Profit Plan") for the fiscal years 1997 through 2000, in connection with the Wage Reduction Program. This New Profit Plan shall make available for distribution to employees in Participating Groups 10% of the audited pre-tax profits of CAC for fiscal years 1997 and 1998 and 20% of such profits for fiscal years 1999 and 2000. Any payments under the New Profit Plan will be made in four equal quarterly instalments in the year subsequent to the relevant fiscal year.

The IAM share of the funds available for distribution (the "Pool") under the New Profit Plan (the "IAM Share") shall be determined by dividing the total contribution by IAM members to the Wage Reduction Program for the relevant year by the total contribution of the members of the Participating Groups for such relevant year and multiplying such ratio by the Pool. The IAM shall determine the manner of distribution of the IAM Share among the employees it represents. If the IAM fails to select a method of distribution within 60 days of the applicable year end, the IAM Share shall be distributed to all IAM-

represented employees based on each employee's share of T-4 payroll within such group.

Employees of the Company represented by the Union shall continue to participate in the profit sharing plan described in Exhibit "B" to LOU 31 constituting part of the Company Agreement (the "Old Plan") pursuant to the terms thereof provided that any payments made to employees under the New Profit Plan shall be deducted from operating revenues in the calculation of "Pre-Tax Profits" under the Old Plan. The Old Plan will be extended by two (2) years to 2004.

Job Security

- 1.05 Any IAM-represented employee employed by Canadian on December 5, 1996 and laid off during the Contribution Period by Canadian shall be entitled to layoff pay in the amount of not less than forty (40) weeks of his or her base salary.

II. CORPORATE GOVERNANCE

Canadian reaffirms its commitment to genuine partnership with, and participation by, the Union in Canadian's future.

Board of Directors

The following provisions shall apply effective from January 1, 1997 to December 31, 2008:

- 2.01 (a) The Board of Directors of CAC shall comprise not more than 12 members and shall consist of the following members:
- (i) one (1) director designated by CALPA's Canadian Master Executive Council ("Canadian MEC");
 - (ii) one (1) director designated by the Canadian Component of the IAM;
 - (iii) two (2) directors designated by the Council of Canadian Airline Employees ("CCA");

- (iv) one (1) senior management official of Canadian;
 - (v) six (6) directors who are not: (i) members of management of Canadian; (ii) employed or associated with AMR Corporation; or (iii) any person who is employed by or is a member of the Unions;
 - (vi) one (1) director who may be a senior management official of Canadian or an outside director.
- (b) When reconstituted, the Board of Directors of the Company shall comprise not more than 14 members. The membership of the Board of Directors of the Company shall include the same persons who serve as directors of CAC plus two (2) directors designated by AMR for so long as AMR maintains the right to designate such directors to the Board of Directors of the Company under its current arrangements with the Company.
- (c) As currently provided in the terms attaching to the Series Y Preferred Shares of CAC, at least one employee nominated director shall serve on each committee of the Boards of Directors of CAC and the Company. The provisions regarding composition of the Board and composition of Board Committees set forth in the terms attaching to the Series Y Preferred Share shall apply, *mutatis mutandis*. The terms attaching to the Series X Preferred Share and the Series Y Preferred Share of CAC shall be amended accordingly or new shares reflecting revised terms set forth herein will be substituted therefor.
- (d) The provisions regarding additional voting requirements set forth in the terms attaching to the Series Y Preferred Share of CAC shall apply, *mutatis mutandis*, with the exception that the matters enumerated therein shall not be authorized and approved in the event that six (6) or more directors cast a dissenting vote. The terms attaching to the

Series X Preferred Share and the Series Y Preferred Share of CAC shall be amended accordingly or new shares reflecting revised terms set forth herein will be substituted therefor.

2.02 Security

On or before January 15, 1997, the Company shall grant in favour of the IAM security over all its assets, property and undertaking that secures the existing Royal Bank of Canada ("RBC") indebtedness. The granting of such security shall be subject to: (a) the approval of the RBC and the Governments of Canada, Alberta and British Columbia (the "Governments"); (b) the receipt of advice from the Company's auditors that there is no adverse impact on its income statement; and (c) resolution of a satisfactory arrangement for the release of the security to be provided hereunder at the request of the Company from time to time. The security charge shall be subordinate to the present charges of RBC and the Governments. The security shall secure the wage concessions granted by the employees represented by the IAM as it accrues on an annual basis. The intention of the parties is that the obligations to be secured hereby arise only in certain events and shall be extinguished on December 31 of every year unless certain events have occurred. Any security granted in favour of the other Participating Groups shall rank *pari passu* with the security granted in favour of the IAM.

2.03 Operational Review Committee

The Company and IAM shall participate in an Operational Review Committee ("ORC") which will include the President and the senior vice-presidents of the Company and one representative from each Participating Group. The ORC will take the place of the Business Plan Task Force.

The parties will jointly develop a mandate for the ORC with the objective of such mandate being to provide for meaningful and timely input into the operations and plans of the Company.

The ORC shall meet quarterly and prior to any presentation to the Board of Directors of CAC or the Company concerning changes in the existing business plan to review the Company's performance under the existing business plan, changes to the existing business plan and forecasts for further business plans. The ORC will assess and provide recommendations on any business plan prior to its presentation to the Board of Directors of the Company or CAC. In addition, the ORC will study the possibility of obtaining cash from other sources outside the Company.

III. CONDITIONS

Conditions Precedent

- 3.01 The implementation of this LOU by the IAM and Canadian and CAC is subject to the satisfaction of the following conditions:
- (a) On or before December 6, 1996, the employees represented by the IAM shall have ratified this LOU.
 - (b) The shareholders of the Company and the Board of Directors of CAC shall have approved this LOU on or before December 6, 1996.
 - (c) On or before December 15, 1996, AMR Corporation and Aurora Airline Investments Inc. shall have provided any consents or amendments pursuant to any of its agreements with CAC or the Company as may be necessary to permit the terms of this LOU to take effect.
 - (d) On or before December 20, 1996, AMR shall have agreed to reduce the monthly payments under the AMR Services Agreement (the "AMR Agreement") by a minimum of \$4 million for each of the forty-eight (48) months commencing November 1, 1996. Such aggregate amount shall be a reduction and not a deferral of any amounts under the AMR Agreement.

- (e) On or before December 20, 1996, the Governments shall have agreed in writing to provide Canadian with support of a minimum of \$38.1 million for each of the four (4) fiscal years 1997 to 2000.
- (f) The Company, CRAL, OEL and ICN, as applicable, shall have entered into Letters of Understanding, term sheets or programs with each of the Participating Groups which are on terms acceptable to the IAM, in its sole discretion, and which are on terms or conditions no better than is provided for in this LOU.
- (g) All Unions must have ratified their respective agreements with the Company, CRAL, OEL or ICN (as the case may be) referred to in sub-paragraph (f) above.

IV. MISCELLANEOUS

- 4.01 The Company and the Unions agree to request the governments of Canada and British Columbia to fund a study of financial, capital and other forms of restructuring for Canadian. This study will be directed by a committee consisting of representatives from the Unions.
- 4.02 The Company and the Unions shall approach the governments of Canada and British Columbia to form a tripartite committee consisting of representatives from governments, the Unions and the airline industry to recommend policies and guidelines to ensure a competitive and stable environment for airlines in Canada.
- 4.03 For IAM-represented employees of the Company, the rates of pay for new hires into the classifications outlined in Article 38.05 of Technical Services Agreement No.3 and contract groomers shall be renegotiated as of April 30, 1999. There shall be no strike or lockout during this period of bargaining. In the event the parties cannot reach an agreement, the matter shall be submitted to arbitration for final and binding resolution.

4.04 This agreement shall not be amended without the written consent of all of the undersigned parties.

Dated: November 28, 1996

LETTER OF INTENT NO. 1

OVERHAUL CREW SIZE

Subject: Overhaul Crew Size per Introduction of Inspector/ Crew Chief
and Inspector/Foreman

It is the intention of the Company to establish a ratio of one (1) ICC or
I/F for every six (6) production employees in Hangar Maintenance
Overhaul.

LETTER OF INTENT NO. 2
APPLICATION OF CLAUSE 2.03

To: R. Keras

From: C. Nassenstein

Subject: Application of Clause 2.03

In recognition of the discussion during negotiations for Agreement No. 02 regarding the above clause and when the Company determines to staff such an assignment in accordance with the provisions of Clause 2.03, the Company agrees to afford every consideration to bargaining unit employees to perform work assignments outside the territorial limits of Canada. Employees' selection will be subject to qualifications, necessary language requirements, various Customs, Immigration and Employment requirements appropriate to the country of assignment. Additionally, the employee must be capable of representing the Company's interests in the environment of an overseas assignment. e.g. public relations.

Dated: June 22, 1990

LETTER OF INTENT NO. 3

**AMENDMENTS TO
CERTIFICATION**

To: R. Keras

From: A.R. Belcher

Subject: Amendments to Certification

In the event that the IAM & AW certification is amended to include classification(s) of employees of Canadian Airlines International who were not previously covered by the terms of the IAM & AW certification, the parties will meet to ensure appropriate wages, benefits and working conditions are provided for employees who will be included under the provisions of Agreement No. 2.

