

COLLECTIVE AGREEMENT

between

AIR CANADA

And those employees

In the service of

AIR CANADA

As represented by the

**NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL WORKERS
UNION OF CANADA
(CAW-CANADA)**

LOCAL 2002

Contract No. 29 C

**As modified by the Memorandums of Understanding
dated September 28, 2000, June 1, 2003 and May 23, 2004**

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13231 (04)

THIS COLLECTIVE AGREEMENT BOOKLET IS THE PROPERTY OF:

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ARTICLE 1 PURPOSE OF AGREEMENT AND DEFINITIONS

- 1.01** The purpose of this agreement is in the mutual interest of the Company and the employees to provide for the operation of the services of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency and economy of operation, and the continuation of employment under conditions of reasonable hours, compensation and working conditions. It is recognized by this Agreement to be the duty of the Company and the employees to cooperate fully both individually and collectively for the advancement of that purpose.
- 1.02** The Company and the Union agree to abide by all the procedures provided by this Agreement and the Canada Labour Code for the purpose of peaceful settlement of disputes. This Code provides that employees may legally strike, and the Company may lockout, following completion of the bargaining and conciliation process at the termination of an Agreement.
- 1.03** In view of the orderly procedure established by this Agreement as required by the Code for the settling of disputes, the Union agrees that, during the life of this Agreement, there shall be no strike or stoppage of work, either complete or partial, and the Company agrees that there shall be no lockout, either complete or partial.
- 1.04 DEFINITIONS:** The following words, as used throughout the Agreement, shall convey the meaning appended to them.
- 1.04.01 Agreement** - means the Agreement in effect, including amendments or interpretations thereto agreed upon and covered by letters signed/confirmed by responsible Company and accredited Union Officers/ Representatives.
- 1.04.02 Base** - means geographical area served by the Company where employees are employed. A base may contain more than one location.
- 1.04.03 Branch** - means any one of the Branches of the Company as designated in the Company Regulations Manual.
- 1.04.04 Classification**- means a classification as defined in Article 4.
- 1.04.05 Company** - means Air Canada as represented through Officers and Management at various levels or their delegated representatives.
- 1.04.06 Employee** - means any person in the employ of the Company who is in the bargaining unit covered by this Agreement.

- 1.04.07 Furlough** - means the employee is laid off without recourse to bumping procedures.
- 1.04.08 Holiday** - means both paid general holidays, as provided for in the Canada Labour Code, and any additional negotiated paid holidays as listed in Article 13.01.
- 1.04.09 Language Requirement** - for the purpose of this Agreement shall refer to French/English bilingual requirements.
- 1.04.10 Location** - means an office or place of business within a base where employees are employed, i.e.:
- SO - Sales Office(s)
 - RO - ReservationsOffice(s)
 - APO - Airport Passenger Office(s)
 - DCC - Departure Control Centre
 - CR - Customer RelationsOffice(s)
- 1.04.11 Requirements of the Service** - means a situation which calls for immediate action and which could not be predicted nor pre-planned for.
- 1.04.12 Shift** - means a scheduled period of time within a day, as described in a Work Schedule or Sub-Schedule, for which an employee is required to be present.
- 1.04.13 Status** – Status shall mean part-time and full time.
- 1.04.14 Supervisory Personnel** - means any Company personnel whose duties include the administrative supervision of others, and who are not covered by the Agreement.
- 1.04.15 Union** - means National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW- Canada) and its Local 2002.
- 1.04.16 Vertical Lines** - means a revision effective with the current Agreement. A single vertical line denotes an editorial change. A double vertical line denotes a negotiated revision effective with the current Agreement.
- 1.04.17 Work Schedule** - means a projection of all scheduled shifts at a location with regard to scheduled days on and days off, including shift starting and terminating times.

ARTICLE 2 - UNION RECOGNITION

2.01 The Company recognizes the Union as the sole bargaining agent for all employees covered by this Agreement, as defined in Article 1.04.

