

# COLLECTIVE AGREEMENT

BETWEEN

**TEAMSTERS LOCAL UNION NO. 879**

AFFILIATED WITH THE  
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RECEIVED  
JUN 15 2009

AND

**CAA TRAVEL (SOUTH CENTRAL ONTARIO) INC.**  
**And CAA SERVICES (SOUTH CENTRAL ONTARIO) INC.**

EFFECTIVE DATE : SEPTEMBER 1, 2007

EXPIRY DATE : AUGUST 31, 2010

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# INDEX

<b>ARTICLE</b>		<b>PAGE</b>
1	INTENT AND PURPOSE AND DEFINITION	4
2	RECOGNITION	5
3	UNION DUES	6
4	MANAGEMENT RIGHTS	7
5	STEWARDS	8
6	DISCRIMINATION	10
7	GRIEVANCE AND ARBITRATION PROCEDURE	10
8	STRIKES & LOCKOUTS	14
9	PROBATION AND SENIORITY	15
10	LEAVE OF ABSENCE	18
11	HOURS OF WORK & OVERTIME	19
12	WAGES	20
13	PAID HOLIDAYS	21
14	PAID VACATION	22
15	HEALTH & SICK LEAVE BENEFITS	24
16	MEDICAL EXAMINATIONS	27
17	EQUIPMENT AND CLOTHING	27
18	GENERAL	28
19	HEALTH & SAFETY	30
20	PAY PERIODS	30
21	TEMPORARY EMPLOYEES	30
22	DURATION OF AGREEMENT	31

# INDEX

<b>ARTICLE</b>	<b>PAGE</b>
LETTER OF UNDERSTANDING Union Advancement Fund	32
LETTER OF UNDERSTANDING TICO Minimum Education Standards Examination– July 1, 2009	33
LETTER OF UNDERSTANDING Member Service Counsellor Obtaining IATA Cards	34
SCHEDULE "A" Appendix I – Travel Consultant	35
Appendix II – Member Services Counsellor	40
Appendix III – Customer Care Representative	43
<b>ADDENDUM TO THE COLLECTIVE AGREEMENT</b>	44
LETTERS OF UNDERSTANDING WSIB – Emergency Road Service Specialists	46
Health & Welfare Benefit Enhancements	46
Emergency Road Service Specialist	46
Appendix IV – Customer Care Representative	48
Appendix V – Teleservices Member Services Representative	49
Appendix VI – Dispatchers	50
Appendix VII – Teleservices Travel Counsellor	51
Appendix VIII – Teleservices Universal Travel Counsellor	52
Appendix IX – Job Classifications	53

# COLLECTIVE AGREEMENT

BETWEEN:

CAA TRAVEL (SOUTH CENTRAL ONTARIO) INC.  
And CAA SERVICES (SOUTH CENTRAL ONTARIO) INC.

and

TEAMSTERS LOCAL UNION NO. 879  
AFFILIATED WITH THE  
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

## ARTICLE 1 - INTENT AND PURPOSE AND DEFINITION

- 1.1 The Employer and the Union each agree that the purpose and the intent of this Agreement is to promote co-operation and harmony; to recognize mutual interests; to provide for quality and quantity of service to clients, Members and the public; to increase productivity; to establish and maintain a satisfactory procedure to cover the settlement of differences arising out of this Agreement; to promote efficiency and service; and to set forth those working conditions which have been negotiated.
- 1.2 In this Agreement,
- (a) "Discipline" means a written warning/reprimand, suspension or discharge.
  - (b) "Employee" means a person employed by the Employer and represented by the Union as set out in Article 2.1.
  - (c) "Common-law Spouse" shall mean a partner with whom an Employee is continuously Co-habiting in a conjugal relationship and sharing a common residence for a minimum of one year."
  - (d) "Grievance" shall mean a dispute concerning the Discipline of an Employee other than a Probationary Employee, or a dispute arising from the interpretation, application, administration or alleged violation of this Agreement.

- (e) "Leave of Absence" shall mean an absence from work requested by an Employee in writing and consented to by the Employer in accordance with Article 10.
- (9) "Permanent Employee" means a Permanent Full-time Employee or a Permanent Part-time Employee.
- (g) "Permanent Full-time Employee" means an Employee who has successfully completed his probationary period and who works on a regular basis for thirty seven and one half (37.5) or more hours a week and who is not a Permanent Part-time Employee or a Temporary Employee.
- (h) "Permanent Part-time Employee" means an Employee who has successfully completed his probationary period and who works on a regular basis for less than thirty seven and one half (37.5) hours per week but is not a Temporary Employee.
- (i) "Probationary Employee" means an Employee who has not successfully completed his probationary period.
- (j) "Strike" and "Lockout" shall have the same meaning given those words in the *Labour Relations Act, S.O. 1995*, as amended.
- (k) "Temporary Employee" means an Employee who is hired or has been hired to work on a temporary basis for up to twelve months, regardless of whether the Employee works Full-time or Part-time, to meet seasonal/peak demands or to replace an Employee on disability or a leave of absence.

1.3 Where the masculine gender is used throughout this Agreement, it is understood to include the female gender.

1.4 Where the singular is used throughout this Agreement, it is understood to include the plural.

## **ARTICLE 2 - RECOGNITION**

2.1 The Employer recognizes the Union as the bargaining agent of all Employees of CAA South Central Ontario and CAA Travel Agency Ltd. in the Counties of Wellington, Oxford and 'Middlesex, and the Regional Municipality of Waterloo, save and except Managers, Supervisors and Co-ordinators, persons above the rank of Manager, Supervisor and Co-ordinator, Executive Assistant, Assistant to the Director of operations,

Assistant to the Controller, Human Resources Assistant, Management Information Systems Analysts, maintenance person and groundskeeper.

- 2.2 The Union advises that the administration of the collective agreement will be by and through the offices of Teamsters Local Union No. 879.

### **ARTICLE 3 - UNION DUES**

- 3.1 Employees shall upon completion of their probationary period be required to become a member of the Union.
- 3.2 Employees hired before or after the signing of this Agreement shall be required to execute and deliver to the Employer an authorization for the deduction of monthly Union dues and the provision to the Union of the Employees' social insurance number. The Employer will obtain that authorization.
- 3.3 Employees hired after the signing of this Agreement shall upon the completion of their probationary period be required to execute and deliver to the Employer an authorization for the deduction of the Union's initiation and re-initiation fee in instalments of \$25 per pay period. The Employer will obtain that authorization.
- 3.4 The Employer agrees during the term of this Agreement to deduct union dues in accordance with authorizations provided pursuant to this Agreement, from all Employees, including probationary Employees, in a manner and as directed by the Local Union. The Employer will remit such monies so deducted to the Local Union within twenty one (21) days of the following month along with a list of names and social insurance numbers of Employees from whom such monies were deducted.
- The Employer agrees, during the term of this Agreement, to deduct initiation and/or re-initiation fees in accordance with authorizations provided pursuant to this Agreement, from all Employees and remit such monies so deducted to the Local Union at the same time the Local Union dues are remitted.
- 3.5 The Union will certify to and notify the Employer in writing of any change in the monthly Union dues and the Union's initiation or re-initiation fee and the Employer will within 45 days of such certification and notification commence deductions as provided for above in the new amount.
- 3.6 The Union will notify the Employer in writing of any arrears in dues, initiation or re-initiation fees, caused for any reason, and the Employer will commence deductions in amounts prescribed by the Local Union in such

written notice and forward such monies to the Local Union, as soon as practical following notice, along with the monthly dues as provided above.

- 3.7 T-4 slips issued annually to Employees shall show deductions made for Union dues.
- 3.8 The Union agrees to hold the Employer harmless against all claims, demands, and expenses should any person, at any time, contend or claim that the Employer has acted without authorization, inaccurately, wrongfully or illegally in deducting or remitting Union dues and the Union's initiation and re-initiation fee.
- 3.9 No terms of this Agreement shall apply to Employees who work no more than one scheduled shift per week of no more than 8.5 hours.
- 3.10 The Employer and Union agree that neither party to this Agreement shall enter into any agreement or contract with the Employees regarding work regularly done by the Employees which conflicts with the terms of this Agreement.

#### **ARTICLE 4 - MANAGEMENT RIGHTS**

- 4.1 The Union agrees that all rights and prerogatives of management are retained by the Employer and remain exclusively the function of the Employer and, without limiting the generality of the foregoing, the Employer's rights include:
- (a) the right: to maintain order, discipline and efficiency; to make, alter and enforce rules, regulations, policies and practices to be obeyed by the Employees; to discipline the Employees for just cause;
  - (b) the right: to select, hire, retain and regulate the work force and Employees; to determine the qualifications necessary for the work; to determine who is qualified for the work; to transfer, assign, promote, demote, classify, lay-off, recall, suspend and retire Employees; to determine the number of Employees to be hired; to determine the amount and form of compensation for Employees; to plan, direct and control operations; to select, hire, and retain Employees for positions excluded from the bargaining unit and to transfer Employees into and out of the bargaining unit;
  - (c) the right: to operate and maintain operations in order to satisfy its commitments and responsibilities; to determine the location of operations and their expansion or curtailment; to direct the work force; to schedule operations; to subcontract work; to establish, change or

modify the number of shifts; to schedule vacations; to establish maintain or modify the methods, processes and means of operation, job content, quality and quantity standards; to use new or improved methods and equipment; to decide on the number of Employees needed at any time, the number of hours and shifts to be worked, starting and quitting times; to expand, reduce, alter, combine, transfer, assign or cease any work; to determine the number, location and operation of departments, divisions, and all other units of the Employer; and generally, to manage its activities without interference as the sole and exclusive right of the Employer; and

(d) the sole and exclusive jurisdiction over all operations, buildings, equipment and Employees shall be vested in the Employer.

4.2 The Employer agrees that it will not exercise the foregoing rights, contrary to the express provisions of this Agreement. In the event it is alleged that the Employer has exercised any of the foregoing rights contrary to the express provisions of this Agreement, the matter may be made the subject of a Grievance.

## **ARTICLE 5 - STEWARDS**

5.1 The Union may elect or appoint one (1) Steward from the Permanent Employees working at each location covered under this Collective Agreement, for the purpose of investigating and processing Grievances.

5.2 The Union may also elect or appoint two (2) Chief Stewards from the existing Stewards for Local 879, ideally one of which shall be from the Travel Agent classification and one of which shall be from the Member Services Counsellor classification. The two (2) Chief Stewards, along with the Union Business Representative shall constitute the Union Negotiating Committee.

5.3 The Union will inform the Employer, in writing, of the names of the Chief Stewards and Stewards and of any subsequent changes in the names of the Chief Stewards and Stewards. The Employer shall not be asked to recognize any Chief Stewards or Stewards until such notification from the Union has been received.

5.4 The Union agrees that no Union official, member or representative will conduct any Union activities on the property or premises of the Employer without the express consent of the President or his designate. The Union agrees that no Union official, member or representative, other than an Employee, shall have access to the property or premises of the Employer without the express consent of the President or his designate but such



consent shall not be unreasonably withheld. It is agreed such access shall not interfere with the Employer's operations.

- 5.5 The Union Stewards have regular duties to perform on behalf of the Employer and shall not leave their regular duties to process any Grievances without the express consent of their immediate Supervisor, but such consent shall not be unreasonably withheld. The Employer will endeavour to process Grievances Monday through Friday between the hours of 9:00 a.m. to 5:00 p.m.
- 5.6 A Steward will be paid his straight time day work hourly rate exclusive of any overtime, premium or commission for the time spent processing Grievances during his regularly scheduled working hours on that particular day provided he has complied with the requirements of this Article 5.
- 5.7 Grievances shall not be investigated while the Employees and Stewards involved are working overtime.
- 5.8 A Union Steward or designate must be in attendance at any meeting where an Employee who has completed his/her probation is being disciplined. A Union Business Representative, if available, may also be present at the meeting, if requested by the Employee.
- 5.9 There will be no abuse or excessive use by Employees or Stewards of time spent investigating or processing Grievances.
- 5.10 Union Business Representative and Steward will have reasonable access in the presence of management representatives to specific relevant time records for the purpose of processing a specific grievance or dispute.
- 5.11 In the event of a suspension or discharge of a Steward, the Employer shall in every case immediately notify the Union in writing.
- 5.12 The Employer and the Union shall establish a Labour/Management Committee consisting of two (2) Representatives of Management and two (2) Representatives of the Union. The Committee will meet at the request of either party to discuss matters of concern at a time and place mutually satisfactory. Meetings shall be at a mutually agreed time and place. Each party shall notify the other of the proposed agenda as far in advance of the meeting as possible but no later than two (2) weeks before the meeting. The Chair of the Committee shall alternate between a Union Representative and a Management Representative at each meeting. The Union Staff Representative and a Senior Manager may be requested to attend such meeting.