In the event there is a classification which is not covered by the terms of Agreement No. 2 the parties will negotiate wages, benefits and working conditions which will not exceed any of the current provisions of Agreement No. 2 unless otherwise agreed.

If the parties are unable to reach agreement on such matters, the dispute will be referred to Mediation / Arbitration for final resolution.

Dated: July 11, 1990

LETTER OF INTENT NO. 4

PAY SYSTEM

To: R. Keras

From: J. Korbin

Subject: Pay System

As discussed during negotiations for Agreement No. 1, employees who have been receiving their pay under the CPAL system (i.e. former CPAL, ND and EPA employees) will continue to receive their pay in that manner, including the practice established by LOU No.14 of the CPAL/IAM Agreement No.26 as set out below:

LI4.01 This will confirm that, commencing on the Tuesday preceding the regular pay day, pay cheques distributed directly to employees will be made available to the employee on the day immediately preceding his regularly scheduled rest days and will be cashable on his first rest day.

LI4.02 The foregoing will not apply to pay cheques deposited directly to an employee's bank account. Such cheques will remain cashable only on the regular pay day.

LI4.03 It is recognized that on the occasions when a general holiday falls on the Monday preceding the regular pay day, pay cheque distribution may be delayed by one day for locations other than Vancouver.

Former PW employees will switch over to the bi-weekly pay system utilized by CAI but will not be subjected to any hold-backs in their pay. All new employees will be brought into CAI on the bi-weekly system with a two (2) week hold-back period.

Dated: June 20, 1988

LETTER OF INTENT NO. 5
ENGINE SHOP AND SUPPORT
SHOPS

To: Joe Smith

From: Bronach Cole

Subject: Engine Shop And Support Shops

Concurrent with negotiations for Agreement No. 3, negotiations were being conducted in anticipation of a joint venture for the Engine Shop. The parties recognize that there are multiple factors, other than terms and conditions of employment, that must be met before the new company is formed.

Should any of those factors result in the joint venture not proceeding in the manner contemplated, the parties recognize the desirability for both the Company and the Engine Shop employees to change work practices as were discussed during Joint Venture negotiations.

It is therefore agreed that in the event of the Joint Venture not proceeding, the Union and the Company will meet to discuss ways of becoming more efficient.

LETTER OF INTENT NO. 6
PENSION PLAN COMMITTEE

To: R. Keras

From: J. Korbin

Subject: Pension Plan Committee

This will confirm our agreement to review the feasibility of establishing provisions in the Pension Plan for the purpose of employees buying back pension benefits (at no cost to the employer or the Plan) for periods of service on furlough or approved leave of absence.

Dated: July 11, 1990

LETTER OF INTENT NO. 7
ARTICLE 14 - LAY-OFF PROCESS

To: Joe Smith

From: Bronach Cole

Subject: Article 14 - Lay-Off Process

During negotiations for Collective Agreement No. 3, the parties agreed that when a significant lay-off was anticipated, it was in the best interest of all concerned to continue with the practice of having the District and Local Union(s) participate in all phases of the lay-off process, to ensure compliance with the Collective Agreement and various arbitration decisions related to Article 14.

LETTER OF INTENT NO. 8

CLERICAL REVIEW

Subject: Clerical Review - Community of Interest

It is agreed that during the term of Agreement No. 3 a joint review will be undertaken of the clerical positions within the Technical Services Collective Agreement to determine under which Collective Agreement the community of interest would best apply.

LETTER OF INTENT NO. 9

**QUALITY AUDITOR
CLASSIFICATION**

Subject: Quality Auditor Classification

The parties agree that a Quality Assurance Auditor classification will be created and inserted into the OSG Addendum of Agreement No. 2. This classification will perform all Quality Audit functions as described in the Company Maintenance Control Manual, including those that arise as a result of the implementation of the Quality Assurance System. The positions in this classification will be filled by base, initially from the Aircraft Inspector classification, and any further positions will be selected as per the process specified for that Addendum Group. Successful bidders will continue to accrue seniority in their previous trade classification as well as the new one. The rate of pay for this classification shall be \$24.20 prior to the general wage increase. Working conditions and benefits will be as per the main Agreement unless otherwise provided in the OSG Addendum. Any dispute arising from this letter will be dealt with according to LOU 16.

Dated: July 11, 1990

LETTER OF INTENT NO. 10

JOINT TRAINING - ARTICLE 3

The parties recognize the need to develop and implement a joint training program designed to incorporate the various changes made to Article 3. The training syllabus shall be developed by one representative of the Company and one representative of the Union, with such training being given to the various representatives of the joint Company/Union Shift Committees.

ADDENDUM
DEFINITIONS

The following Articles, Letters of Understanding and Letters of Intent from Collective Agreement No. 3 apply to this Addendum except as specifically amended or added to herein:

Articles:	Definitions
1	Preamble
2	Scope (See Clauses A2.01 & A2.05)
3	Hours of Work (see Clause A3.01)
4	General Holidays (See Clause A4.01)
5	Overtime (see Clause A5.09)
6	Minimum Monthly Rates of Pay (see Clauses A6.01, A6.04 & A6.07)
9	Filling of Vacancies (See Article A-9)
10	Probation
12	Temporary Employees
13	Seniority (Excluding Clause 13.05 & exceptions in A-13)
14	Staff Reductions, Displacement Rights and Recall to Work (See Clauses A14.01, A14.06 (a) & (b))
15	Layoff Pay
16	Employee Representatives
17	Grievance/Arbitration Procedure
18	Vacations
19	Leave of Absence - effective 1 Jan. 1991
20	Absence from Work
21	Orders in Writing
22	Protection of Employees
23	Employee Benefits
24	Unusual Circumstances
25	Bulletin Boards
26	Transportation (see Clauses A26.01 & A26.02)
27	Medical Attention
28	Picket Lines
29	Savings Clause
31	Deduction of Dues
32	Attending Court
39	Sexual and Personal Harassment
42	Renewal and Termination

LOU 11, 12, 14, 15, 16, 22.

ARTICLE A-2

SCOPE OF AGREEMENT

A2.01 The Supplemental Agreement plus the Articles of Agreement No. 3 specifically mentioned above will determine the conditions of employment and rates of pay for certain employees, represented by the International Association of Machinists and Aerospace Workers, in the Technical Training Section of the Training Department, Systems Planning and Control Department, the Flight Technical Services Department, employees in the Planner, Expediter, Material Controller, Quality Auditor and Chemical Waste Plant Operator Classifications.

A2.05 Notwithstanding Clause 2.05 the current practices may continue.

ARTICLE A-3
HOURS OF SERVICE

A3.01 The Addendum Group will be covered by Article 3 of Collective Agreement No. 3, however, current scheduling practices shall continue.

ARTICLE A-4
GENERAL HOLIDAYS

A4.01 The following groups: Technical Training, Systems Planning and Control, Chemical Waste Plant Operators and Flight Technical Services, will observe the August Civic holiday in lieu of one (1) floating general holiday.

ARTICLE A-5
OVERTIME

A5.09 Present practice in each area shall be maintained for overtime distribution.

ARTICLE A-6
MINIMUM MONTHLY RATES OF
PAY

A6.01 Minimum rates of pay for classifications covered by this Agreement shall be as set out in the tables in Appendix A, effective for all Canadian employees covered by the Addendum on the dates identified in the appendix.

A6.04 Longevity Pay: The parties agree that classification seniority will be used for the purposes of calculating longevity pay for the following three classifications. Classification seniority shall be considered to be all continuous time from entry into the function of Planner, Expediter and Technical Writer.

A6.07 Employees will be paid by automatic payroll deposit. Should the regular pay day fall on a general holiday, payment will be made on the banking day preceding the regular pay day. Where there is a shortage equal to one day's pay or more in the pay of an employee, a voucher will be issued to cover the shortage as soon as possible.

ARTICLE A-7
QUALIFICATIONS OF
EMPLOYEES

PURPOSE: *To maximize the use of employees' skills, knowledge and experience in order to achieve efficiencies.*

In keeping with the stated purpose of this article employees will carry out the duties of their own classification and, provided they possess the necessary skills and/or capabilities, will perform and assist with duties of other classifications. Employees will also share their knowledge and experience with other employees, as well as provide on-the-job training which does not include formal classroom training.

A7.01 Expediter

Grade 12 education or equivalent. Must have a minimum of three years experience and practical knowledge of basic materials handling and systems.

Must have the ability to communicate accurately both verbally and in writing, including a professional telephone manner. Must be capable of carrying out the duties of the position under time constraints with minimum supervision.

Will be required to, and must have the ability to, place purchase orders with outside vendors, arrange transportation, Customs clearance receipt and delivery in accordance with Company authorization. Must have a general understanding of maintenance and the overhaul of aircraft. Must be familiar with aircraft drawings, I.P.C.'s, aircraft effectivities and aircraft maintenance work card systems.