2.02 Hours of work, wages and other conditions of employment, as governed by this Agreement, apply only to those employees within the territorial limits of Canada, and those classifications specifically mentioned hereinafter.

2.03 The Company will not permit any person not covered under this Agreement to do any tasks/duties covered under this Agreement, unless specifically provided for herein.

NOTE 1: Management Trainees at a location are exempt from this provision for a period not to exceed thirty (30) days, provided such Management Trainees are not assigned as a contingent part of the employee work force.

NOTE 2: Management personnel shall be exempt from this provision when the requirements of the service, as defined in Article 1.04.11, are such that customer delays or inconveniences could reasonably be expected to occur without their intervention.

NOTE 3: With regard both to existing Company locations, or whenever a new location becomes operative, tasks or duties normally/regularly performed by employees will be performed by members of the Union. The Company further commits itself that Station Agents' II will not be employed at any locations other than those where they are presently employed.

NOTE 4: At locations where there are two (2) or less employees, a person in the Sales & Service Branch not covered by this Agreement may be required to perform any of the duties covered by this Agreement for a period of not more than fifteen percent (15%) of their work day.

NOTE 5: Travel Trade Students are exempt from this provision provided they are not assigned as a contingent part of the employee work force.

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ARTICLE 3 - RESERVATIONS OF MANAGEMENT

- 3.01** The control and direction of the employee work force, including the right to hire, suspend or discharge for cause, terminate, to advance or step back in classification, to reassign, to transfer or lay off because of lack of work or for other legitimate reasons, is vested solely in the Company.
- 3.02** Those enumerations shall not be deemed to exclude other prerogatives not enumerated. Any of the rights, powers or authority the Company had prior to the signing of the first Agreement, are retained by the Company, except those specifically abridged, delegated, granted or modified by this or any supplementary agreements that may be made in the future. It is understood that none of the foregoing shall detract from the right to lodge a grievance or appeal in the manner and to the extent herein provided.
- 3.03** It is expressly understood and agreed that management rights as set out in Articles 3.01 and 3.02 hereof are subject to the provisions of this Agreement, and shall not be exercised in a manner inconsistent herewith.

ARTICLE 4 - SCOPE OF AGREEMENT

4.01 All Company personnel who are employees within the territorial limits of Canada and within the following defined classifications are covered by this Agreement.

4.02 Customer Sales and Service Agent - Comprises all those employees who perform Departure Control Centre functions, direct marketing sales and service functions and passenger sales and service functions including handling telephone contacts with the public, disseminating information, making reservations, processing reservations messages, assembling reservations data, issuing tickets, serving the public at Sales and Airport counters and gate locations, acting as Ground Hosts and Hostesses, and performing other related duties to any of the foregoing.

This also includes all those employees who perform the function of a Lead Agent. The principal function of a Lead is to provide leadership, support and direction to a group of employees in the areas of technical expertise, customer service and operational demands while remaining a full working member of that group. Additional responsibilities include employee assignment, on the job training and instruction. Lead Agents shall not be permitted to be directly involved in the discipline of any other employee.

4.03 Customer Relations Representative - Comprises all those employees who respond to letters received in the Customer Relations department from internal/external customers, by e-mail, by phone, in person, by Canada Post or fax including research, evaluating customer's issues, compose and format letters, authorized/amend reservations, determine appropriate payment of compensation and waiver of penalties within departmental guidelines, and performing other related duties to any of the foregoing. Notwithstanding, this does not preclude management from responding to issues of a unique or specialty nature in accordance with existing practices.

This also includes all those employees who perform the function of a Lead Agent. The principal function of a Lead is to provide leadership, support and direction to a group of employees in the areas of technical expertise, customer service and operational demands while remaining a full working member of that group. Additional responsibilities include employee assignment, on the job training and instruction. Lead Agents shall not be permitted to be directly involved in the discipline of any other employee.