The purpose of the Labour/Management Committee meeting is to discuss items of mutual concern. The Committee shall not have the power to alter, amend or modify the specific terms of the Agreement, nor deal with any matter which is in the Grievance Procedure.

Employee members of the Labour/Management Committee shall not suffer loss of regular rate of pay exclusive of any overtime, premium or commission for attending meetings of the Committee during their regularly scheduled hours.

## **ARTICLE 6 - DISCRIMINATION**

- 6.1 The Employer and Union agree to abide by the provisions of the Ontario Human Rights Code.
- 6.2 No person shall be refused employment or refused representation by the Union or in any manner be discriminated against coerced, restrained or influenced, on account of membership or non-membership in any labour organization.

## **ARTICLE 7 - GRIEVANCE AND ARBITRATION PROCEDURE**

- 7.1 Grievance and arbitration procedures are among the most important matters in the successful administration of this Agreement. The Employer and Union therefore agree that the specifically designated Grievance and arbitration procedure, as hereinafter set forth, shall serve as and constitute the sole and exclusive means to be used by the griever for the prompt disposition, decision and final settlement, without work stoppage, of a Grievance and the specifically designated Grievance and arbitration procedure shall be properly followed.
- 7.2 A Temporary or Probationary Employee shall not be entitled to make any use of the Grievance or arbitration procedures. In particular, Discipline imposed by the Employer in respect of any Temporary or Probationary Employee shall not be the subject of a Grievance or arbitration. The word "Employee" used in this Article shall mean Permanent Employee.
- 7.3 The Employer shall be under no obligation to consider or process any Grievance unless such Grievance has been presented to the Employer in writing at Step 1 of the Grievance procedure within five (5) working days from the time the circumstances upon which the Grievance is based were known or should have been known by the griever. However, if the Employer does consider or process a Grievance which has been

presented late, the Employer shall not be estopped or precluded at any stage from taking the position that the Grievance is late and not arbitrable.

7.4

No Employee shall have a Grievance until he has discussed his complaint with his immediate supervisor. If the immediate supervisor does not promptly settle the matter to the Employee's satisfaction, the Grievance shall be processed as follows:

#### STEP 1

An Employee's Grievance must be submitted in writing by the Employee to the immediate supervisor within five (5) working days from the time the circumstances upon which the Grievance is based were known or should have been known by the Employee.

The Grievance in writing referred to above shall be signed by the Employee and shall specifically identify:

- (a) the facts giving rise to the Grievance;
- (b) the section or sections of the Agreement claimed to be violated; and
- (c) the relief requested.

The immediate supervisor will give his answer by the end of the fifth (5th) working day following receipt of the written Grievance, and the giving of such answer will terminate Step 1.

#### STEP 2

If the Grievance is not settled at Step 1, the Steward may present the Grievance to the District Manager or designate within five (5) working days after the termination of Step 1 and a meeting will be arranged at a mutually agreeable time to review and discuss the Grievance.

Such meeting will take place within five (5) working days from the date the Grievance is received by the District Manager or designate or at such other time as mutually agreed upon between the Employer and Union.

The District Manager or his designate may invite representatives of Management to be present at such meeting.

The grievor must be represented by a Union Steward or a Union Business Representative or both. The grievor shall be present if his presence is required by either party.

A decision shall be rendered by the District Manager within five (5) working days from the date of such meeting and the rendering of such decision will terminate Step 2.

### STEP 3

If the Grievance remains unsettled at the conclusion of Step 2, the Grievance may be submitted to the Vice President, Human Resources or designate who shall within 5 working days hold a Grievance meeting between the Union and the appropriate representatives of Management, in a final attempt to resolve the grievance. The Union Steward and the griever may be present at this meeting if requested by either party. The Vice President, Human Resources or designate shall within a further five (5) working days give his/her decision in writing, to the Union.

In the event that the Grievance is not settled at Step 3, the Union may request arbitration of the Grievance by giving notice in writing to the other party within ten (10) working days from the delivery of the decision at Step 3, but not thereafter.

If a request for arbitration is not given with such ten (10) working day period, the decision at Step 3 shall be final and binding upon both parties to the Agreement and upon any Employee involved.

- 7.5 A sole arbitrator will be utilized and must be mutually agreed upon by the Employer and the Union within ten (10) working days. Should the parties fail to agree on the sole arbitrator, a request for selection of an arbitrator will be made to the Ontario Ministry of Labour.
- 7.6 A decision arrived at between the representatives of the Union and the Employer shall be in writing and shall be final and binding upon the Employer, the Union and any Employee affected by it.
- 7.7 No matter may be submitted to arbitration which has not been properly carried through the prescribed steps set out in sub-articles 7.1 through to and including 7.5.
- 7.8 The arbitrator shall not make any decision which is not consistent with the provisions of this Agreement, and shall not alter, modify, add to, delete from or otherwise amend any part of this Agreement, nor shall he adjudicate any matter not specifically assigned to him by the notice to arbitrate.
- 7.9 Each party hereto shall bear its own costs of and incidental to any such grievance mediation or arbitration proceedings. The fees and charges of the Grievance Mediator or sole arbitrator shall be borne equally by the two

parties. Either party has the right to require the attendance of the grievor at the grievance mediation or arbitration hearing.

7.10 The time limits and other procedural requirements set out in this Article are mandatory and not merely directory, therefore failure to put a Grievance in writing in accordance with the requirements hereof shall be deemed a complete waiver and abandonment of the Grievance by the grievor. A Grievance not appealed from one step of the Grievance and arbitration procedure to the next within the specified time limits shall be deemed to be settled on the basis of the last reply, and the reply at the previous step shall be final and binding upon the parties hereto and any Employee affected by it.

No matter may be submitted to arbitration which has not properly been carried through all specified previous steps of the Grievance and arbitration procedure within the times specified. A settlement at any step of the Grievance and arbitration procedure shall be final and binding upon both parties hereto and upon any Employee affected by it.

If the respondent party to a Grievance does not process the Grievance in accordance with the requirements of the Grievance Procedure, the Union having carriage of the Grievance shall move to the next step of the Grievance procedure within the time specified therein. The mandatory provisions of this Article shall not be considered to have been waived by the parties or either of them unless they expressly provide a waiver thereof in writing.

7.11 It is agreed and understood that any arbitrator appointed pursuant to Section 48 of the Ontario Labour Relations Act will be bound by the requirements of the Grievance and arbitration procedures set out herein.

7.12 Union Policy and/or Employer Grievance

A Union policy Grievance or Employer Grievance may be submitted to the Employer or the Union, as the case may be, in writing within five (5) working days from the time the circumstances upon which the Grievance is based were known or should have been known by the grievor.

A meeting between the Employer and the Union shall be held within five (5) working days of the presentation of the written Grievance or such other time as is mutually agreed between the Union representative and the Company representative or his designate, and shall take place within the framework of Step 2 of this Article.

The Employer or the Union, as the case may be, shall give its written decision within five (5) working days after such meeting has been held.

If the decision is unsatisfactory to the grieving party, the Grievance may be submitted to a Grievance Mediator and/or sole arbitrator, as directed under Section 7.4, Step 3, and Section 7.5 of this Collective Agreement.

The provisions of this Article shall not be used by the Union to institute a Grievance directly affecting an Employee or Employees where such Employee or Employees could themselves institute and the provisions of Article 7.4 and 7.5 hereof shall not be bypassed.

7.13 Discharge Grievance

A Grievance involving the discharge of a Permanent Employee will be submitted at Step 2 within five (5) working days of the discharge.

7.14 Suspensions

If the Employer makes a decision to suspend a Permanent Employee but determines that the suspension shall not be served until a later date, the Permanent Employee will be able to file a Grievance at the time the Permanent Employee is advised of the suspension.

7.15 Monetary Settlement

The Employer agrees to pay any monetary settlement, at the outcome of a Grievance, on the next scheduled pay date.

7.16 Adjustment

No adjustment affected under the Grievance or arbitration procedure shall be made retroactive prior to the date of the occurrence which resulted in the Grievance being filed.

## **ARTICLE 8 - STRIKES & LOCKOUTS**

8.1 The Union undertakes and agrees that while this Agreement is in operation, neither the Union nor any Employee, shall take part in or call or encourage any strike, picketing, sitdown, slowdown, or any suspension of, or stoppage of, or interference with work or production which shall in any way affect the operations of the Employer, nor shall there be any sympathy strikes or secondary boycotts, and the Employer agrees that it will not engage in any lockout during the term of this Agreement.

8.2 The Union recognizes the right of the Employer to protect its business and property and the business and property of its Employees, clients and Members.

## **ARTICLE 9 - PROBATION AND SENIORITY**

- 9.1 A Member Services Counsellor and a Travel Agent shall be considered a Probationary Employee until he has performed one hundred and fifty (150) calendar days of active employment since the date of commencement of his employment for the Employer during a period of twelve (12) consecutive months. The probationary Employee who has a break in active employment due to an approved absence of one month or less during his probationary period will not have to restart his probationary period upon returning to work after the absence of one month or less. An Employee shall have no seniority rights during such probationary period. The layoff of a Probationary Employee shall be deemed to have been in accordance with the Collective Agreement and no arbitrator or board of arbitration shall have any jurisdiction to change, alter, or modify the layoff of such Employee. The discipline of a probationary Employee shall be deemed to have been for just cause, and no arbitrator or board of arbitration shall have any jurisdiction to alter, modify, or amend the discipline.
- 9.2 The Employer agrees to provide to the Union a seniority list, listing all Permanent Employees in order of seniority. The Employer will also provide to the Union, for its use, a listing of Permanent Employees in order of seniority within each location and classification. These lists are to be provided every three (3) months and forwarded to each of the local Union offices.
- 9.3 A Permanent Employee who has successfully completed his period of probation shall begin to accumulate seniority on the date one hundred and fifty (150) calendar days prior to the date he has successfully completed his probationary period. A Permanent Employee shall accumulate the seniority only under one of the following conditions:
- (a) while working at active employment for the Employer,
  - (b) during any absence due to medical certified illness or leave of absence for which the Employee has written approval from the Employer including maternity or parental leave of absence.
- 9.4 A Permanent Employee who does not qualify to accumulate seniority under Article 9.3 shall maintain that Permanent Employee's existing seniority unless and until that Permanent Employee loses same pursuant to Article 9.5.
- 9.5 A Permanent Employee shall lose his seniority and shall be deemed to have terminated his employment for the following reasons:

- (a) If he voluntarily quits his employment with the Employer;
- (b) If he is discharged and such discharge is not reversed through the Grievance and arbitration procedures;
- (c) If he fails to notify the Employer of intention to resume work for the Employer within five (5) working days following the date of the written notice of recall from the Employer sent by registered mail to the Permanent Employee's last known address as recorded on the Employer's records, or if he fails to report to work within five (5) working days from such notification except for reasons satisfactory to the Employer;
- (d) If he overstays a leave of absence or vacation except if in the reasonable opinion of the Employer there is justification;
- (e) If he absents himself for three (3) consecutive working days without notifying the Employer unless in the reasonable opinion of the Employer there is justification for both the absence and the lack of notification;
- (9) If he is not at active work for whatever reasons for a period of 12 (twelve) months;
- (g) If he uses a leave of absence for a purpose other than that for which the leave was granted;
- (h) If he is retired.

9.6 In the event there is a layoff of Permanent Employees the layoff shall be conducted based on work performance and ability to do the required work. Where, in the opinion of the Employer, work performance and ability to do the required work are equal, then the Permanent Employee with the greatest seniority within a classification in each County or Regional Municipality will be the last to be laid off. The Employer will be reasonable in exercising its opinion. A Permanent Employee can within 48 hours of receiving notice of layoff appeal to the Employer and a meeting will be held within a further 48 hours.