Within six (6) months in the Expediter position, must have proven his/her ability to fulfill the requirements of the position in a satisfactory

manner. Failure to achieve this ability will result in the employee being returned to his/her previous position.

A7.02 Technical Writer

Must possess the qualifications of a Mechanic and have a minimum of three years experience in the appropriate trade group.

Grade 12 education with successful completion of two (2) years post secondary technical training appropriate to the position or an equivalent combination of relevant education and experience. Must have the ability to carry out the duties of the position with minimum supervision and provide training to others. Must have demonstrated ability to liaise with other Company personnel and outside agencies in a positive professional manner.

Within six (6) months in the position, must have proven his/her ability to fulfill the requirements of the position in a satisfactory manner. Failure to demonstrate this ability will result in the employee being returned to their previous position.

A7.03 Shop Production Planner III

Must possess the qualifications of a Mechanic and have a minimum of five years' experience in the appropriate mechanic trade group. Must have the ability to direct the work of others and to carry out the duties of the position including training, with minimum supervision.

Within six (6) months in the Planner position have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to demonstrate this ability will result in the employee being returned to their previous position.

A7.04 Shop Production Planner IV

Must possess the qualifications of a Shop Production Planner III and have the ability to direct and supervise work of and provide training to others. Must have been employed for a minimum of three years in a Shop Production Planner III position or equivalent.

Within six (6) months in the Planner position have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to demonstrate this ability will result in the employee being returned to their previous position.

A7.05 A/C Maintenance Planner III

Must possess the qualifications of an A/C Mechanic or Avionics Mechanic and have held a Certification Authority. Must have the ability to direct the work of others and to carry out the duties of the position including training, with minimum supervision. For specific job functions within this position requiring Certification Authority the Company will provide appropriate training.

Within six (6) months in the Planner position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to demonstrate this ability will result in the employee being returned to their previous position.

A7.06 A/C Maintenance Planner IV

Must possess the qualifications of an A/C Maintenance Planner III and have the ability to direct and supervise work of and provide training to others. Must have been employed for a minimum of three years in an A/C Maintenance Planner III position or equivalent. For specific job functions within this position requiring Certification Authority the Company will provide appropriate training.

Within six (6) months in the Planner position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to demonstrate this ability will result in the employee being returned to their previous position.

A7.07 Material and Production Planner II

Must have knowledge of aircraft related parts, shop areas, Production Planning, Inventory systems and Maintenance and Engineering procedures. Must possess the qualifications of a Record Controller or Mechanic or equivalent.

Within six (6) months in the Planner position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to demonstrate this ability will result in the employee being returned to their previous position.

A7.08 Material and Production Planner III

Must possess the qualifications of a Material and Production Planner II and have a minimum of eighteen months service as a Material and

Production Planner II. Must have the ability to direct the work of others, the ability to provide practical training to others and to carry out the duties of the position with minimum supervision.

Within six (6) months in the Planner position have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.09 Buyer Analyst

Grade 12 education or equivalent plus completion of the PMAC “Principles of Buying” and “Principles of Inventory & Operations Control” courses. Must have a minimum of three years experience in and practical knowledge of materials management and handling systems or material or production planning processes; as well as the ability to analyze inventory requirements using Company computer systems. Must also have the ability to research and analyze procurement data and develop alternate sources.

Must have the ability to communicate accurately both verbally and in writing, including a professional telephone manner. Must be capable of carrying out the duties of the position with minimum supervision.

Within six (6) months in the Buyer Analyst position have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to demonstrate this ability will result in the employee being returned to their previous position.

A7.10 Senior Buyer Analyst

Must possess the qualifications of a Buyer Analyst plus have completed a Management/Supervisory Skills courses offered by an accredited post-secondary education institution as part of a degree or diploma course. Must have the ability to direct and supervise the work of and provide practical training to others.

Within six (6) months in the Senior Buyer Analyst position have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to demonstrate this ability will result in the employee being returned to their previous position.

A7.11 Instructor/Developer

Grade 12 education or equivalent. Must possess 3 years instructional design experience and/or 3 years experience in a related work group.

Must have the ability to instruct others using a classroom setting. Must have the ability to use required training aides. Must have the ability to develop training material to the approved standard of training.

Within six (6) months in the Instructor/Developer position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.12 Technical Instructor/Developer

Grade twelve (12) education or equivalent. Must possess the qualification of a trade classification, including current Transport Canada and Company licenses applicable to the trade. A post secondary school diploma or certificate, or completion of an apprenticeship program or equivalent.

Must possess at least 5 years related industry experience within the last ten (10) years. Must have the ability to instruct others using a classroom setting. Must have the ability to use required training aides. Must have the ability to develop training material to the approved standard of training.

Within six (6) months in the Technical Instructor/Developer position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.13 Senior Instructor/Developer

Must have two years experience as a Technical Instructor Developer or Instructor/Developer or equivalent training and experience within the airline industry.

Must have the ability to direct and supervise the work of and provide training, coaching and performance feedback to others. Must have provincially recognized Instructional Diploma (I.D. Program) or equivalent.

Within six (6) months in the Senior Instructor/Developer position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.14 Systems Analyst

Must possess a university degree in Computer Science, Business Management or Economics; or

Possess a recognized Technological Diploma / Certificate in Data Processing; and have practical work experience in Computer Systems Development in a related area; or

Must have minimum three (3) years working experience in and practical knowledge of aircraft / component maintenance, vehicle / equipment maintenance, material management or labour and cost collection systems and ability to demonstrate competency in use and understanding of related systems; or

Must have minimum three (3) years experience in Information Systems or Business Systems analysis environment directly related to the Maintenance and Engineering and/or materials management computer systems.

Must have the ability to analyze problems, recommend and implement effective solutions. Strong written and verbal communications skills and proven interpersonal ability. Ability to work effectively with minimum supervision.

Within six (6) months in the Systems Analyst position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.15 Project Leader

Must have the qualifications of a Systems Analyst. Must have three (3) years experience as a Systems Analyst or three (3) years related industry experience.

Must have the ability to direct and supervise the work of and to provide training to others. Must possess ability to conduct major computer systems implementation.

Within six (6) months in the Project Leader position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.16 Senior Engineering Analyst

Must have a Bachelor degree in Aeronautical Engineering or equivalent Engineering degree; or an Aeronautical Technical Diploma. Must have five (5) years experience in flight operation/performance engineering environment.

Must have demonstrated ability to liaise with other Company personnel and outside agencies in a positive professional manner. Must have the ability to communicate well verbally and in writing.

Must have working knowledge of mainframe and PC applications. Must have the ability to direct and supervise the work of and provide training to others.

NOTE 1: Some assignments in this classification will require the incumbent to hold a license in navigation or equivalent certificate.

NOTE 2: For the purpose of applicants for the Senior Engineering Analyst Weight and Balance a combination of education and experience will be deemed to be equivalent to the academic requirements of this position.

Within six (6) months in the Senior Engineering Analyst position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.17 Engineering Analyst

A Bachelor degree in Aeronautical Engineering or equivalent engineering degree or a Diploma in Aeronautical Technology or equivalent plus 3 years experience in the flight operations/performance engineering environment.

Working knowledge of mainframe and PC applications. Must have the ability to communicate well both verbally and in writing.

Within six (6) months in the Engineering Analyst position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.18 Analyst

Must have a Diploma in Aeronautical Technology or equivalent, or high school matriculation with 3 years experience in a flight operations/performance engineering environment.

Must have working knowledge of mainframe and PC applications. Must have the ability to communicate well both verbally and in writing.

Within six (6) months in the Analyst position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.19 Technical Analyst

Must have a Bachelor degree in computer science or equivalent degree, or an equivalent Technical Diploma/Certificate with experience in computer systems development.

Must have comprehensive knowledge of mainframe and PC applications.

Must have a minimum of five (5) years related Flight Ops. experience within the area of computer systems development. Must have demonstrated ability to liaise with other company personnel and outside agencies in a positive professional manner.

Must have the ability to work with minimum supervision. Must have the ability to communicate well verbally and in writing.

Within six (6) months in the Technical Analyst position, have proven their ability to fulfill the requirements of the position in a satisfactory

manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.20 Senior Analyst-Aeronautical Services

A Diploma in Aeronautical Technology or equivalent, or high school matriculation with extensive experience in a flight operations environment.

Must have the ability to co-ordinate and supervise the work of others. Must have strong interpersonal and communication skills (both verbal and written).

Must have a comprehensive knowledge of mainframe and PC applications. Must have five (5) years related experience in a flight operations environment.

Within six (6) months in the Senior Analyst Aeronautical Services position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.21

(a) Aeronautical Services Analyst II

Must have graduated from high school grade 12 with a minimum of three (3) years related experience in a flight operations environment.

Must have comprehensive knowledge of mainframe and PC applications. Must have good interpersonal and communication skills (both verbal and written).

Within six (6) months in the Aeronautical Services Analyst II position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.21

(b) Aeronautical Services Analyst I

Must have graduated from high school grade 12 with a minimum of one (1) year experience in a flight operations environment.

Must be familiar with mainframe and PC applications. Must have good interpersonal and communication skills (both verbal and written).

Within six (6) months in the Aeronautical Services Analyst I position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.22 Senior Analyst-Operations Support

Must have a diploma in Computer Technology or equivalent or graduation from high school grade 12 with some experience in computer systems development.

Must have the ability to co-ordinate, supervise the work and provide training to others. Must have strong interpersonal and communication skills (both verbal and written).

Must have comprehensive knowledge of mainframe and PC applications. Must have five (5) years related experience in a flight operations environment.

Within six (6) months in the Senior Analyst - Operations Support position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.23

(a) Operations Support Analyst II

Must have graduated from high school grade 12. Must have three (3) years related experience in a flight operations environment.

Must have comprehensive knowledge of mainframe and PC applications. Must have good interpersonal and communication skills. Must have the ability to work without supervision on a rotating shift basis.

Within six (6) months in the Operations Support Analyst II position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.24

(b) Operations Support Analyst I

Must have graduated from high school grade 12 with some experience in a flight operations environment.

Must have good interpersonal and communication skills. Must have the ability to work without supervision on a rotating shift basis. Must have demonstrated aptitude in computer applications.

Within six (6) months in the Operations Support Analyst I position, have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to their previous position.

A7.25 Quality Auditor

Must possess the qualifications of an Inspector with at least two (2) years inspection related experience.

Must have the ability to work without supervision and have good interpersonal and communication skills.

Within six (6) months in the Quality Auditor position must have proven their ability to fulfill the requirements of the position in a satisfactory manner. Failure to achieve this ability will result in the employee being returned to his previous position.

A7.26 Chemical Waste Plant Operator

Must have the ability to work under the direction of a chemist both with and without direct supervision.

Must have a good understanding of basic chemical principles through high school education (Chemistry) and working knowledge of appropriate process cleaning procedures.

Must have working knowledge of Health and Safety Regulations pertaining to hazardous waste sites and chemical waste materials. Must hold a valid provincial driver's license and be licensed to operate a fork lift.

A7.27 Wherever in the foregoing provisions of this Article, mention is made of directing, supervising or training of other personnel

it is understood that such functions are performed as a working member of the group being directed, supervised or trained. If an employee is exercising supervisory functions under the qualifications of this classification in addition to his normal functions and finds that both functions cannot be fulfilled efficiently, the supervisory responsibilities will have priority.

NOTE: The parties agreed to adopt the principles defined in Issue No. 6 of the Ready Award August 25, 1989 concerning direction and supervision of other classifications.

ARTICLE A-8

TRAINING

A8.01 When training relates directly to an employee's required job function the following shall apply:

(a) When requested by the employee and pre-approved by the Company:

- (i) The Company shall make every effort to ensure the training is provided either through in-house programs, if available, or
- (ii) through outside programs, the Company shall assume costs for tuition, required books and approved supplies upon successful completion.

(b) When required and requested by the Company:

- (i) The Company will provide the employee with advance notice of at least one (1) week, whenever possible, and
- (ii) will assume all costs including tuition, required books, approved supplies and expenses per Article A26.

ARTICLE A-9
FILLING OF VACANCIES

A9.01 It is agreed that there will be open selection for all classifications covered by the Addendum. The process is as defined by the Planner, Expediter and Technical Writer Arbitration, May 17, 1989 as follows:

“Due to the unique level of responsibility of the Planner, Technical Repair Writer and Expediter positions it is a requirement that a selection be made of the most qualified applicants. The Company will fill such vacancies in accordance with Clause 9.02 giving first preference subject to qualifications to bargaining unit employees, outside transfer, then outside hire.

As there are no referenced seniority list(s) for this selection process Clause 9.01 does not apply.”

A9.02 Because of open selection as provided for in Clause A9.01, only the following clauses from Article 9 will apply to the Addendum: Clauses 9.03 to 9.11, 9.16, 9.18, 9.21 to 9.26.

ARTICLE A-13
SENIORITY

A13.05

- (a) Planners classification which shall consist of Shop Production Planners, Aircraft Maintenance Planners and Material and Production Planners.
- (b) Expeditors classification which shall consist of Expeditors.
- (c) Quality Auditors classification which shall consist of Quality Auditors.
- (d) Buyer Analyst Classification which shall consist of Buyer Analyst and Senior Buyer Analyst.
- (e) Instructor/Developer classification which shall consist of Instructor/Developers, Technical Instructor/Developers and Senior Instructor/Developers.
- (f) System Planning and Control classification which shall consist of Systems Analysts and Project Leaders.
- (g) Flight Technical Services classification which shall consist of Senior Engineer-Operations, Senior Engineer-Performance, Senior Engineering Analyst, Engineering Analyst, Analyst, Technical Analyst, Senior Analyst Aeronautical Services, Aeronautical Services Analyst II, Aeronautical Services Analyst I, Senior Analyst Operations Support, Operations Support Analyst II and Operations Support Analyst I.
- (h) Technical Writers classification which shall consist of Technical Writers.

- (i) Chemical Waste Plant Operators classification which shall consist of Chemical Waste Plant Operators.

NOTE: Planners, Technical Writers and Expeditors will bid rest days and vacation by classification seniority.

ARTICLE A-14
STAFF REDUCTIONS

A14.01 For the purpose of this Article, the current Technical Services Collective Agreement shall apply for all classifications listed in A13.05, with the following exceptions:

A13.05

- (a) Planners classification
- (b) Expeditors classification

who will continue to be covered by the provisions of the Ready Award.

A14.06

- (a) For the purposes of Article 14, all employees holding Senior positions within the Systems Planning, Buyer Analyst and Technical Training classifications shall be deemed to have held the junior positions within their classification on a permanent basis.

All employees holding senior positions within the Flight Technical classification shall be deemed to have held the junior positions within the "sub-groups" in that classification on a permanent basis.

For this purpose, the Senior and Junior positions in Flight Technical shall be as follows:

AERONAUTICAL SERVICES:

- | | |
|------------------|---------------|
| SENIOR | JUNIOR |
| - Senior Analyst | - Analyst II |
| | - Analyst I |

OPERATIONS / PERFORMANCE ENGINEERING:

SENIOR
- Senior Engineering
Analyst

JUNIOR
- Engineering
Analyst
- Analyst

A14.06

(b) In the event of a lay-off in the Flight Technical group, employees who have previously held a position in one of the other identified Sub Groups shall be allowed to bump that position provided they have the classification seniority to do so. In circumstances where the employee has been out of the previous position for a period in excess of five (5) years, they shall be subject to a six (6) month re-qualifying term. In the event the employee fails to re-qualify to a satisfactory level within the six (6) months, they shall revert to lay-off status from the position they were originally laid off from with full recall rights to that position as per Article 14.

A14.07 For the purposes of Article 14, there will be no bumping due to layoffs between sub-classifications of the Planner classification. Each planning discipline is a separate entity (sub-classification) as annotated in Clause A13.05 (a).

<p>ARTICLE A-26</p> <p>TRANSPORTAION</p>
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A26.01 Hotel provisions on business travel shall be to a standard acceptable to the employee and the department head.

A26.02 Where meals, lodging and transportation are not provided by the Company all expenses will be allowed as outlined below:

- Transportation - per Company Administration Manual.
- Meals:

Effective date of ratification - per Company Administration Manual.

	Where no Company cafeteria facility exists:	Where a Company cafeteria facility exists:
Breakfast	\$8.50	\$8.50
Lunch	\$14.50	\$8.50
Dinner	\$22.00	\$22.00

When assignments are in the United States, the per diem specified in Clause 11.04 (a) will be claimed in US funds.

LETTER OF UNDERSTANDING
NO. A-1

**TEMPORARY ASSIGNMENTS
PLANNERS, TECHNICAL WRITERS & EXPEDITER FUNCTIONS**

1. (a) Temporary assignments for Planner functions which cannot be accomplished with existing Planners will be filled with qualified employees from the applicable Mechanic classifications, Storeperson or Clerk classifications.

| (b) Temporary assignments for Technical Writers functions which cannot be accomplished with existing Technical Repair Writers will be filled with qualified employees from the applicable Mechanic classifications.

| (c) Temporary assignments for Expediter functions which cannot be accomplished with existing Expeditors and Buyer Analysts, will be filled with qualified applicants from the Storeperson classification.
2. When assigning employees per (1) (a), (b) or (c) above the Company will consider seniority as a factor when qualifications are equal.
3. Employees assigned to functions per (1) (a), (b) or (c) above will be limited to 90 day periods after which they will be returned to their permanent classification. They may, however, be offered other assignments of up to 90 day periods.
4. Employees who accept assignments to functions outlined in (1) (a), (b) or (c) above will retain and accrue seniority in their permanent classification during the duration of their temporary assignment.