9.7 It is agreed and understood that Employees are not entitled to bump Employees in any manner whatsoever.

9.8 In the event there is a recall of Permanent Employees, the recall shall be conducted based on work performance and ability to do the required work. Where, in the opinion of the Employer, work performance and ability to do the required work are equal, then the Permanent Employee with the



greatest seniority within a classification in each County or Regional Municipality will be given the first opportunity for recall. A Permanent Employee can within 48 hours of a recall appeal to the Employer and a meeting will be held within a further 48 hours.

9.9 Notwithstanding Article 9.8, in the event of recall of Permanent Employees from a strike, the recall shall be conducted based on work performance and ability to do the required work. Where, in the opinion of the Employer, work performance and ability to do the required work are equal, then the Permanent Employee with the greatest seniority within a classification at each location will be given the first opportunity for recall. It is understood that Permanent Employees being recalled from a strike will be restricted to recall within a classification at each location and will not be entitled to recall to positions at other locations. A Permanent Employee can within 48 hours of a recall appeal to the Employer and a meeting will be held within a further 48 hours.

9.10 Permanent Full-time Employees and Permanent Part-time Employees shall be considered separate classifications.

9.11 Vacant permanent Full-time and Part-time and vacant temporary Full-time positions subject to this Agreement will be posted on the Company Intranet site for five (5) working days. The factors to be considered by the Employer are work performance and ability to do the required work. Where, in the opinion of the Employer, work performance and ability to do the required work are equal, then the applicant with the greatest seniority shall be offered the position. An Employee can within 48 hours of the Employer's decision appeal to the Employer and a meeting will be held within a further 48 hours. It is agreed and understood that successful candidates will retain their full seniority regardless of the classification and/or location of the position and will not be required to "re-serve" any probationary period.

A successful candidate for a posted position shall not apply for a new position for six (6) months after being awarded the posted position without obtaining the consent of the District Manager or designate. Such consent will not be unreasonably denied.

9.12 A Permanent Employee promoted to a supervisory or other position not subject to this Agreement will retain his seniority for a period of only thirty (30) calendar days after the promotion. In the event the promoted Permanent Employee is demoted for any reason or if he voluntarily requests reinstatement to his former position within thirty (30) calendar days after the promotion he shall accumulate seniority during the time served in the supervisory or other position not subject to this Agreement. In the event the promoted Permanent Employee remains in the

supervisory or other position not subject to this Agreement for greater than thirty (30) calendar days after the promotion he shall forfeit all seniority and any recourse to the terms of this Agreement.

## **ARTICLE 10 - LEAVE OF ABSENCE**

10.1 An Employee may make a request to the Employer in writing fourteen (14) days in advance for leave to be absent from work for a specific period of time no greater than 4 (four) weeks. The Employer may consent to such request but that consent shall be in writing covering a specific period of time. Leave of Absence shall be at the sole discretion of the Employer and shall be without pay. The Employee shall not work in any other position during such Leave of Absence unless agreed to in writing by the Employer. There shall be no more than two Employees on Leave of Absence at any one time from the Geographic Area of Teamsters Local No. 879. There shall be no more than two Employees on Leave of Absence at any one time from the Geographic Area of Teamsters Local No. 141. In the event an Employee is on a Leave of Absence and another Employee requests leave to be absent from work, leave will not be granted if the jobs of those Employees are in the same category and their work locations are within 35 (thirty-five) miles of each other. The Employer will not exercise its' discretion in an arbitrary or discriminatory manner.

### 10.2 Short-term Union Leave

Two Employees may make a request to the Employer for a Leave of Absence without pay to attend Union conventions, conferences, training, or other Union business authorized by the Union in writing. Only one Employee at a time may take a leave of one (1) week or more, to a maximum of two (2) weeks, and the total days leave for both Employees will not be greater than 15 scheduled working days. The Union must give the Employer fourteen (14) days advance written notice of the requested Leave of Absence. The fourteen (14) days advance notice may be waived in situations where such advance notice is not possible. Approval for such Leaves of Absence shall not be unreasonably withheld.

### 10.3 Long-term Union Leave

One Employee may make a request to the Employer for a Leave of Absence without pay or benefits in any capacity as a Union official including Executive Board Member or Business Representative. The Leave of Absence must be approved by the Union in writing. The Employee must give the Employer one (1) month's advance written notice of the requested Leave of Absence. The Employer's consent shall not be

unreasonably withheld. The Employee shall not work in any other position except as a Union official during such Leave of Absence unless agreed to in writing by the Employer. There shall be no more than one Employee on such Leave of Absence at any one time. Notice to return from leave shall be given as soon as is possible, at a minimum time of seventy-two (72) hours. Seniority shall accumulate during the period of the leave.

## **ARTICLE 11 - HOURS OF WORK AND OVERTIME**

- 11.1 This article provides the basis for defining the normal hours of work but shall not be read or construed as a guarantee of hours of work per day or week, or a guarantee of days of work per week or a guarantee of work or a work schedule.
- 11.2 The standard work day for Permanent Full-time Employees will consist of 7½ hours and the standard work week will consist of 37½ hours as scheduled by the Employer.
- 11.3 Permanent Full-time Employees will be entitled to one hour meal period without pay exclusive of the hours of work provided the work period exceeds 5 consecutive hours in a regular work day. The meal period will be determined by the department supervisor to take place between the third and sixth hour of the shift. The department supervisor and a Permanent Full-time Employee may agree to reduce the meal period to one-half hour.
- 11.4 Permanent Full-time Employees will be entitled, subject to the requirements of member service, to two fifteen minute relief periods in a regular work day. The first relief period will be taken in the first half of the regular work day and the second relief period will be taken in the second half of the regular work day provided the work period exceeds 2½ consecutive hours in each half day. The relief periods will be determined by the department supervisor.
- 11.5 The Employer may, from time to time, require Employees to perform work in excess of their regularly scheduled hours. Overtime must be approved by the department supervisor or designate prior to the time being worked by the Employee. In the event more than one Employee within a classification at a location in the opinion of the Employer is equally available, qualified and willing to perform work in excess of their regularly scheduled hours, the Employer will select the Employees with the greatest seniority within that classification and at that location to do the work in excess of their regularly scheduled hours.

- 11.6 Permanent Full-time Employees will be paid for overtime approved by the department Supervisor/Manager or designate, for all time worked in excess of 40 hours in a work week at 1½ times the Employee's straight time hourly rate.
- 11.7 A Permanent Full-time Employee who has completed his regularly scheduled shift for the day and has gone home for the day and is called back into work that day will be given a minimum of three hours work.
- 11.8 A bargaining unit Employee who has completed his/her regularly scheduled shift for the day, has gone home and is called back into work that day, will be guaranteed a minimum of four **(4)** hours pay at the overtime rate.
- 11.9 The Employer determines the hours of work (shifts) of Employees. Permanent Full-time Employees may advise the Employer quarterly of requested hours of work (shifts). Where there is a conflict in such requests of two or more Permanent Full-time Employees the Employer will give preference to the Permanent Full-time Employee with the greatest seniority provided it will not adversely impact on customer service.
- 11.10 The Employer may from time to time require Employees to perform work in excess of their regularly scheduled hours. Whenever overtime is required and whenever practical, the Employer will refer to the overtime sign-up list. The Employer agrees to post the sign-up list, for each department/store, weekly. Once overtime is requested by the Employer, the Employee will be required to work the overtime for that day in order of seniority.

## **ARTICLE 12 - WAGES**

- 12.1 The wage rate to be paid Employees shall be in accordance with Schedule "A" attached hereto, which shall form part and parcel of this Collective Agreement.
- 12.2 A Probationary Employee or a Temporary Employee in a classification shall be paid the rate in the Probation & Temporary column of Schedule "A" that is across from that classification.
- 12.3 A Permanent Employee in a classification for less than twenty-four (24) months shall be paid the rate in the Tier 1/Level One column of Schedule "A" that is across from that classification.

- 12.4 A Permanent Employee in a classification for more than twenty-four (24) months shall be paid the rate in the Tier 2/Level One column of Schedule "A" that is across from that classification.
- 12.5 The Employer may in the absolute discretion of the Employer pay an Employee in a classification for less than twenty-four (24) months the rate in the Tier1/Level One or Tier 2/Level Two column of Schedule 'A'. The Employer will take into consideration the skills and abilities of that Employee.
- 12.6 In the event of a permanent layoff for a period of more than 35 continuous weeks, the Employer agrees to give an Employee with 5 years service or greater in the bargaining unit, 2 weeks severance pay for each year, or part thereof, of continuous service to a maximum of 26 weeks.

A week of severance pay will be calculated in accordance with the provisions of the Employment Standards Act.

### **ARTICLE 13 - PAID HOLIDAYS**

- 13.1 The following days shall be observed, subject to the conditions of sub-Article 13.2, 13.3, 13.4 and 13.5, as paid holidays for Permanent Employees. Payment for paid holidays will be in accordance with the provisions of the Employment Standards Act and Regulations.

New Year's Day  
Victoria Day  
Civic Holiday  
Thanksgiving Day  
Good Friday  
Family Day  
Canada Day  
Labour Day  
Christmas Day  
Boxing Day

"½ day before Christmas or ½ day before New Year's Day"

The payment for paid holidays of all Employees who were scheduled to work less than five (5) shifts per week for each work week before the work week in which the paid holiday occurred shall be equal to the total amount of regular wages and vacation pay paid to the Employee in the four work weeks before the work week in which the paid holiday occurred, divided by the number of actual shifts scheduled to be worked during that period. Any time away from work due to an approved leave during the calculation period will not be included in the calculation for the paid holiday. Paid

holiday pay will not be less than the Employee's regular scheduled day's pay.

- 13.2 In order to be entitled to payment for paid holidays, a Permanent Employee must have worked his full scheduled day of work immediately preceding the holiday, and the full scheduled day of work immediately following the holiday, unless absent on those scheduled days of work due to reasonable cause.
- 13.3 The Employer may require Employees to work on paid holidays. A Permanent Employee required to work on a paid holiday will be entitled to an alternate day off on a day mutually agreed to by both the Employee and the department supervisor.
- 13.4 A Permanent Employee who has a paid holiday fall within annual vacation shall be entitled to an alternate day off on a day mutually agreed to by both the Employee and the department supervisor.
- 13.5 The parties agree that where it is necessary for an Employee to be off work to celebrate a religious holiday over and above those recognized under Article 13.1, the Employee may, subject to mutual agreement with his/her supervisor, take a day or time off as:

- .01 a personal day or lieu day owing, or
- .02 a day of vacation, or
- .03 a day off without pay

Every effort will be made to accommodate such employee.

#### **ARTICLE 14 - PAID VACATION**

- 14.1 A Permanent Employee is entitled to vacation pay during the first calendar year of his continuous employment in the bargaining unit in accordance with the provisions of the Employment Standards Act and Regulations. Full-time Employees accrue 1 day of vacation for every full month of employment to a maximum of ten (10) days for that calendar year. The number of vacation days accrued per month for Part-time Employees will be pro-rated based on the average number of days in their workweek. Permanent Employees are eligible to take accrued vacation time after 6 months of continuous employment in the bargaining unit.
- 14.2 A Permanent Employee after the first calendar year of his continuous employment in the bargaining unit accrues vacation time and vacation pay on the following basis:

Vacation Schedule Level	Length of Continuous Employment in the Bargaining Unit	Paid Vacation Weeks	Vacation Pay as a Percentage of <u>Earnings</u>
1	1 year but less than 4 years	2	4%
2	4 years but less than 10 years	3	6%
3	10 years but less than 20 years	4	8%
4	20 years or more	5	10%

A Permanent Employee is eligible to move to the next vacation schedule level in the year in which the anniversary of the Permanent Employee's date of commencement of employment in the bargaining unit occurs. The accrual of vacation days would be calculated as follows:

The Permanent Employee with less than four years continuous employment in the bargaining unit accrues days at the rate of .834 days per month to a maximum of 10 days for the calendar year.

- The month of the fourth (4<sup>th</sup>) anniversary of the Permanent Employee's date of commencement of employment in the bargaining unit he begins to accrue days at the rate of 1.251 days per month to a maximum of 15 days for the calendar year.
- The month of the tenth (10<sup>th</sup>) anniversary of the Permanent Employee's date of commencement of employment in the bargaining unit he begins to accrue days at the rate of 1.668 days per month to a maximum of 20 days for the calendar year.
- The month of the twentieth (20<sup>th</sup>) anniversary of the Permanent Employee's date of commencement of employment in the bargaining he begins to accrue days at the rate of 2.085 days per month to a maximum of 25 days for the calendar year.