LETTER OF UNDERSTANDING

NO. A-2

**TECHNICAL INSTRUCTOR/DEVELOPER
EMPLOYMENT PROTECTION (TERM)**

It is agreed that the changes in Agreement No. 2 to facilitate a recurrent training program for the airline require both functional and attitudinal changes on the part of both management and affected employees. Based on these principals, the following terms shall be in effect for the duration of Agreement No. 03.

LA2.01 This letter of Understanding applies to employees in the Technical Instructor/Developer classifications who were working in full time permanent positions on July 11, 1990 and shall not be laid off from their trade classification as long as the A.T. Program is in effect.

LA2.02 This Clause will not apply in the event of:

- (1) Strike, lockout or picketing of the Company's premises for the duration of such action and any following period necessary for the resumption of normal operations. When such action is concluded and employees are returned to work, the provisions of these clauses will resume.

- (2) An act of God, a National War emergency, the grounding of all or a substantial number of the Company's aircraft for reasons beyond the Company's control, (other than by reason of decreased use of the Company's aircraft due to a downturn in the economy), a revocation of the Company's operating certificate(s) which has a substantial impact upon the employment requirements of the Company, or a total cessation of the Company's flying operation for any reason.

LETTER OF UNDERSTANDING

NO. A-3

Material and Production Planner II's and III's in conjunction with the appropriate lead stockkeeper(s) will kit EO/PO parts within the E/O Kitting Area.

LETTER OF UNDERSTANDING

NO. A-4

**DIRECTION AND SUPERVISION OF
OTHER CLASSIFICATIONS**

The parties agree that the past practice of interfacing between the classification of Planners, Expeditors, and Technical Repair Writers with "other" classifications would continue under the terms and conditions of the V.L. Ready award dated May 17, 1989. This is not intended to interfere with the senior positions of these "other" classifications as regards direction, supervision and training. When and if interface direction is required it will only be incorporated in the same manner and practice as was prevalent prior to the May 17, 1989 award. (E.g. Expeditors interfacing with Stockkeepers would only be for the purposes of handling parts which are incidental to the work of the expedite centre.)

LETTER OF UNDERSTANDING

NO. A-5

TECHNICAL WRITERS

It is agreed that the Technical Writer classification will be re-established. Qualifications are outlined in Clause A7.02. Incumbent Aircraft Maintenance Planners employed as of the date of ratification will be required to perform Technical Writer functions if assigned.

If an incumbent, employed as of the date of ratification, is laid off from the Aircraft Maintenance Planner position, he will have to meet the current qualifications of the Aircraft Maintenance Planner position in order to displace into such position. Otherwise he will displace as a Technical Writer if his seniority allows him to do so.

LETTER OF INTENT

NO. A-1

Re: A7.21 Technical Analyst - Ops. Support

If due to a lack of qualified bidders the Company decides to fill a vacancy in the Technical Analyst Ops. Support position with a candidate who does not meet all of the qualifications as set out in Clause A7.21 the following process will be followed:

1. The present Clause A7.21 will be retitled as "Senior" Technical Analyst Ops. Support and the qualifications will be amended to include "Must have the ability to direct and supervise the work of and provide training to others."
2. The present incumbent in the Technical Analyst Ops. Support position (G. Day) will automatically progress to the new "Senior" Technical Analyst Ops. Support position and be deemed to be qualified in that position.
3. The vacancy being filled will remain titled as Technical Analyst but the qualifications will be revised to reflect the requirements of that position. Discussions between the Company and the Union will take place prior to finalization of the qualifications language for the revised Technical Analyst Ops. Support position and to review remuneration for both positions.

LETTER OF INTENT

NO. A-2

BUYERS / INVENTORY CONTROLLERS / EXPEDITERS

This will confirm our agreement that the Buyer and Inventory Controller classifications will be combined to form one classification of Buyer Analyst. Qualifications will be in line with those of the Buyer classification. Although the job functions will be combined as of the date of ratification, it is recognized that seniority issues will take some time to rationalize. Within two (2) weeks of ratification, a Joint Union Management Committee will be convened to determine the seniority issues using principles that have already been established by the parties. Failing resolution of the seniority issues by the Committee by September 30, 1996, any outstanding issues will be submitted to Mr. D. Munroe through a process of expedited arbitration to make a binding decision.

The rate of pay for the new classification will be the current rate of the Inventory Controller/Buyer. It is also agreed that Material Controllers may be utilized for any temporary absence of an Expediter (e.g. vacation, sickness, WCB, training) or for any temporary increase in workload in the Expediter position and vice versa.

This letter is not intended to limit the current practice regarding work performed by the Expediter.

It is agreed that incumbent Material Controllers and Senior Material Controllers, under the Union's certification as of the date of ratification of Agreement No. 3, will be deemed qualified in their respective positions.

LETTER OF AGREEMENT

If or when personnel in the System Planning and Control Department are assigned by the Company to carry a pager and provide phone support for the Material Management/Maintenance and Engineering System, on a full time, regular basis for a period of fifteen (15) days or better a month this employee shall receive seventy-five (\$75.00) dollars per month in addition to his/her regular pay.

APPENDIX A
SALARY SCALES

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
INSPECTOR/CREW CHIEF	27.60	1,034.87	4,499.43
ATP TRAINER	27.60	1,034.87	4,499.43
INSPECTOR/FOREMAN	27.60	1,034.87	4,499.43
CREW CHIEF	26.44	991.68	4,311.65
FOREMAN	25.40	952.34	4,140.60
AIR ENGINEER 1	23.76	891.05	3,874.12
AIR ENGINEER 2	25.08	940.36	4,088.54
LEAD INSPECTOR	26.64	998.95	4,343.27
AIRCRAFT INSPECTOR	26.44	991.68	4,311.65
SHOP INSPECTOR	24.83	930.96	4,047.64
AVIONICS INSPECTOR	26.44	991.68	4,311.65
NDT MECHANIC	22.91	859.11	3,735.27
NDT TECHNICIAN 1	24.35	912.99	3,969.54
NDT TECHNICIAN 2	26.44	991.68	4,311.65
NDT TECHNICIAN 3	27.59	1,034.44	4,497.58
SHOP TECHNICIAN	27.20	1,019.90	4,434.36
LEAD AVIONICS TECH	26.44	991.68	4,311.65
AVIONICS TECH 1	23.76	891.05	3,874.12
AVIONICS TECH 2	25.08	940.36	4,088.54
CALIBRATION FOREMAN	25.90	971.25	4,222.83
CALIBRATION TECHNICIAN 1	20.54	770.17	3,348.55
1st 52 wks			
CALIBRATION TECHNICIAN 2	20.90	783.85	3,408.05
2nd 52 wks			

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
CALIBRATION TECHNICIAN 3 3rd 52 wks	22.91	859.11	3,735.27
CALIBRATION TECHNICIAN 4 4th 52 wks	23.41	877.88	3,816.85
MAINTENANCE CONTROL TECHNICIAN	25.43	953.81	4,147.00
MECHANIC 1 - 1st 52 wks	19.81	742.80	3,229.56
MECHANIC 2 - 2nd 52 wks	20.54	770.17	3,348.55
MECHANIC 3 - 3rd 52 wks	20.90	783.85	3,408.05
MECHANIC 4 - 4th 52 wks	22.91	859.11	3,735.27
APPRENTICE 1 - 1st 26 wks	11.46	429.77	1,868.57
APPRENTICE 2 - 2nd 26 wks	12.04	451.58	1,963.40
APPRENTICE 3 - 3rd 26 wks	12.94	485.36	2,110.27
APPRENTICE 4 - 4th 26 wks	13.51	506.75	2,203.24
APPRENTICE 5 - 5th 26 wks	14.39	539.67	2,346.40
APPRENTICE 6 - 6th 26 wks	15.28	573.03	2,491.42
APPRENTICE 7 - 7th 26 wks	16.18	606.81	2,638.31
APPRENTICE 8 - 8th 26 wks	17.44	653.85	2,842.82
CHIEF LOADMASTER	23.59	884.77	3,846.83
CHECK LOADMASTER	22.41	840.30	3,653.46
LOADMASTER 1 - 1st 26 wks	15.05	564.47	2,454.23
LOADMASTER 2 - 2nd 26 wks	16.09	603.39	2,623.43
LOADMASTER 3 - 3rd 26 wks	17.21	645.30	2,805.64

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
LOADMASTER 4 - 4th 26 wks	17.95	673.09	2,926.49
LOADMASTER 5 - 5th 26 wks	19.14	717.57	3,119.86
LOADMASTER 6 - 6th 26 wks	20.51	769.31	3,344.83
LD CONTAIN. SERVICEMAN	19.39	726.97	3,160.76
CONTAINER SERVICEMAN 1 - 1st 26 wks	14.82	555.92	2,417.06
CONTAINER SERVICEMAN 2 - 2nd 26 wks	15.97	598.69	2,602.98
CONTAINER SERVICEMAN 3 - 3rd 26 wks	17.11	641.45	2,788.91
CONTAINER SERVICEMAN 4 - 4th 26 wks	18.25	684.21	2,974.84
LINE ENGINEER	24.91	933.95	4,060.64
FLIGHT ENGINEER	34.91	1,308.98	5,691.23
LEAD SECURITY OFFICER	15.84	593.98	2,582.52
SECURITY OFFICER 1 - * 1st 52 wks	9.07	339.97	1,478.12
SECURITY OFFICER 2 - 2nd 52 wks	10.67	400.26	1,740.28
SECURITY OFFICER 3 - 5th 26 wks	12.79	479.81	2,086.11
SECURITY OFFICER 4 - 6th 26 wks	15.16	568.32	2,470.97
SR. LEAD STN. ATTENDANT	22.09	828.38	3,601.67
LEAD STN. ATTENDANT	20.25	759.47	3,302.06
STN. ATTENDANT 1 - * 1st 52 wks	9.07	339.97	1,478.12
STN. ATTENDANT 2 - 2nd 52 wks	10.35	388.29	1,688.21
STN. ATTENDANT 3 - 5th 26 wks	12.10	453.72	1,972.68

* Wage rates for employees hired into these classifications after March 1, 1996 will be at the entry level rate of pay for the duration of this Collective Agreement

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
STN. ATTENDANT 4 - 6th 26 wks	14.11	528.98	2,299.92
STN. ATTENDANT 5 - 7th 26 wks	15.35	575.59	2,502.58
STN. ATTENDANT 6 - 8th 26 wks	16.23	608.52	2,645.75
STN. ATTENDANT 7 - 9th 26 wks	18.26	684.64	2,976.70
CARGO SALES AGENT (ATLANTIC REGION)	19.21	720.56	3,132.86
LEAD RECORDS CONTR.	19.73	739.80	3,216.54
RECORDS CONTR. 1 - 1st 26 wks	13.74	515.29	2,240.41
RECORDS CONTR. 2 - 2nd 26 wks	14.54	545.23	2,370.56
RECORDS CONTR. 3 - 3rd 26 wks	15.43	578.59	2,515.60
RECORDS CONTR. 4 - 4th 26 wks	16.31	611.51	2,658.76
RECORDS CONTR. 5 - 5th 26 wks	17.48	655.56	2,850.26
RECORDS CONTR. 6 - 6th 26 wks	18.58	696.61	3,028.75
COMPLEX CLERK 1 - 1st 26 wks	12.21	458.00	1,991.29
COMPLEX CLERK 2 - 2nd 26 wks	13.32	499.47	2,171.63
COMPLEX CLERK 3 - 3rd 26 wks	14.41	540.53	2,350.11
COMPLEX CLERK 4 - 4th 26 wks	15.79	592.27	2,575.09
COMPLEX CLERK 5 - 5th 26 wks	16.98	636.75	2,768.46
INT. CLERK 1 - 1st 26 wks	10.79	404.54	1,758.87
INT. CLERK 2 - 2nd 26 wks	11.41	428.06	1,861.13

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
INT. CLERK 3 - 3rd 26 wks	12.02	450.72	1,959.67
INT. CLERK 4 - 4th 26 wks	12.60	472.53	2,054.49
INT. CLERK 5 - 5th 26 wks	13.19	494.77	2,151.17
INT. CLERK 6 - 6th 26 wks	13.80	517.44	2,249.72
BASIC CLERK 1 - 1st 26 wks	9.67	362.63	1,576.66
BASIC CLERK 2 - 2nd 26 wks	10.18	381.88	1,660.33
BASIC CLERK 3 - 3rd 26 wks	10.92	409.67	1,781.18
SR. PRINT SHOP OP.	26.18	981.84	4,268.89
SR. BINDERY OP. 1 - 1st 52 wks	15.16	568.32	2,470.97
SR. BINDERY OP. 2 - 2nd 52 wks	16.11	604.24	2,627.14
SR. BINDERY OP. 3 - 3rd 52 wks	17.09	641.02	2,787.05
SR. BINDERY OP. 4 - 4th 52 wks	18.05	676.94	2,943.23
SR. BINDERY OP. 5 - 5th 52 wks	19.01	712.86	3,099.40
SR. BINDERY OP. 6 - 6th 52 wks	22.19	832.17	3,618.14
BINDERY OP. 1 - * 1st 26 wks	13.92	522.14	2,270.17
BINDERY OP. 2 - 2nd 26 wks	14.68	550.36	2,392.88
BINDERY OP. 3 - 3rd 26 wks	15.47	580.30	2,523.04
BINDERY OP. 4 - 4th 26 wks	16.23	608.52	2,645.75

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CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
BINDERY OP. 5 - 6th 26 wks	17.01	638.03	2,774.04
BINDERY OP. 6 - 8th 26 wks	17.77	666.25	2,896.75
PLATEMKR/CAM OP 1 - 1st 52 wks	15.16	568.32	2,470.97
PLATEMKR/CAM OP 2 - 2nd 52 wks	16.11	604.24	2,627.14
PLATEMKR/CAM OP 3 - 3rd 52 wks	17.09	641.02	2,787.05
PLATEMKR/CAM OP 4 - 4th 52 wks	18.05	676.94	2,943.23
PLATEMKR/CAM OP 5 - 5th 52 wks	19.01	712.86	3,099.40
PLATEMKR/CAM OP 6 - 6th 52 wks	22.19	832.17	3,618.14
MACHINE OP. 1 - 1st 26 wks	13.92	522.14	2,270.17
MACHINE OP. 2 - 2nd 26 wks	14.88	558.06	2,426.36
MACHINE OP. 3 - 2nd 52 wks	15.84	593.98	2,582.52
MACHINE OP. 4 - 3rd 52 wks	16.82	630.76	2,742.42
MACHINE OP. 5 - 4th 52 wks	17.78	666.68	2,898.61
MACHINE OP. 6 - 6th 52 wks	19.90	746.22	3,244.44
ASST. PRESS OP. 1 - 1st 52 wks	12.11	454.15	1,974.55
ASST. PRESS OP. 2 - 2nd 52 wks	13.40	502.47	2,184.65
ASST. PRESS OP. 3 - 3rd 52 wks	14.64	549.08	2,387.30
ASST. PRESS OP. 4 - 7th 26 wks	16.23	608.52	2,645.75
SR. LEAD STOCKKEEPER	22.69	850.99	3,699.96
SR. STOCKKEEPER	21.46	804.86	3,499.41

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
LEAD STOCKKEEPER	20.25	759.47	3,302.06
STOCKKEEPER 1 - 1st 26 wks	13.72	514.44	2,236.69
STOCKKEEPER 2 - 2nd 26 wks	14.51	543.95	2,364.99
STOCKKEEPER 3 - 3rd 26 wks	15.35	575.59	2,502.58
STOCKKEEPER 4 - 4th 26 wks	16.23	608.52	2,645.75
STOCKKEEPER 5 - 5th 26 wks	18.26	684.64	2,976.70
STOCKKEEPER 6 - 6th 26 wks	18.58	696.61	3,028.75
STORES CARPENTER	20.25	759.47	3,302.06
SR. LEAD CLEANER	19.00	712.44	3,097.55
LEAD CLEANER	17.68	662.83	2,881.87
CLEANER 1 - * 1st 52 wks	9.07	339.97	1,478.12
CLEANER 2 - 2nd 52 wks	10.35	388.29	1,688.21
CLEANER 3 - 3rd 52 wks	12.10	453.72	1,972.68
CLEANER 4 - 7th 26 wks	14.11	528.98	2,299.92
CLEANER 5 - 8th 26 wks	16.76	628.62	2,733.13
LEAD PROCESS CLEANER	17.70	663.68	2,885.58
PROCESS CLEANER 1 - 1st 52 wks	15.67	587.57	2,554.64
PROCESS CLEANER 2 - 2nd 52 wks	17.06	639.74	2,781.48
HELPER BUILDING MAINTENANCE	16.55	620.49	2,697.80
HELPER GROUND EQUIPMENT	16.55	620.49	2,697.80
LEAD JANITOR	16.11	604.24	2,627.14

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CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
JANITOR 1 - *	9.07	339.97	1,478.12
1st 52 wks			
JANITOR 2 -	10.66	399.84	1,738.42
2nd 52 wks			
JANITOR 3 -	12.77	478.95	2,082.38
5th 26 wks			
JANITOR 4 -	15.25	571.74	2,485.84
6th 26 wks			
DRY CLEANER FOREMAN	17.70	663.68	2,885.58
DRY CLEANER 1 -	14.07	527.70	2,294.35
1st 26 wks			
DRY CLEANER 2 -	14.46	542.24	2,357.55
2nd 26 wks			
DRY CLEANER 3 -	16.31	611.51	2,658.76
4th 26 wks			
MENDER 1 -	12.25	459.28	1,996.85
1st 26 wks			
MENDER 2 -	12.84	481.51	2,093.54
2nd 26 wks			
MENDER 3 -	14.51	543.95	2,364.99
4th 26 wks			
LAUNDRY WORKER 1 - *	11.92	446.87	1,942.93
1st 26 wks			
LAUNDRY WORKER 2 -	13.70	513.59	2,232.98
2nd 26 wks			
SEWING MACH. OP. 1 -	14.04	526.41	2,288.76
1st 52 wks			
SEWING MACH. OP. 2 -	15.91	596.55	2,593.68
2nd 52 wks			
TYPESETTER 1 -	15.16	568.32	2,470.97
1st 52 wks			
TYPESETTER 2 -	16.11	604.24	2,627.14
2nd 52 wks			