**14.3**

In this Article "Earnings" means gross earnings and employment insurance payments while on maternity or parental leave of absence with written approval from the Employer and total disability payments, less vacation pay, of the Permanent Employee for the fifty-two (52) week period ending as of December 31 of the previous year.

14.4 A Permanent Employee must take vacation time off during the calendar year that vacation is accrued. Vacation cannot be accumulated and carried over into the next year.

14.5 If an employee's employment ends, the employer shall pay any wages to which the employee is entitled to the employee no later than the later of:

- a) seven days after the employment ends; or
- b) the day that would have been the employee's next pay date

14.6 A Permanent Full-time Employee will receive vacation pay on the regular pay day set out in Article 20.1. A Permanent Full-time employee will receive vacation pay on all other vacationable earnings (commissions and bonuses earned and overtime) other than salary earnings twice a year, January 30<sup>th</sup> and July 30<sup>th</sup>.

A Permanent Part-time Employee will receive vacation pay twice a year, January 30<sup>th</sup> and July 30<sup>th</sup>.

Note: effective January 1, 2008.

14.7 Vacation periods are determined by the Employer. Permanent Employees may submit by March 15 a written request to the Employer for a vacation during that calendar year. Where there is a conflict with respect to such vacation requests between two or more Permanent Employees, the Employer will give preference to the Permanent Employee with the greatest seniority, provided it will not adversely impact on customer service. The preference given to a Permanent Employee during the months of May through to and including September shall be for no more than two weeks. The Permanent Employee may request three weeks of vacation during the period other than indicated above. The Employer shall post by April 15 a list of the requests for a vacation period approved as of that date for that calendar year.

## **ARTICLE 15 - HEALTH AND SICK LEAVE BENEFITS**

15.1 The Employer and Union agree that the sole obligation of the Employer for Health and Welfare Benefits shall be to pay during the term of this Agreement the percentage of the billed premium costs, as set out below, for each participating and eligible Permanent Full-time Employee in the active employ of the Employer under an insurance plan provided by the Employer, subject to the terms of that insurance plan, including any enrolment requirements, provided the Permanent Full-time Employee pays the balance of any premiums by payroll deduction.



- a. 100% of the premium for death benefit as provided under the Employer group insurance plan;
- b. 100% of the premium for accidental death and dismemberment under the Employer group insurance plan;
- c. 80% of the premium for healthcare expense benefits as provided under the Employer group insurance plan;
- d. 80% of the premium for dental benefits as provided under the Employer group insurance plan;
- e. 80% of the premium for vision care benefits as provided under the Employer group insurance plan; and
- f. 100% of the premium for short term disability benefits as provided under the Employer group insurance plan.
- g. 100% of the premium for long term disability benefits is paid by the Employee.

15.2 The Employer and Union agree that the sole obligation of the Employer for Pension Benefits shall be to pay during the term of this Agreement the Employer Contribution under the CAA South Central Ontario Pension Plan for each participating and eligible Permanent Employee in the active employ of the Employer subject to the terms of the CAA South Central Ontario Pension Plan, including any enrolment requirements, provided the Permanent Employee pays by payroll deduction the Member Contribution under the CAA South Central Ontario Pension Plan.

15.3 It is expressly understood that the foregoing is not to be construed as a guarantee as to specific coverage or eligibility for benefits. Coverage or eligibility will be in accordance with the provisions of the specific insurance and pension plans held.

15.4 The Employer may change carriers for these insurance and pension plans and in doing so will promptly notify the Union but the coverage will not be any less than at the time of ratification of this Agreement.

15.5 The Employer and Union agree that the sole obligation of the Employer for sick leave shall be as set out below:

- (a) Sick leave means the period of time during the term of this Agreement that a Permanent Full-time Employee is granted a leave of absence from scheduled working hours because he is unable to

perform his job due to illness or injury for which short term or long term disability insurance is not payable.

- (b) A Permanent Full-time Employee shall be entitled to no more than seven days of sick leave each calendar year. Sick leave shall not be cumulative. A Permanent Full-time Employee during his sick leave will be paid his straight time day work hourly rate exclusive of any overtime, premium or commission for his scheduled working hours.
- (c) A Permanent Full-time Employee who is absent from scheduled working hours will be granted sick leave to the extent of his entitlement and only where the Employer is satisfied that the Permanent Full-time Employee was absent from scheduled working hours because he was unable to perform his job due to illness or injury for which short term or long term disability insurance is not payable.
- (d) An Employee who is or has been absent from scheduled working hours due to illness or injury shall, when required by the Employer, produce to the Employer a statement from a qualified medical practitioner certifying that the Employee is unable to perform his job due to illness or injury. The Employer may also require the Employee to produce to the Employer, before the Employee returns to work, a statement from a qualified medical practitioner paid for by the Employer certifying that the Employee is able to perform his job and return to work.

15.6 The Employer and Union agree that the sole obligation of the Employer for Personal Leave shall be as set out below:

- (a) Personal Leave means a leave of absence from scheduled working hours granted in advance by the Employer to a Permanent Full-time Employee to attend to matters of a personal nature.
- (b) A Permanent Full-time Employee, subject to the provisions of this Article, is entitled to a total of no more than twenty-two and one half hours of Personal Leave each calendar year. Personal Leave shall not be cumulative. A Permanent Full-time Employee during his Personal Leave will be paid his straight time day work hourly rate exclusive of any overtime, premium or commission for his scheduled working hours.
- (c) A Permanent Full-time Employee with more than six (6) months of continuous employment in the bargaining unit since the date of the commencement of his employment for the Employer may make a

request to the department supervisor five days in advance for Personal Leave on a specific day. The department supervisor shall have the sole discretion to grant Personal leave to that Permanent Full-time Employee to the extent of his entitlement. The department supervisor shall not exercise such discretion in an arbitrary or discriminatory manner.

## **ARTICLE 16 - MEDICAL EXAMINATIONS**

- 16.1 A medical examination requested by the Employer shall be promptly complied with by Employees provided however that the cost of the examination will be paid by the Employer. The Employer will not abuse this right to request a medical examination.
- 16.2 In the event the Employer requires a medical examination, it will be taken, if possible, during working hours and in all cases the Employee will be given one (1) days notice, and the Employee will not suffer any loss of pay for the time spent for the examination. The Employee will be reimbursed for any reasonable travel and accommodation expenses incurred to take the medical examination.
- 16.3 No Employee shall be required to take a medical examination on a Saturday unless the Employee so requests and does so voluntarily.

## **ARTICLE 17 - EQUIPMENT AND CLOTHING**

- 17.1 It is to the mutual advantage of both the Employer and the Employee that Employees shall not use vehicles, tools and equipment which are not in a safe operating condition and not equipped with the safety appliances required by applicable Government Regulations.
- 17.2 It shall be the duty and responsibility of Employees to report promptly in writing to the Employer on forms provided by the Employer all noticeable defects or unsafe conditions in vehicles, tools and equipment.
- 17.3 It shall be the duty and responsibility of the Employer to maintain all vehicles, tools and equipment in a safe operating condition in accordance with the applicable Government Regulations. The Employer will use a licensed Mechanic where required by the applicable Government Regulations.
- 17.4 It shall be the duty and responsibility of Employees to use vehicles, tools and equipment safely and with due care to avoid risks to Employees, clients, members, property and the public.

- 17.5 The Employer recognizes the right of an Employee to refuse to work in accordance with the provisions of the Occupational Health & Safety Act.
- 17.6 An Employee shall reimburse and indemnify the Employer for damage caused by the Employee's negligence to the property of the Employer, Employees, clients, members or the public.
- 17.7 The Employer agrees that if an Employee is required to wear any kind of uniform as a condition of his continued employment, such uniform shall be furnished by the Employer and maintained by the Employee. The Employer shall pay up to \$400 in a calendar year for the cost of the uniform and the Employee shall pay the balance of the cost of the uniform. The uniform shall be maintained at the standard required by the Employer.

**ARTICLE 18 – GENERAL**

18.1 Bereavement Leave

In the event of the death of a member of a Permanent Employee's immediate family, the Permanent Employee will be granted time off with pay for their regularly scheduled hours as follows:

Spouse, child or step-child	20 working days
Father, mother, sister, brother, step-father, step-mother, step-brother, step-sister or grandchild of associate, father or mother-in-law, sister or brother-in-law, grandparents of associate or spouse	5 working days
Other relatives	1 working day

In the event, the funeral is delayed more than seven days after the death of the immediate family member the time off with pay set out above does not have to be consecutive if the Permanent Employee attends the memorial service.

The Employer shall grant further time off, up to a maximum of 5 days, if more time off is required relating to the death of such a member of the immediate family, and such time off shall be without pay.

The Permanent Employee shall provide the Employer with a photocopy of the obituary notice from the newspaper or funeral home regarding the death of the immediate family member.

18.2 Employee Bulletin Board

The Employer agrees to permit posting of any notices of Union meetings or functions on a bulletin board placed and provided for that purpose by the Employer. The bulletin board will be placed where it can easily be seen by the Employees.

18.3 Meetings and Training

The Employer will endeavour to give an Employee a minimum of one week notice of a staff meeting or training not taking place during the Employee's scheduled hours of work. If one-week notice is not given to the Employee he may request to be excused from such staff meeting or training and the request will not be unreasonably denied.

An Employee will be paid at the Employee's straight time hourly rate for such a staff meeting or training taking place on Monday to Friday.

An Employee will be paid at 1½ times the Employee's straight time hourly rate for such a staff meeting or training taking place on a Saturday or Sunday and not during the Employee's scheduled hours of work.

18.4 Jury or Witness Duty

- .01 An Employee who has attained seniority shall be granted leave of absence without loss of regular rate of pay, for the normally scheduled number of hours the employee would have otherwise worked for the purpose of serving jury duty, or a material witness subpoenaed to an appearance in court.
- .02 The Employee will be required to provide the Company with a copy of a report from the Court Officials indicating their attendance.
- .03 The Employee shall reimburse the Company the full amount of witness fees received by the employee excluding mileage and meal allowance.

18.5 Education

The tuition fees shall be reimbursed to a Permanent Employee 50% on providing proof of enrolment and admission and 50% on providing proof of successful completion of educational/vocational/first aid courses at a recognized educational institution, where:

- (a) written approval has been obtained from the Employer prior to the commencement of such educational/vocational/first aid courses, and
- (b) the Employer agrees that such educational/vocational/first aid courses bear significant relevance to the Permanent Employee's current job or recognized career path with the Employer.

## **ARTICLE 19 - HEALTH & SAFETY**

- 19.1 The Company agrees to accept as a member of its Health and Safety Committee one (1) representative selected or appointed by the Union at each location.
- 19.2 The Committee shall meet at least four (4) times a year. Minutes shall be taken of all meetings and copies posted.

## **ARTICLE 20 - PAY PERIODS**

- 20.1 Effective January 1, 2008 pay shall be paid semi-monthly on the 15<sup>th</sup> and 30<sup>th</sup> of the month by direct deposit to a financial institution of the Employee's choice. In the event that a pay day falls on a paid holiday or weekend the pay will be deposited on the preceding week day.
- 20.2 Effective January 1, 2008, Employees who qualify to receive commissions will be paid commissions on the second pay of the first month following the month the commissions are earned (e.g., February 28<sup>th</sup> for the commissions earned in January).

## **ARTICLE 21 - TEMPORARY EMPLOYEES**

- 21.1 The Employer is entitled to employ Temporary Employees in addition to Permanent Employees.
- 21.2 The Employer agrees during the term of this Agreement to deduct regular monthly Union dues or an amount equivalent to the regular monthly Union dues, as certified by the Union to be currently in effect according to the constitution and by-laws of the Union, from the wages of each Temporary Employee who has completed his probationary period and to remit such monies so deducted to the office of the Union (460 Parkdale Avenue N., Hamilton, Ontario, L8H 5Y2) within 30 days.
- 21.3 No terms of this Agreement shall apply to Temporary Employees other than the terms of Articles 3.1, 3.2, 3.7, 3.8, 4.1, 6, 8, 9.1, 16, 17, 20 and 21.