* Wage rates for employees hired into these classifications after March 1, 1996 will be at the entry level rate of pay for the duration of this Collective Agreement

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
TYPESetter 3 - 3rd 52 wks	17.09	641.02	2,787.05
TYPESetter 4 - 4th 52 wks	18.05	676.94	2,943.23
TYPESetter 5 - 5th 52 wks	19.01	712.86	3,099.40
TYPESetter 6 - 6th 52 wks	22.19	832.17	3,618.14
LARGE PRESS OPERATOR 1 1st 52 wks	18.74	702.61	3,054.83
LARGE PRESS OPERATOR 2 2nd 52 wks	19.54	732.69	3,185.62
LARGE PRESS OPERATOR 3 3rd 52 wks	20.32	761.88	3,312.52
LARGE PRESS OPERATOR 4 4th 52 wks	21.30	798.70	3,472.59
LARGE PRESS OPERATOR 5 5th 52 wks	23.18	869.19	3,779.10
LARGE PRESS OPERATOR 6 6th 52 wks	25.44	954.06	4,148.08
ONE CLR PRESS OP 1 - 1st 52 wks	16.91	634.01	2,756.55
ONE CLR PRESS OP 2 - 2nd 52 wks	17.73	664.99	2,891.26
ONE CLR PRESS OP 3 - 3rd 52 wks	18.54	695.07	3,022.06
ONE CLR PRESS OP 4 - 4th 52 wks	19.31	724.26	3,148.96
ONE CLR PRESS OP 5 - 5th 52 wks	21.59	809.57	3,519.88
SR. ENGINEERING ANALYST 1st 52 weeks	23.02	863.19	3,753.00
2nd 52 weeks	24.17	906.20	3,940.00
3rd 52 weeks	25.37	951.51	4,137.00
4th 52 weeks	26.65	999.35	4,345.00
5th 52 weeks	27.97	1,049.03	4,561.00
6th 52 weeks	29.10	1,091.12	4,744.00

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
SR. ANALYST			
1st 52 weeks	21.01	787.75	3,425.00
2nd 52 weeks	22.06	827.08	3,596.00
3rd 52 weeks	23.15	868.25	3,775.00
4th 52 weeks	24.32	911.95	3,965.00
5th 52 weeks	25.53	957.49	4,163.00
ANALYST 3			
1st 52 weeks	20.14	755.32	3,284.00
2nd 52 weeks	21.14	792.81	3,447.00
3rd 52 weeks	22.21	832.83	3,621.00
4th 52 weeks	23.31	874.23	3,801.00
5th 52 weeks	24.48	917.93	3,991.00
ANALYST 2			
1st 52 weeks	18.42	690.69	3,003.00
2nd 52 weeks	19.33	724.96	3,152.00
3rd 52 weeks	20.30	761.07	3,309.00
4th 52 weeks	21.31	799.25	3,475.00
5th 52 weeks	22.38	839.27	3,649.00
ANALYST 1			
1st 52 weeks	17.39	652.05	2,835.00
2nd 52 weeks	18.25	684.48	2,976.00
3rd 52 weeks	19.17	718.75	3,125.00
4th 52 weeks	20.12	754.63	3,281.00
5th 52 weeks	21.14	792.58	3,446.00
PROJECT LEADER			
1st 52 weeks	25.20	944.84	4,108.00
2nd 52 weeks	26.23	983.48	4,276.00
3rd 52 weeks	27.27	1,022.81	4,447.00
4th 52 weeks	28.37	1,063.98	4,626.00

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
SYSTEMS ANALYST			
1st 52 weeks	19.19	719.67	3,129.00
2nd 52 weeks	20.69	775.79	3,373.00
3rd 52 weeks	22.32	836.97	3,639.00
4th 52 weeks	23.22	870.78	3,786.00
SR. INSTRUCTOR/DEVELOPER	30.35	1,138.27	4,949.00
TECHNICAL INSTRUCTOR/ DEVELOPER			
1st 52 weeks	25.18	944.38	4,106.00
2nd 52 weeks	26.45	991.76	4,312.00
3rd 52 weeks	27.48	1,030.40	4,480.00
4th 52 weeks	28.58	1,071.57	4,659.00
5th 52 weeks	29.73	1,114.81	4,847.00
INSTRUCTOR/DEVELOPER			
1st 52 weeks	21.68	812.82	3,534.00
2nd 52 weeks	22.55	845.48	3,676.00
3rd 52 weeks	23.45	879.52	3,824.00
SR. BUYER ANALYST			
1st 52 weeks	23.38	876.76	3,812.00
2nd 52 weeks	24.34	912.87	3,969.00
3rd 52 weeks	25.29	948.52	4,124.00
BUYER ANALYST			
1st 52 weeks	19.04	713.92	3,104.00
2nd 52 weeks	19.80	742.67	3,229.00
3rd 52 weeks	20.60	772.34	3,358.00
4th 52 weeks	21.42	803.39	3,493.00
5th 52 weeks	22.28	835.59	3,633.00
QUALITY ASSURANCE AUDITOR	27.60	1,034.89	4,499.51

CLASSIFICATION	HOURLY	WEEKLY	MONTHLY
A/C MTCE PLANNER 4	29.30	1,098.83	4,777.51
A/C MTCE PLANNER 3			
1st 52 weeks	25.86	969.85	4,216.76
2nd 52 weeks	26.61	997.79	4,338.23
3rd 52 weeks	27.38	1,026.80	4,464.34
SHOP PROD PLANNER 4	27.38	1,026.80	4,464.34
SHOP PROD PLANNER 3			
1st 52 weeks	24.51	918.94	3,995.39
2nd 52 weeks	25.21	945.41	4,110.49
3rd 52 weeks	25.94	972.64	4,228.89
MATERIAL & PRODUCTION PLANNER 2			
1st 52 weeks	23.21	870.23	3,783.63
2nd 52 weeks	23.86	894.78	3,890.36
3rd 52 weeks	24.56	921.09	4,004.74
MATERIAL & PRODUCTION PLANNER 3			
1st 52 weeks	19.72	739.63	3,215.79
2nd 52 weeks	20.28	760.61	3,307.02
3rd 52 weeks	20.84	781.60	3,398.25
EXPEDITER	23.08	865.53	3,763.16
TECHNICAL WRITER	23.85	894.38	3,888.61
CHEMICAL WASTE PLANT OPERATOR			
1st 52 weeks	17.70	663.68	2,885.58
2nd 52 weeks	19.00	712.44	3,097.55
CONTRACT GROOMERS			
1st 26 weeks	8.00		
2nd 26 weeks	8.50		

APPENDIX B
DUTIES OF EMPLOYERS

In order to disseminate important information covered by Part II of the Canada Labour Code the following excerpts are printed in this Agreement.

Duties of Employers

124. Every employer shall ensure that the safety and health at work of every person employed by him is protected. (R.S.C. 1985 (1st Supp.), C.9. S.4..

Duties of Employees

126.

- (1) While at work, every employee shall
 - (a) use such safety materials, equipment, devices and clothing as are intended for his protection and furnished to him by his employer or as are prescribed;
 - (b) follow prescribed procedures with respect to the safety and health of employees;
 - (c) take all reasonable and necessary precautions to ensure the safety and health of
 - (i) himself
 - (ii) his fellow employees, and
 - (iii) any person likely to be affected by the employee's acts or omissions;
 - (d) comply with all instructions from the employer concerning the safety and health of employees;

- (e) co-operate with any person exercising a duty imposed by this Part or any regulations made thereunder;
- (f) co-operate with the safety and health committee established for the work place where he is employed or if there is no such committee, with the safety and health representative, if any, appointed for the work place where he is employed;
- (g) report to his employer any thing or circumstance in a work place that is likely to be hazardous to the safety or health of the employee, his fellow employees or other persons granted access to the work place by the employer;
- (h) report in the manner prescribed every accident or other occurrence arising in the course of or in connection with his work that has caused injury to the employee or to any other person; and
- (i) comply with every oral or written direction of a safety officer concerning the safety and health of employees.

Employment Safety

Refusal To Work If Danger

128.

(1) Subject to this section, where an employee while at work has reasonable cause to believe that

- (a) the use or operation of a machine or thing constitutes a danger to himself or another employee, or
- (b) a condition exists in any place that constitutes a danger to the employee, the employee may refuse to use or operate the machine or thing or to work in that place.

No Refusal Permitted In Certain Dangerous Circumstances

- (2) An employee may not pursuant to this section refuse to use or operate a machine or thing or to work in a place where
 - (a) the refusal puts the life, health or safety of another person directly in danger; or
 - (b) the danger referred to in subsection (1) is inherent in the employee's work or is a normal condition of employment.