**ARTICLE 22 - DURATION OF AGREEMENT**

- 22.1 The term of this Agreement shall be from September 1, 2007 to August 31, 2010 and shall continue in force from year to year thereafter unless not more than ninety (90) days and not less than thirty (30) days before the date of its termination, either party shall furnish the other with notice of termination or proposed revision of this Agreement. The changes in Schedule 'A' from the previous Agreement and other changes from the previous agreement shall be effective the later of, ratification or September 1, 2007.
- 22.2 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns.

**IN WITNESS WHEREOF** each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives.

Dated at Thornhill Ontario, this 21<sup>st</sup> day of December, 2007

**On behalf of the Company**

Cynthia Hillaby  
Ellis  
\_\_\_\_\_

**On behalf of the Union**

J. McLean  
\_\_\_\_\_  
Jim Finlan  
\_\_\_\_\_  
Jim Chalmers  
\_\_\_\_\_

**Letter of Understanding #1**

**Between**

**CAA TRAVEL (SOUTH CENTRAL ONTARIO) INC.  
And CAA SERVICES (SOUTH CENTRAL ONTARIO) INC.**

**-and-**

**TEAMSTERS LOCAL UNION NO. 879**

**Affiliated with the  
International Brotherhood of Teamsters**

**Re: Union Advancement Fund**

This letter will confirm the understanding reached by the above-cited parties during the 2007 negotiations for the renewal of the Collective Agreement.

The Company will provide an annual cheque in the amount of one thousand eight hundred dollars (\$1800.00) payable to "Teamsters Local Union No. 879 Union Advancement Fund", on September 1, 2007 and every September 1<sup>st</sup> thereafter for the duration of the Collective Agreement.

Dated at Thornhill, Ontario, this 21<sup>st</sup> day of December 2007.

**On behalf of the Company:**

Cynthia Hillaby  
L. Ellis  
\_\_\_\_\_

**On behalf of the Union:**

J. McLean  
John Finlay  
Jim Chalmer



**Letter of Understanding #2**

**Between**

**CAA TRAVEL (SOUTH CENTRAL ONTARIO) INC.  
And CAA SERVICES (SOUTH CENTRAL ONTARIO) INC.**

**- and -**

**TEAMSTERS LOCAL UNION NO. 879  
Affiliated with the  
International Brotherhood of Teamsters**

**Re: TICO Minimum Education Standards Examination – July 1, 2009**

Prior to July 1, 2009 the Company shall provide adequate and relevant training in preparation for the above examination. Costs of the examination shall be covered as follows:

1<sup>st</sup> attempt – Company will pay in advance

2<sup>nd</sup> attempt (if necessary) – Company will reimburse the employee upon successful completion.

3<sup>rd</sup> and subsequent attempts (if necessary) – the employee is responsible for all costs

In the event than an employee fails to pass the examination by July 1, 2009 the Company and the Union shall meet to discuss potential alternative employment opportunities within the Company.

Dated at Thornhill, Ontario, this 21<sup>st</sup> day of December 2007.

On behalf of the Company:

Cynthia Hillaby  
Ellis  
\_\_\_\_\_

On behalf of the Union:

J. McLean  
Dr. Finlen  
Jim Chalmer  
\_\_\_\_\_

**Letter of Understanding #3**

**Between**

**CAA TRAVEL (SOUTH CENTRAL ONTARIO) INC.  
And CAA SERVICES (SOUTH CENTRAL ONTARIO) INC.**

**-and-**

**TEAMSTERS LOCAL UNION NO. 879**

**Affiliated with the  
International Brotherhood of Teamsters**

**Re: Member Service Counsellor Obtaining IATA Cards**

CAA South Central Ontario agrees to allow Member Services Counsellors to obtain an IATA card at their own personal expense.

The IATA card remains the property of the Company and must be returned in the event that the employee is no longer employed as a Travel Consultant and/or Member Services Counsellor.

Reduced prices under the IATA card are governed by and subject to supplier approval (note: in many cases the reduction in price is quite often based on personal sales with that supplier).

In accordance with IATA regulations any false declaration or misrepresentation on the part of the employee will lead to the cancellation and blacklisting of the ID card.

Dated at Hornhill, Ontario, this 21<sup>ST</sup> day of December 2007.

**On behalf of the Company:**

Cynthia Hillaby  
Ellis

**On behalf of the Union:**

J. McKeown  
John McLean  
Jim Chalmer

**SCHEDULE A**  
**APPENDIX I**

**TRAVEL CONSULTANTS**

**Base Rates**

Full Time Travel Consultants will be paid the following base rates:

<u>Travel Consultants - FT</u>	<u>Base Rate</u>			
	<u>September 01, 2007</u>	<u>January 01, 2008</u>	<u>September 01, 2008</u>	<u>September 01, 2009</u>
Probationary and Temporary Travel Consultants	12.56	24,492.00	25,104.30	25,731.91
Tier One Travel Consultants (Less than or equal to 24 months)	12.91	25,174.50	25,803.86	26,448.96
Tier Two Travel Consultants (25 plus months)	13.31	25,954.50	26,603.36	27,268.44
Qualifying Travel Consultant (generates annual revenue of \$75,000 or more)	15.51	30,244.50	31,000.61	31,775.63

\*\* Rates are converted to salary effective January 1, 2008 \*\*

Part Time Travel Consultants will be paid the following base rates:

<u>Travel Consultants - PT</u>	<u>Base Rate</u>		
	<u>September 01, 2007</u>	<u>September 01, 2008</u>	<u>September 01, 2009</u>
Probationary and Temporary Travel Consultants	12.56	12.87	13.20
Tier One Travel Consultants (Less than or equal to 24 months)	12.91	13.23	13.56
Tier Two Travel Consultants (25 plus months)	13.31	13.64	13.98
Qualifying Travel Consultant (generates annual revenue of \$75,000 or more)	15.51	15.90	16.30

**Note:** PT Member Service Counsellors hourly rate is the FT salary divided by the annual hours 1950

It is noted that there will be times during the normal hours of work when a Permanent Travel Consultant is working in a role approved or requested by management or in training, but not in a role where they can generate sales. When the amount of time away from selling exceeds two hours and is less than two weeks in duration, the Permanent Travel Consultant may qualify to be paid an additional \$2.00 per hour. Permanent Travel Consultants qualify for this additional \$2.00 per hour when their average hourly rate based on earnings of the previous year (earnings means only wages and commissions but not overtime) is equal to or more than their hourly base rate plus \$2.00.

**Effective January 1, 2008 - Commission Schedule – ALL TRAVEL CONSULTANTS**

In addition to the base rate, Permanent Travel Consultants will receive commission based on monthly net revenue adjusted for directional selling as set out in the schedule below.

Directional Sales:

VIP business translates at 115% of revenue earned  
 Preferred business translates at 100% of revenue earned  
 Non-preferred business translates at 90% of revenue earned

Monthly Range OF Revenue Generated	Commission Rate
up to \$3,333	1.5%
\$3,334 - \$4,166	5.0%
\$4,167 - \$6,249	10.0%
\$6,250 - \$7,499	20.0%
\$7,500 +	30.0%

\*COMMISSION WILL BE PAID ON THE SECOND PAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE REVENUES ARE EARNED\*

Annual Bonus Payment

Level	Annual Adjusted Net Revenues	Annual Bonus
1	\$75,000 - \$89,999	\$500
2	\$90,000 - \$99,999	\$1,000
3	\$100,000 or more	\$1,500

\*\*Annual bonus will be paid on February 28<sup>th</sup> following the calendar year in which revenues are earned\*\*

Transitional Bonus:

Based on travel revenues earned by the travel consultant in **2007, 2008, 2009**, a transitional bonus will be paid as follows:

Year 1:

Level 1 – Adjusted Annual Revenues between \$75,000 to \$105,000 = \$4,000  
 Level 2 – Adjusted Annual Revenues greater than or equal to \$105,001 = \$6,000

Year 2:

Level 1 – Adjusted Annual Revenues between \$80,000 to \$110,000 = \$2,500  
 Level 2 – Adjusted Annual Revenues greater than or equal to \$110,001 = \$4,500

Year 3:

Level 1 – Adjusted Annual Revenues between \$90,000 to \$115,000 = \$1,500  
 Level 2 – Adjusted Annual Revenues between \$115,001 to \$124,999 = \$3,000  
 Level 3 – Adjusted Annual Revenues greater than or equal to \$125,000 = \$4,000

\*\*Transitional bonus will be paid in 12 equal payments commencing on February 28<sup>th</sup> following the calendar year in which revenues are earned.\*\*

The commission net revenue, annual bonus and transitional bonus for part time Travel Consultants will be prorated based on actual hours worked.

All Full Time Travel Consultants shall receive a one time lump sum payment of \$1000 (gross amount) in lieu of an Annual Revenue Bonus payment in February 2008. All Part Time Travel Consultants shall be entitled to the one time Lump Sum payment on a prorated basis.

**Expiring on December 31, 2007 - Commission Schedule – ALL TRAVEL CONSULTANTS, Except Qualifying Travel Consultants**

In addition to the base rate, Permanent Travel Consultants will receive commission based on a percentage of the revenue they generate on a monthly basis.

The commission percentage will be set each month based on the Permanent Travel Consultant's total revenue generated for the twelve months ending that month. The following schedule lists the revenue increments required to qualify for commission levels.

In addition to the base rate, the Employer may, in the absolute discretion of the Employer, pay commission to a Temporary, Probationary or Permanent Travel Consultant who has not worked for a twelve-month period. The commission will be based on a percentage of the revenue they generate during a month. The commission percentage will be set each month based on the revenue generated that month. The following schedule lists the monthly revenue increments required to qualify for commission levels.

Commission Rate	Total 12 Month Ending Revenue Generated	Monthly Range Revenue Generated
7.75%	\$60,000 – 64,999	\$5,000 – 5,416
9.75%	\$65,000 – 69,999	\$5,417 – 5,833
11.50%	\$70,000 - \$74,999	\$5,834 – 6,249
13.25%	\$75,000 +	\$6,250

\* Part-time Travel Consultants will start to receive commissions at the 3.50 % level in accordance with the schedule below and based on their Full-time equivalent (F.T.E.) calculation. A Full-time Travel Consultant is regularly scheduled for 37.5 hours per week and Part-time Travel Consultants are prorated accordingly. For example: A Part-time Employee who works 22.5 hours per week is 0.60 of an F.T.E. (22.5/37.5). Once the Part-time Travel Consultant generates a \$56,000 or greater Total 12 Month Ending Revenue or a monthly revenue equal to or greater than \$4667, the All Travel Consultants Excepting Qualifying Travel Consultants Commission Schedule will apply.

**Part-time Travel Consultants Prorated Start Revenue Based on F.T.E.**

F.T.E. Equivalent	Commission Rate	Total 12 Month Ending Revenue Generated	Monthly Range Revenue Generated
Less than 0.40	3.50%	\$10,500 – 55,999	\$875 - \$4666
0.41 to 0.74	3.5%	\$21,000 – 55,999	\$1750 - \$4666
0.75 to 0.9	3.5%	\$28,000 – 55,999	\$2333 - \$4666
0.91 to 0.99 will considered a FTE (1.00)	3.5%	\$35,000 – 55,999	\$2,917 – 4,666

Note: For each quarter, the Part-time Travel Consultant's F.T.E. calculation will be based on the Employee's average weekly hours in the previous quarter.

**Commission Schedule – QUALIFYING TRAVEL CONSULTANTS**

A Travel Consultant will qualify, as a Qualifying Travel Consultant when their annual revenue generated for the previous calendar year is \$75,000 or more. A Travel Consultant must qualify at the start of each calendar year for the Qualifying Travel Consultant status based on achievement of \$75,000 revenue in the previous calendar year. If the Travel Consultant does not achieve \$75,000 revenue in a given calendar year, then they do not qualify to be paid as a Qualifying Travel Consultant in the next calendar year. The Employer may in the absolute discretion of the Employer designate a Travel Consultant as a Qualifying Travel Consultant and pay that Travel Consultant the Qualifying Travel Consultant base rate and commission.

In addition to the base rate, Qualifying Travel Consultants will receive commission based on a percentage of the revenue they generate on a monthly basis. The commission percentage will be based on the Qualifying Travel Consultant's total revenue generated for the twelve months ending that month. The following schedule lists the revenue increments required to qualify for commission levels.

In addition to the base rate, the Employer may, in the absolute discretion of the Employer, pay commission to a Qualifying Travel Consultant who has not worked for a twelve-month period. The commission will be based on a percentage of the revenue they generate during a month. The commission percentage will be set each month based on the revenue generated that month. The following schedule lists the revenue increments required to qualify for commission levels.

The Employer will not displace or layoff a permanent Travel Consultant to create a vacancy for the sole purpose of hiring a Qualifying Travel Consultant.

Commission Rate	Total 12 Month Ending Revenue Generated	Monthly Range Revenue Generated
6.50%	\$70,000 – 74,999	\$5,833 – 6,249
9.50%	\$75,000 – 79,999	\$6,250 – 6,666
11.75%	\$80,000 – 84,999	\$6,667 – 7,082
13.75%	\$85,000 – 89,999	\$7,083 – 7,499
15.25%	\$90,000 – 94,999	\$7,500 – 7,916
16.75%	\$95,000 – 99,999	\$7,917 – 8,332
18.00%	\$100,000 – 104,999	\$8,333 – 8,749
19.00%	\$105,000 – 109,999	\$8,750 – 9,166
19.50%	\$110,000 – 114,999	\$9,167 – 9,582
20.00%	\$115,000 +	\$9,583 +

**Rolling Twelve Month Adjustment:**

It is noted that there will be times when a Travel Consultant may be absent from work due to vacation or FAM for a period equal to or greater than 2 weeks in one calendar month. For the month in which the absence occurs, the agent's rolling twelve-month revenue will be adjusted based on the previous month's total twelve-month ending revenue. The previous month's total twelve-month ending revenue generated will be used to determine a weekly average revenue amount. This weekly average will be applied to the number of weeks that the travel consultant is absent in the calendar month. The weekly average revenue amount times the number of weeks absent plus the actual revenue generated in the calendar month will comprise the agent's total twelve-month ending revenue for that calendar month. The commission rate corresponding to the 12-month ending revenue for that month will be applied to revenue generated in that calendar month to determine the commission payment. The weekly average revenue amounts are not eligible for commission.

All Travel Consultants will be paid the following commission for members who enroll through a CAA South Central Ontario Travel Store, by a specific Travel Consultant, and are approved for an MBNA Credit Card. These commissions will be paid on a monthly basis, subject to the approval and notification process with MBNA Bank.

**MBNA Incentive**

<b>MBNA Credit Card Enrollment</b>	<b>Commission</b>
Any member that enrolls for an MBNA Credit Card through an application distributed by a Travel Consultant from a CAA MWO Travel Store <b>and</b> approved by MBNA Bank.	\$3.00 /approved enrollment

Note: CAA South Central Ontario may in no way determine or influence the credit approval for any member that applies for a MBNA Credit Card. Approvals are the sole responsibility of MBNA Bank and CAA South Central Ontario will be notified on a monthly basis of members that have applied through a CAA South Central Ontario Travel Store and subsequently been approved for MBNA's credit services.

**SCHEDULE A**  
**APPENDIX II**

**MEMBER SERVICES COUNSELLOR**

**Base Rates**

Full Time Member Services Counsellors (MSC) will be paid the following base rates:

<u>Member Service Counsellors - FT</u>	<u>Base Rate</u>				
	<u>Level</u>	<u>September 01, 2007</u>	<u>January 01, 2008</u>	<u>September 01, 2008</u>	<u>September 01, 2009</u>
Probationary and Temporary Employee		11.73	22,873.50	23,445.34	24,031.47
Tier One Permanent Member Service Counsellor (less than or equal to 24 months)		13.43	26,188.50	26,843.21	27,514.29
Tier Two Permanent member Service Counsellor (25 plus months)		13.85	27,007.50	27,682.69	28,374.75

\*\* Rates are converted to salary effective January 1, 2008 \*\*

Part Time Member Service Counsellors (MSC) will be paid the following base rates:

<u>Member Service Counsellors - PT</u>	<u>Base Rate</u>		
	<u>September 01, 2007</u>	<u>September 01, 2008</u>	<u>September 01, 2009</u>
Probationary and Temporary Employee	11.73	12.02	12.32
Tier One Permanent Member Service Counsellor (less than or equal to 24 months)	13.43	13.77	14.11
Tier Two Permanent member Service Counsellor (25 plus months)	13.85	14.20	14.55



**Directional Sales:**

VIP business translates at 115% of revenue earned  
 Preferred business translates at 100% of revenue earned  
 Non-preferred business translates at 90% of revenue earned

\*COMMISSION WILL BE PAID ON THE SECOND PAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE REVENUES ARE EARNED\*

\*\*The current commission plan expires on December 31, 2007 with the new plan taking effect on January 1, 2008 \*\*

**Expiring on December 31, 2007 - Commission Schedule – ALL MEMBER SERVICE COUNSELLORS**

**Commission Schedules**

All Member Services Counsellors will be paid according to the following commission schedule monthly.

<b>PLUS Membership Sales Transactions</b>	<b>Commission</b>
Any <u>new</u> PLUS Membership sales package or <u>upgrade</u> from a Basic to a PLUS Membership sales package sold by the Member Services Counsellor	\$ 1.60 / transaction
ACCR set-up on any <u>new</u> Membership sales package or any Membership renewal package conversion to ACCR payment processed by the Member Services Counsellor	\$ 0.25 / transaction
<b>Specified Membership Product Sales</b>	<b>Commission</b>
* <u>Membership Product Sales</u> in excess of \$35,000/ month generated by Full-time Member Services Counsellors. <u>Membership Product Sales</u> including: medical insurance, traveler's cheques, passport photos, attraction tickets, international drivers' permits, merchandise and car/hotel reservations.	0.20%

\* Part-time Member Services Counselors will be eligible for 0.20% commission in accordance with their F.T.E. calculation and based on the membership product sales as defined above. The Part-time MSC F.T.E. calculation is prorated based on a Full-time MSC's regularly scheduled workweek of 37.5 hours per week. For example, a Part-time Employee who works 22.5 hours per week is 0.60 of an F.T.E. (22.5/37.5).

Note: For each quarter the F.T.E. calculation will be based on the Part-time Employee's average weekly hours in the previous quarter.

<b>Part-time MSC F.T.E. *</b>	<b>Membership Product Sales Levels</b>
Less than 0.40	In excess of \$10,500
0.41 to 0.74	In excess of \$21,000
0.75 to 0.9	In excess of \$28,000
0.91 to 0.99 will considered a FTE (1.00)	In excess of \$35,000

<b>Additional Medical Insurance Sales Bonus</b>	<b>Commission</b>
Annual (January – December of the calendar year) Medical Insurance Sales by the MSC in excess of \$90,000	0.50% (In addition to the 0.20% Specified Membership Product Sales commission.)

All Member Services Counsellors will be paid the following commission for members who enroll through a CAA South Central Ontario Travel Store, by a specific Member Services Counsellor, and are approved for an MBNA Credit Card. These commissions will be paid on a monthly basis, subject to the approval and notification process with MBNA Bank.

MBNA Credit Card Enrollment	Commission
Any member that enrolls for an MBNA Credit Card through an application distributed by an MSC from a CAA MWO Travel Store <u>and</u> approved by MBNA Bank.	\$3.00 / approved enrollment

Group Performance Bonus – Permanent Member Services Counsellor

<u>Rules for Group Performance Bonus and Qualification</u>		
<ul style="list-style-type: none"> <li>◆ The Permanent Member Services Counsellor must be in that position and in the employ of CAA South Central Ontario for the entire calendar year to receive the bonus.</li> <li>◆ The Permanent Member Services Counsellor must be in the employ of CAA South Central Ontario at time of payout to receive the bonus.</li> <li>◆ The percentage payout is based on the Permanent Member Service Counsellor's wages and commission (excluding overtime).</li> <li>◆ The bonus will be paid within 90 days of the end of the calendar year based on Audited Financial Statements.</li> <li>◆ The Key Corporate Performance Measures are based on December 31 year-end results.</li> <li>◆ The Key Corporate Performance Measures are based on the following information sources: Audited Annual Financial Statements, CAA South Central Ontario Balanced Scorecard Results, and AAA Top Box Quality Score Reports.</li> </ul>		
Bonus	Percentage Payout	<u>Bonus Components</u>
<b>Group Performance Bonus</b>	Each component is paid out at 0.5% for a total of 1.5%, if all components are achieved.	<p>The Group Performance Bonus payment is based on achievement of the following Key Corporate Performance Measures:</p> <ul style="list-style-type: none"> <li>◆ 90% or greater Annual Membership Renewal rate</li> <li>◆ 100% or greater Achievement of Annual Corporate Revenue Plan</li> <li>◆ 80% or greater Annual AAA Top Box Auto Travel Quality Score</li> </ul>

The base rates will increase by 2% on September 1, 2004, 2% on September 1, 2005 and 3% on September 1, 2006.

**SCHEDULE A**  
APPENDIX III

**CUSTOMER CARE REPRESENTATIVE**

**Base Rates**

<u>Customer Care Representatives - FT</u>	<u>Base Rate</u>			
	<u>September 01, 2007</u>	<u>January 01, 2008</u>	<u>September 01, 2008</u>	<u>September 01, 2009</u>
Probationary and Temporary Employee	10.72	20,904.00	21,217.56	21,535.82
Level One Customer Care Representative (Successful Completion of Probationary period and Level One Training)	12.27	23,926.50	24,285.40	24,649.68

\*\* Rates are converted to salary effective January 1, 2008 \*\*

The Part Time Customer Care Representatives will be paid the following base rates:

<u>Customer Care Representatives - PT</u>	<u>Base Rate</u>		
	<u>September 01, 2007</u>	<u>September 01, 2008</u>	<u>September 01, 2009</u>
Probationary and Temporary Employee	10.72	10.88	11.04
Level One Customer Care Representative (Successful Completion of Probationary period and Level One Training)	12.27	12.45	12.64

Effective January 1, 2008 – All Customer Care Representatives

A \$250 bonus will be paid if the combined store quarterly revenue budget is achieved. For Part Time Customer Care Representatives, this bonus will be pro-rated based on actual hours worked.

\*BONUS WILL BE PAID ON THE SECOND PAY OF THE SECOND MONTH FOLLOWING EACH QUARTER FOR WHICH THE REVENUES ARE EARNED\*

**Addendum to the Collective Agreement**  
September 1, 2007 – August 31, 2010

**BETWEEN:**

**CAA TRAVEL (SOUTH CENTRAL ONTARIO) INC.**  
**And CAA SERVICES (SOUTH CENTRAL ONTARIO) INC.**

and

**TEAMSTERS LOCAL UNION NO. 879**  
AFFILIATED WITH THE  
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

This Addendum to the Collective Agreement contains the provisions, Letter of Understanding and Appendices agreed by the parties to be removed from the body of the Collective Agreement as they pertain to positions currently vacant in the bargaining unit. It is understood that the Union reserves the right to rely on the contents of this Addendum should the bargaining unit positions referred to therein be re-established.

- 
- 5.1 The Union may elect or appoint one (1) Steward from the Permanent Employees working at each of the following locations for the purpose of investigation and processing Grievances at those locations:
- Guelph
  - Cambridge
  - London -Wellington
  - London – Cherryhill
  - London – Bessemer Road Service Centre
  - Woodstock
  - Kitchener-Westmount
  - Waterloo
- 5.1.1 The Union may elect or appoint four (4) other Stewards from the Permanent Employees in four sectors at the Kitchener – Manitou location for the purpose of investigating and processing Grievances. The sectors are defined as:
- i. Driver and Mechanic.
  - ii. Dispatch, Customer Care Representative and ERS secretary.
  - iii. Group travel, Member Services Counsellor, Teleservice group and Travel Agent.
  - iv. Auto Routing, Membership, Accounting, Shipper/Receiver, General Helper and Secretary.

The Union may also elect or appoint a Chief Steward from the Permanent Employees for Local 879.