Report To Employer

- (6) Where an employee refuses to use or operate a machine or thing or to work in a place pursuant to subsection (1), or is prevented from acting in accordance with that subsection pursuant to subsection (4), he shall forthwith report the circumstances of the matter to his employer and to
 - (a) a member of the safety and health committee, if any, established for the work place affected; or
 - (b) the safety and health representative, if any, appointed for the work place affected.

Investigation Of Report

- (7) An employer shall forthwith on receipt of a report under subsection (6) investigate the report in the presence of the employee who made the report and in the presence of
 - (a) at least one member of the safety and health committee, if any, to which the report was made under subsection (6) who does not exercise managerial functions;
 - (b) the safety and health representative, if any; or
 - (c) where no safety and health committee or safety and health representative has been established or appointed for the work place affected, at least one person selected by the employee.

APPENDIX C
HOME SALE ASSISTANCE
PROCEDURES

Employees who are homeowners and who qualify for home sale assistance by the Company will be governed by the following procedures:

C1.01 The intent of the Section is to provide financial assistance to employees who must sell a residence in one location and buy a residence in a different location as a result of a move at Company request. A residence outside of Canada shall not be eligible for the assistance of this Section.

C1.02 For the purpose of this Article definitions are:

"Home or House" shall be defined as the employee's principal residence, used primarily for residential purposes, and the fair market value of which is not enhanced by any commercial activities carried out on the property.

"Appraised fair market value" shall mean the fair market value of an interest in real property that might be reasonably expected to result when sold by a willing seller to a willing buyer after a 90 day exposure to the market.

"Employee's equity" shall mean for the purposes of calculation of equity that mortgage prepayment penalties in excess of three (3) month mortgage interest are excluded.

C1.03 The employee and the Company shall jointly have the fair market value of his house appraised. If the employee is unable to dispose of his home within three (3) months he shall be paid the appraised fair market value of the home by the Company at which time the Company will assume title.

C1.04 The obligations of the Company as defined in this Section 1.03 applicable to any one home, shall be limited to six (6) times the annual salary of a Crew Chief. Employees disposing of homes having an appraised fair market value in excess of that limit, shall be entitled to the benefits of Section 1.03 applicable to that limit but the Company shall not at any time purchase and assume title to the property as provided for in Section 1.03 and 1.12. Employees disposing of homes having a fair market value enhanced by commercial activity, or homes not readily saleable separately from a commercial property (for example, farm house/farm) shall have the residential fair market value differentiated from the commercial value by the Appraisers, and shall be entitled to the benefits of Section 1.03 applicable to that residential value, without benefit of Company purpose as provided for in Section 1.01 and 1.12.

C1.05 If the entitled employee wished to invoke the terms of Section 1.03, he shall inform the Regional Maintenance Manager, in writing of his desire to do so within thirty (30) days of receiving notice of transfer. The Company will supply the employee with necessary forms and a list of Certified Appraisers approved by the Company. (No Appraiser shall be approved who has an interest in the marketing of property). The forms are to be returned within thirty (30) days from date of issue, signed by the employee and his spouse where applicable, and indicating the Appraiser selected. Both of the time limits specified above may be extended by mutual agreement between the employee and the Company.

C1.06 The Company will then select another Appraiser from the same list and will arrange and pay for both appraisals.

C1.07 If the appraisals are within seven and one-half percent (7½%) of each other, based on the lower of the two appraised figures, the fair market value will be established as the average of the two appraised values. If the two appraisals are more than seven and one-half percent (7½%) apart, the Company will arrange and pay for a third appraisal by a mutually agreed Appraiser selected from the same list. The fair market value will then be established as the average of the closest two appraised values.

C1.08 The complete appraisals will be made available for scrutiny by the employee on request.

C1.09 Once the fair market value has been established, the employee may elect to withdraw from the plan or he may elect to have the property listed with an agent who is agreeable to the Company at a price not in excess of one hundred and ten percent (110%) of the established market value. This choice must be made within fifteen (15) days of receipt of notification of the appraised fair market value. If the employee decides not to utilize this plan, his decision is irrevocable. All offers to purchase the property received during the three (3) month listing will be presented by the agent to both the employee and the Company. If, during this period, the employee refuses any offer which is equal to or in excess of the appraised fair market value, the Company may elect to be relieved of its obligations under this Section.

C1.10 For so long as he retains title, the employee will be responsible for maintaining the security and the appearance of the property as well as maintaining all carrying charges including but without limiting the generality thereof; mortgage payments due; utility payments, fuel payments, etc., and adequate insurance protection against loss or damage by fire and other risks. Neglect of the security and appearance of the property by the employee shall, at the Company's option, require a re-appraisal in accordance with Section 1.05, 1.06 and 1.07.

C1.11 Should the property be sold during the three (3) months following listing, all equity proceeds will accrue to the employee. The Company will pay the commission, the selling legal fees and any required mortgage prepayment penalty paid up to three (3) months interest on the Mortgage.

C1.12 Should the property fail to sell within the three (3) months following listing, the Company will take title to it, paying to the employee the appraised market value less any encumbrances and adjustments on the property at the time of closing (in effect, the employee's equity in the property). Employees disposing of properties described in Section 1.04 as having an appraised fair market value in excess of the limit, and those with a value enhanced by or inseparable from commercial activity, both of which are denied access to Company purchase, shall be entitled to the commission paid, selling legal fees

paid, and any required mortgage prepayment penalty paid up to three (3) months interest on the mortgage, within the value limit or the differentiated residential value, as applicable upon submission of documentation of sale.

C1.13 The Company will reimburse the employee for one-half (½) the interest cost of interim financing for the purpose of establishing himself at his new location. Such liability shall be limited to one-half (½) of the interest paid for financing.

- (a) The minimum deposit required to be made with the offer to purchase a new residence, and
- (b) The deposit required to close the deal, less any amount advanced under (a) above.

DEFINITIONS

The following definitions under this section will apply to all provisions covered by this Agreement.

1. Domestic Operations - means all flying operations not specifically defined as overseas operations.
2. Overseas Operations - means any flying operation conducted from any point on the North American continent to any landing point more than five hundred (500) miles outside the boundary of said North American continent; or any flying operation conducted between any points more than five hundred (500) miles outside such boundary, and such other flying operations not now included herein which may be mutually agreed upon between the Company and the Union to be overseas operations.
3. Calendar Day - the twenty-four (24) hour period from midnight to midnight.
4. Working day - the calendar day where the majority of the shift is scheduled to be worked. Where an equal number of hours are worked on two (2) days then the calendar day on which the shift commences shall be the working day.
5. Crew member - an employee assigned to duty in an aircraft during flight time. Such employees will have their name entered as crew on the Part 1 Aircraft Journey Log Book.
6. Base - all locations in Canada where bargaining unit work is carried out.

Definitions

7. Main base - a base designated by mutual agreement between the Company and the Union.

Effective May 25, 1987 the main bases are:

Vancouver, British Columbia
Calgary, Alberta
Winnipeg, Manitoba
Toronto, Ontario
Dorval, Quebec
Halifax, Nova Scotia

8. Field Bases - all those bases in Canada other than those listed in (7) above.

9. Safety footwear - the definition of safety footwear as used in this Collective Agreement shall be the same as the current C.S.A. definition of safety footwear applicable to the Airline industry.

10. Outside transfer - transferred from outside the scope of this Agreement into a trade classification or work group covered by this Agreement.

11. Outside hire - hired from outside the Company.

12. Direct - To give instruction which will guide and/or regulate and control activities and to be responsible and accountable for ensuring compliance of assigned activities. Direction may include such functions as, but not limited to:

- Administer and distribute manpower including crews, resources and equipment in a cost effective manner to meet day to day operational requirements.
- Ensure work is carried out in accordance with Company manuals and procedures in keeping with the provisions of the Collective Agreement.
- Ensure workplace is maintained in a clean, organized and safe manner.

Definitions

- Communicate regarding expected short and long term objectives, work progress and personnel issues as they affect the workplace.
 - Monitor and provide regular informal feedback to the employees under their direction.
 - Be a working member of crew.
13. Supervise - To exercise active direction over assigned staff, to be responsible and accountable for the day to day operations of the assigned work area. In addition to functions under “direct”, supervise may include such functions as, but not limited to:
- Coordinate, plan, monitor and lead daily operations to maintain schedules in accordance with Company manuals and procedures in keeping with the collective agreement. Participate in development of long range plans.
 - Recommend additions and/or changes to required manuals, tooling, equipment and supplies.
 - Facilitate timely and regular two-way communication regarding Corporate Objectives, Department Objectives, short and long term operational issues, and personnel issues as they affect workplace performance.
 - Administer training and licenses in conjunction with ATP Instructors and Senior Leads assigned to training.
 - Be a working member of crew. In case of conflict, priority is given to leadership duties. (Ref. Clause 7.69)

AGREEMENT NO. 3

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