- 8.3 It shall not be a violation of this Agreement for Employees to refuse to cross a picket line, where such crossing would probably result in personal injury or damage to the vehicle. Emergency Road Service Employees shall immediately advise the dispatcher and other Employees shall immediately advise their supervisor that they have not crossed a picket line and provide details. The Union shall immediately use its best efforts to make arrangements so that the Employees may cross the picket lines.
- 9.1 An Employee, other than in Teleservice and a Member Services Counsellor and a Travel Agent, shall be considered a Probationary Employee until he has performed ninety (90) calendar days of active employment since the date of commencement of his employment for the Employer during a period of twelve (12) consecutive months. An Employee in Teleservice and a Member Services Counsellor and a Travel Agent shall be considered a Probationary Employee until he has performed one hundred and fifty (150) calendar days of active employment since the date of commencement of his employment for the Employer during a period of twelve (12) consecutive months. The probationary Employee who has a break in active employment due to an approved absence of one month or less during his probationary period will not have to restart his probationary period upon returning to work after the absence of one month or less. An Employee shall have no seniority rights during such probationary period. The layoff of a Probationary Employee shall be deemed to have been in accordance with the Collective Agreement and no arbitrator or board of arbitration shall have any jurisdiction to change, alter, or modify the layoff of such Employee. The discipline of a probationary Employee shall be deemed to have been for just cause, and no arbitrator or board of arbitration shall have any jurisdiction to alter, modify, or amend the discipline.
- 9.13 An Employee employed as an Emergency Road Service Driver requires as a condition of continued employment a licence to operate a motor vehicle and must qualify for insurance coverage equal to the Employer's insurance coverage with no greater insurance premium payable. The Union and Employer will meet to discuss movement to alternate work in the event an Employee employed as an Emergency Road Service Driver loses his licence to operate a motor vehicle or the Employer must pay a greater insurance premium if that Employee is operating a motor vehicle or the Employer's insurer restricts the insurance coverage available to the Employer if that Employee is operating a motor vehicle. This is in no way to be construed as a guarantee of alternate work and no other Employee will be laid off due to the Employee moving to alternate work and the moving Employee will be placed on the bottom of the seniority list while doing the alternate work.
- 11.2 The standard work day for Permanent Full-time Employees will consist of 7½ hours and the standard work week will consist of 37½ hours as scheduled by the Employer. A Permanent Full-time Employee employed as an Emergency Road Service Driver and the Employer may agree annually to have a standard work day consisting of 8½ hours and a standard work week consisting of 42½ hours as scheduled by the Employer. A Permanent Full-time Employee and the Employer may agree quarterly to have a standard work day consisting of up to 12 hours as scheduled by the Employer.
- 11.6 Permanent Full-time Employees, save and except Travel Agents and Emergency Road Service Drivers, will be paid for overtime approved by the department Supervisor/Manager or designate worked in excess of 37½ hours in a work week at 1½ times the Employee's straight time hourly rate.
- 11.7 Permanent Full-time Employees employed as Travel Agents and Emergency Road Service Drivers will be paid for overtime approved by the department supervisor or designate worked in excess of 42½ hours in a work week at 1½ times the Employee's straight time hourly rate.
- 17.7 The Employer agrees to provide up to a maximum of \$125.00 annually for footwear purchased by Drivers and Mechanics. The footwear purchased must meet standards set pursuant to the Canadian Standards Association requirements set out in CAN/CSA Z195-M92 Grade I. The Drivers and Mechanics must provide receipts for the purchases of footwear.

## **Letters of Understanding**

### **#1      Re:      WSIB - Emergency Road Service Specialists**

This letter will confirm the understanding reached by the above-cited parties during the 2003 negotiations for the renewal of the Collective Agreement.

Within thirty (30) days following ratification, the parties agree to convene a meeting with an appropriate WSIB Official to investigate the Company's legal obligation for WSIB coverage for the Emergency Road Service Specialists.

### **#2      Re:      Health and Welfare Benefit Enhancements**

This letter will confirm the understanding reached by the above-cited parties during the 2007 negotiations for the renewal of the Collective Agreement.

#### Year One (Effective September 1, 2003)

- Short Term Disability weekly maximum income benefit based on 66.667 of weekly earnings increased from \$413 to \$513;
- Co-insurance percentage increased from 80% to 85% for eligible drugs and medicines, which, according to the Food and Drug Act, require the written prescription of a doctor and which are dispensed by a licensed pharmacist;
- Co-insurance percentage increased from 80% to 85% for eligible dental treatment expenses by a dentist or physician or by other qualified personnel under the direct supervision of the dental or medical professional, limited to the maximum fee level of the Ontario Dental Association Fee Guide in effect 1 year prior to the date treatment is rendered;
- Maximum fee level of the Ontario Dental Association Fee Guide in effect changed from 2 years to 1 year prior to the date treatment is rendered.

#### Year Two (Effective September 1, 2004)

- Short Term Disability weekly maximum income benefit based on 66.667 of weekly earnings increased from \$513 to \$650;
- Co-insurance percentage increased from 85% to 90% for eligible drugs and medicines, which, according to the Food and Drug Act, require the written prescription of a doctor and which are dispensed by a licensed pharmacist;
- Co-insurance percentage increased from 85% to 90% for eligible dental treatment expenses by a dentist or physician or by other qualified personnel under the direct supervision of the dental or medical professional, limited to the maximum fee level of the Ontario Dental Association Fee Guide in effect 1 year prior to the date treatment is rendered.

#### Year Three (Effective September 1, 2005)

- Short Term Disability weekly maximum income benefit based on 66.667 of weekly earnings increased from \$650 to \$750.

### **#3      EMERGENCY ROAD SERVICE SPECIALIST (FORMERLY DRIVERS)**

Base Rates

Emergency Road Service Drivers will be paid the following base rates:

Addendum – Page 4

Level	Hourly Wage
Probationary/ Temporary Employee	\$11.00
Light Service (performs all calls except towing)*	\$11.46
Tier One Specialist (less than or equal to 24 months) *	\$12.50
Tier Two Specialist (25 plus months)*	\$13.85

\* Modified **Duty Rate**: Any Light Service, Tier One or Tier Two ERS Specialist able for medical reasons to perform only 61-99 % of Emergency Road Service duties will be paid 90% of the Light Service, Tier One or Tier Two Specialist Rate respectively.

Commission Schedules:

ERS Specialist will be paid according to the following commission schedule monthly:

<p style="text-align: center;">Calls Accepted Near End of Shift</p> <p>Any additional calls assigned within 30 minutes or after the end of the regularly scheduled shift.</p>	<p><b>Commission</b></p> <p>\$7.50 / call</p>
<p style="text-align: center;"><b>PLUS</b> Membership Sales Transactions</p> <p>Any <u>new</u> PLUS Membership sales package or <u>upgrade</u> from a Basic to a PLUS Membership sales package sold by the driver.</p>	<p><b>Commission</b></p> <p>\$ 1.60 / transaction</p>
<p style="text-align: center;">Battery Sales</p> <p>Commission will be paid on "net" sold batteries per driver according to the Commission Schedule.</p>	<p><b>Commission Schedule</b></p> <p>1 battery sold per day = \$7.50 per battery                      2 batteries sold per day = \$8.50 per battery                      3 batteries sold per day = \$10.25 per battery                      4 or more batteries sold per day = \$12.00 per battery</p>
<p style="text-align: center;">Battery Sales Referrals (only applicable to Non-Battery Assist Specialists)</p> <p style="text-align: center;">Any successful "net" battery sale referral</p>	<p><b>Commission</b></p> <p>\$ 1.06 / "net" battery sale</p>

Group Performance Bonus- Permanent **ERS** Specialist

Rules for Group Performance Bonus and Qualification		
<ul style="list-style-type: none"> <li>◆ The Permanent ERS Specialist must be in that position and in the employ of CAA South Central Ontario for entire calendar year to receive the bonus.</li> <li>◆ The Permanent ERS Specialist must be in the employ of CAA South Central Ontario at the time of payout to receive the bonus.</li> <li>◆ The percentage payout is based on the Permanent ERS Specialist's wages and commission (excluding overtime).</li> <li>◆ The bonus will be paid within 90 days of the end of the calendar year based on audited financial statements.</li> <li>◆ The Key Corporate Performance Measures are based on December 31<sup>st</sup> year-end results.</li> <li>◆ The Key Corporate Performance Measures are based on the following information sources: Audited Annual Financial Statements, CAA South Central Ontario Balanced Scorecard Results, and AAA Top Box Quality Score Reports.</li> </ul>		
Bonus	Percentage Payout	Bonus Components
Group Performance Bonus	Each component is paid out at 0.5% for a total of 1.5%, if all components are achieved.	<p>The Group Performance Bonus payment is based on achievement of the following Key Corporate Performance Measures.</p> <ul style="list-style-type: none"> <li>◆ 90% or greater Annual Membership Renewal rate</li> <li>◆ 100% or greater Achievement of Annual Corporate Revenue Plan</li> <li>◆ 80% or greater Annual AAA Top Box Auto ERS Quality Score</li> </ul>

The base rates will increase by 2% on September 1, 2004, 2% on September 1, 2005 and 3% on September 1, 2006.

#4 SCHEDULE A – APPENDIX IV – CUSTOMER CARE REPRESENTATIVE

Base Rates

The Customer Care Representatives will be paid the following base rates:

Level	Hourly Wage
(Successful Completion of probationary period and Level One training)	
Level Two Customer Care Representative – Auto Routing Specialist	\$10.50
	\$11.00

Commission Schedule

Customer Care Representatives will be paid according to the following commission schedule monthly

Membership Sales Transactions	Commission
Any <u>new</u> PLUS Membership sales package or <u>upgrade</u> from a Basic to a PLUS Membership sales package sold by the Customer Care Representative.	\$ 1.60 / transaction
ACCR set-up on any <u>new</u> Membership sales package or any Membership renewal package conversion to ACCR sold by the Customer Care Representative.	\$ 0.25 / transaction
Battery Sales	Commission
Any successful “net” battery sale referral the Customer Care Representative is responsible for.	\$ 1.06 / “net” battery sale

Group Performance Bonus- Permanent Customer Care Representative

<p>Rules for Bonus Compensation and Qualification</p> <ul style="list-style-type: none"> <li>◆ The Permanent Customer Care Representative must be in that position and in the employ of CAA South Central Ontario for that entire calendar year to receive the bonus.</li> <li>◆ The Permanent Customer Care Representative must be in the employ of CAA South Central Ontario at the time of payout to receive the bonus.</li> <li>◆ The percentage payout is based on the Permanent Customer Care Representative’s wages and commission (excluding overtime).</li> <li>◆ The bonus will be paid within 90 days of the end of the calendar year based on audited financial statements.</li> <li>◆ The Key Corporate Performance Measures are based on December 31<sup>st</sup> year-end results.</li> <li>◆ The Key Corporate Performance Measures are based on the following information sources: Audited Annual Financial Statements, CAA South Central Ontario Balanced Scorecard Results, and AAA Top Box Quality Score Reports.</li> </ul>		
Bonus	Percentage Payout	Bonus Components
Group Performance Bonus	Each component is paid out at 0.3% for a total of 1.5%, if all components are achieved.	<p>The Group Performance Bonus payment is based on achievement of the following Key Corporate Performance Measures.</p> <ul style="list-style-type: none"> <li>◆ Achievement of Corporate Primary Membership Renewal Rate Annual Target</li> <li>◆ Achievement of Corporate Associate Membership Renewal Rate Annual Target</li> <li>◆ 100% or greater Achievement of Annual Corporate Revenue Plan</li> <li>◆ 100% or greater Annual Membership Growth Target</li> <li>◆ 80% or greater Annual AAA Top Box ERS Quality Score</li> </ul>

The base rates will increase by 2% on September 1, 2004, 2% on September 1, 2005 and 3% on September 1, 2006.



#5 SCHEDULE A – APPENDIX V – TELESERVICES MEMBER SERVICES REPRESENTATIVE

Base Rates

	Hourly Wage
Level	\$11.00
Probationary/ Temporary Employee	\$12.00
Level One Teleservices Member Services Representative (Successful completion of the probationary period and level one training.)	\$12.00
Level Two Teleservices Member Services Representative (Successful completion of 24 months experience, Level Two Training and the achievement of sales targets and service standards.)	\$12.57

Commission Schedule

Teleservices Member Services Representative will be paid according to the following commission schedule monthly

<p><b>Membership Sales Transactions</b> Any <u>new</u> PLUS Membership sales packages or <u>upgrade</u> from a Basic to a PLUS Membership sales packages in excess of 25 per month sold by the Teleservices Member Services Representative. ACCR set-up on any <u>new</u> Membership sales package or any Membership renewal package conversion to ACCR sold by the Teleservices Member Service Representative.</p>	<p>Commission \$ 1.60 / transaction</p> <p>\$ 0.25 / transaction</p>
<p><b>Medical Insurance Sales</b> % Commission of Medical Insurance product sales made by the Teleservices Member Services Representative</p>	<p>Commission 0.150%</p>

**Group Performance Bonus – Permanent Teleservices Member Services Representative**

Rules for Bonus Compensation and Qualification		
<ul style="list-style-type: none"> <li>◆ The Permanent Teleservices Member Services Representative must be in that position and in the employ of CAA South Central Ontario for that entire calendar year to receive the bonus.</li> <li>◆ The Permanent Teleservices Member Services Representative must be in the employ of CAA South Central Ontario at the time of payout to receive the bonus.</li> <li>◆ The percentage payout is based on the Permanent Teleservices Member Services Representative's wages and commission (excluding overtime).</li> <li>◆ The bonus will be paid within 90 days of the end of the calendar year based on audited financial statements.</li> <li>◆ The Key Corporate Performance Measures are based on December 31 year end results.</li> <li>◆ The Key Corporate Performance Measures are based on the following information sources: Audited Annual Financial Statements, CAA South Central Ontario Balanced Scorecard Results, and AAA Top Box Quality Score Reports.</li> </ul>		
Bonus	Percentage Payout	Bonus Components
Group Performance Bonus	Each component is paid out at 0.3% for a total of 1.5 %, if all components are achieved.	<p>The Group Performance Bonus payment is based on achievement of the following Key Corporate Performance Measures.</p> <ul style="list-style-type: none"> <li>◆ Achievement of Corporate Primary Membership Renewal Rate Annual Target</li> <li>◆ Achievement of Corporate Associate Membership Renewal Rate Annual Target</li> <li>◆ 100% or greater Achievement of Annual Corporate Revenue Plan</li> <li>◆ 100% or greater Annual Membership Growth Target</li> <li>◆ 80% or greater Annual AAA Top Box Auto Travel Quality Score</li> </ul>

The base rates will increase by 2% on September 1, 2004, 2% on September 1, 2005 and 3% on September 1, 2006.

#6 SCHEDULE A – APPENDIX VI – DISPATCHERS

Base Rates

The Dispatchers will be paid the following base rate:

Level	Hourly Wage
Probationary / Temporary Employee	\$11.18
Tier One Dispatcher (Less than or equal to 24 months)	\$12.85
Tier Two Dispatcher (25 plus months)	\$14.13

Commission Schedule

Dispatchers will be paid according to the following commission schedule monthly.

Membership Transactions Sales Transactions	Commission
Any <u>new</u> PLUS Membership sales package or <u>upgrade</u> from a Basic to a PLUS Membership sales package sold by the Dispatcher	\$ 1.60 / transaction
ACCR set-up on any <u>new</u> Membership sales package or any Membership renewal package conversion to ACCR sold by the Dispatcher	\$ 0.25 / transaction
Battery Sales	Commission
Any successful "net" battery sale referral	\$ 1.06 / "net" battery sale referral

Group Performance Bonus – Permanent Dispatcher

<p>Rules for Bonus Compensation and Qualification</p> <ul style="list-style-type: none"> <li>◆ The Permanent Call Centre Service Representative must be in that position and in the employ of CAA South Central Ontario for that entire calendar year to receive the bonus.</li> <li>◆ The Permanent Call Centre Service Representative must be in the employ of CAA South Central Ontario at the time of payout to receive the bonus.</li> <li>◆ The percentage payout is based on the Permanent Call Centre Service Representative's wages and commission (excluding overtime).</li> <li>◆ The bonus will be paid within 90 days of the end of the calendar year based on Audited Financial Statements.</li> <li>◆ The Key Corporate Performance Measures are based on December 31 year end results.</li> <li>◆ The Key Corporate Performance Measures are based on the following information sources: Audited Annual Financial Statements, CAA South Central Ontario Balanced Scorecard Results, and AAA Top Box Quality Score Reports.</li> </ul>		
Bonus	Percentage Payout	Bonus Components
Group Performance Bonus	Each component is paid out at 0.3% for a total of 1.5%, if all components are achieved.	<p>The Group Performance Bonus payment is based on achievement of the following Key Corporate Performance Measures.</p> <ul style="list-style-type: none"> <li>◆ Achievement of Corporate Primary Membership Renewal Rate Annual Target</li> <li>◆ Achievement of Corporate Associate Membership Renewal Rate Annual Target</li> <li>◆ 100% or greater Achievement of Annual Corporate Revenue Plan</li> <li>◆ 100% or greater Annual Membership Growth Target</li> <li>◆ 80% or greater Annual AAA Top Box ERS Quality Score</li> </ul>

The base rates will increase by 2% on September 1, 2004, 2% on September 1, 2005 and 3% on September 1, 2006.

#7 SCHEDULE A – APPENDIX VII – TRAVELSERVICES TRAVEL COUNSELLOR

Base Rates

The Teleservices Travel Counsellor will be paid the following base rates

Level	Hourly Wage
Tier One Teleservices Travel Counsellor (Less that or equal to 24 months)	\$13.87
Tier Two Teleservices Travel Counsellor (25 plus months)	\$14.26

Commission Schedule

Teleservices Travel Counsellor will be paid according to the following commission schedule monthly

Membership Sales Transactions	Commission
Any <u>new</u> PLUS Membership sales package or <u>upgrade</u> from a Basic to a PLUS Membership sales package sold by the Teleservices Travel Counsellor.	\$ 1.60 / transaction
ACCR set-up on any <u>new</u> Membership sales package or any Membership renewal package <u>conversion</u> to ACCR sold by the Teleservices Travel Counsellor.	\$ 0.25 / transaction

Group Performance Bonus- Permanent Teleservices Travel Counsellor

Rules for Bonus Compensation and Qualification		
<ul style="list-style-type: none"> <li>◆ The Permanent Teleservices Travel Counsellor must be in that position and in the employ of CAA South Central Ontario for that entire calendar year to receive the bonus.</li> <li>◆ The Permanent Teleservices Travel Counsellor <i>must</i> be in the employ of CAA South Central Ontario at the time of payout to receive the bonus.</li> <li>◆ The percentage payout is based on the Permanent Teleservices Travel Counsellor's wages and commission (excluding overtime)</li> <li>◆ The bonus will be paid within 90 days of the end of the calendar year based on Audited Financial Statements.</li> <li>◆ The Key Corporate Performance Measures are based on December 31<sup>st</sup> year-end results.</li> <li>◆ The Key Corporate Performance Measures are based on the following information sources: Audited Annual Financial Statements, CAA South Central Ontario Balanced Scorecard Results, and AAA Top Box Quality Score Reports.</li> </ul>		
Bonus	Percentage Payout	Bonus Components
Group Performance Bonus	Each component is paid out at 0.375% for a total of 1.5 %, if all components are achieved.	The Group Performance Bonus payment is based on achievement of the following Key Corporate Performance Measures. <ul style="list-style-type: none"> <li>◆ Achievement of Corporate Membership Renewal Rate Annual Target</li> <li>◆ 100% or greater Achievement of Annual Corporate Revenue Plan</li> <li>◆ 100% or greater Membership Growth Annual Target</li> <li>◆ 80% or greater Annual AAA Top Box Travel Agency Quality Score</li> </ul>

The base rates will increase by 2% on September 1, 2004, 2% on September 1, 2005 and 3% on September 1, 2006.

#8 SCHEDULE A – APPENDIX VIII – TELESERVICES UNIVERSAL TRAVEL COUNSELLOR

Base Rates

The Teleservices Universal Travel Counsellor will be paid the following base rates

Level	Hourly Wage
Tier One (Up to or equal to 24 months)	\$14.78
Tier Two (25 plus months)	\$15.31

Commission Schedule

Teleservices Member Services Representative will be paid according to the following commission schedule monthly

Membership Sales Transactions	Commission
Any <u>new</u> PLUS Membership sales package or <u>upgrade</u> from a Basic to a PLUS Membership sales package sold by the Teleservices Universal Travel Counsellor.	\$ 1.60 / transaction
ACCR set-up on any <u>new</u> Membership sales package or any Membership renewal package conversion to ACCR sold by the Teleservices Universal Travel Counsellor.	\$ 0.25 / transaction

Group Performance Bonus – Permanent Teleservices Universal Travel Counsellor

Rules for Bonus Compensation and Qualification		
<ul style="list-style-type: none"> <li>◆ The Permanent Teleservices Universal Travel Counsellor must be in that position and in the employ of CAA South Central Ontario for that entire calendar year to receive the bonus.</li> <li>◆ The Permanent Teleservices Universal Travel Counsellor must be in the employ of CAA South Central Ontario at the time of payout to receive the bonus.</li> <li>◆ The percentage payout is based on the Permanent Teleservices Universal Travel Counsellor wages and commission (excluding overtime).</li> <li>◆ The bonus will be paid within 90 days of the end of the calendar year based on audited financial statements.</li> <li>◆ The Key Corporate Performance Measures are based on December 31 year end results.</li> <li>◆ The Key Corporate Performance Measures are based on the following information sources: Audited Annual Financial Statements, CAA South Central Ontario Balanced Scorecard Results, and AAA Top Box Quality Score Reports.</li> </ul>		
Bonus	Percentage Payout	Bonus Components
Group Performance Bonus	Each component is paid out at 0.375% for a total of 1.5 %, if all components are achieved.	The Group Performance Bonus payment is based on achievement of the following Key Corporate Performance Measures. <ul style="list-style-type: none"> <li>◆ Achievement of Corporate Membership Renewal Rate Annual Target</li> <li>◆ 100% or greater Achievement of Annual Corporate Revenue Plan</li> <li>◆ 100% or greater Annual Membership Growth Target</li> <li>◆ 80% or greater Annual AAA Top Box Travel Agency Quality Score</li> </ul>

The base rates will increase by 2% on September 1, 2004, 2% on September 1, 2005 and 3% on September 1, 2006.

#9 SCHEDULE A – APPENDIX IX – JOB CLASSIFICATIONS: HOURLY RATES

CLASSIFICATION	PROBATIONARY / TEMPORARY	TIER 1 Less than or equal to 24 MONTHS	TIER 2 OR 25 + MONTHS
GENERAL HELPER	\$ 9.12	\$ 9.68	\$ 9.88
GENERAL HELPER - STUDENT	\$7.75	N/A	N/A
MEMBERSHIP CLERK	\$9.47	\$ 10.40	\$ 11.40
SHIPPER RECEIVER	\$9.84	\$ 10.70	\$ 11.65
ERS SECRETARY	\$ 10.00	\$ 11.12	\$ 12.30
JUNIOR ACCOUNTING CLERK	\$9.90	\$ 11.34	\$ 12.55
SENIOR ACCOUNTING CLERK	\$10.80	\$12.34	\$13.20
ACCOUNTING ASSOCIATE	\$ 12.97	\$13.85	\$14.15
GROUP ADMINISTRATOR TRAVEL	\$12.97	\$13.85	\$14.15
SENIOR ACCOUNTANT	\$ 14.52	\$ 15.25	\$16.06
MECHANIC	\$ 16.48	\$ 17.80	\$ 19.22

Bonus Schedule – Permanent Employees In Appendix IX Hourly Rate Job Classifications

- The Permanent Employee in the Hourly Job Rate Classifications must be in that position and in the employ of CAA South Central Ontario for the entire calendar year to receive the bonus for that year.
- The Permanent Employee in the Hourly Job Rate Classifications must be in the employ of CAA South Central Ontario at the time of payout to receive the bonus.
- The percentage payout is based on the Permanent Employee in the Hourly Job Rate Classification’s wages and commission (excluding overtime).
- The bonus will be paid within 90 days of the end of the calendar year based on Audited Financial Statements.
- The Key Corporate Performance Measures are based on December 31 year end results.
- The Key Corporate Performance Measures are based on the following information sources: Audited Annual Financial Statements, CAA South Central Ontario Balanced Scorecard Results, and AAA Top Box Quality Score Reports.

Bonus		
Corporate Results Based Bonus	Each component is paid out at 0	
	components are	