4.04 Administrative Clerk - Comprises all those employees in the Customer Solutions department who provide administrative and clerical support including the processing of incoming mail, updating customer information into a data base, scan incoming documents to files in data base, filing and performing other duties related to any of the foregoing.

4.05 The Company may reclassify employees or create new or different classifications covering tasks related to or performed under this Agreement. If such classification comes within the recognition or certification of the Union, it is agreed that the Union may open the Agreement and negotiate the wages for such classification, unless the change occurs within ninety (90) days prior to the termination of the Agreement, in which case the new rate will become part of the normal bargaining process.

ARTICLE 5 - RATES OF PAY, SHIFT PREMIUMS, LONGEVITY PAY

- 5.01** Rates of pay as enumerated are on a weekly basis and are established on the basis of a working week as provided for in Article 6.01.
- 5.02** The Company, at its discretion, may pay higher rates than the graduated scale, but not in excess of the maximum.
- 5.03** A training period of not more than four (4) weeks at the first twenty-six (26) week rate may be required before the first twenty-six (26) week pay period begins to run out. Scheduled advancement in pay within the salary scales established by this Agreement shall be upon the first day of the pay period following completion of service of each period of twenty-six (26) weeks.

5.04 RATES OF PAY

5.04.01 Lead Customer Sales and Service Agent

Effective June 4, 2008	Hourly Equivalent	Weekly Rate	Monthly Equivalent
1st 12 months of assignment	26.55	1061.84	4617.08
After completion of 1st 12 months of assignment	27.04	1081.50	4702.60

5.04.02 Customer Sales and Service Agent

Effective June 4, 2008	Hourly Equivalent	Weekly Rate	Monthly Equivalent
1st 26 week period	11.23	449.07	1952.64
2 nd 26 week period	12.93	517.21	2248.95
3 rd 26 week period	14.61	584.27	2540.53
4 th 26 week period	15.66	626.68	2724.95
5 th 26 week period	16.82	673.12	2926.87
6 th 26 week period	18.07	722.55	3141.80
7 th 26 week period	19.39	775.51	3372.08
8 th 26 week period	20.82	832.64	3620.47
9 th 26 week period	22.35	893.82	3886.51
10th 26 week period	24.58	983.18	4275.07

Effective June 4, 2008 - for those employees hired after May 18, 2004. (See Appendix J, Paragraph 5)	Hourly Equivalent	Weekly Rate	Monthly Equivalent
1 st 52 week period	11.23	449.07	1952.64
2 nd 52 week period	12.93	517.21	2248.95
3 rd 52 week period	14.61	584.27	2540.53
4 th 52 week period	15.66	626.68	2724.95
5 th 52 week period	16.82	673.12	2926.87
6 th 52 week period	18.07	722.55	3141.80
7 th 52 week period	19.39	775.51	3372.08
8 th 52 week period	20.82	832.64	3620.47

5.04.03 Customer Relations Representatives

Effective June 4, 2008	Hourly Equivalent	Weekly Rate	Monthly Equivalent
1 st 26 week period	11.23	449.07	1952.64
2 nd 26 week period	12.93	517.21	2248.95
3 rd 26 week period	14.61	584.27	2540.53
4 th 26 week period	15.66	626.68	2724.95
5 th 26 week period	16.82	673.12	2926.87
6 th 26 week period	18.07	722.55	3141.80
7 th 26 week period	19.39	775.51	3372.08
8 th 26 week period	20.82	832.64	3620.47
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5 th 52 week period	16.82	673.12	2926.87
6 th 52 week period	18.07	722.55	3141.80
7 th 52 week period	19.39	775.51	3372.08
8 th 52 week period	20.82	832.64	3620.47

5.04.04 Administrative Clerk

Effective June 4, 2008	Hourly Equivalent	Weekly Rate	Monthly Equivalent
1 st 26 week period	10.23	409.06	1778.68
2 nd 26 week period	10.97	438.76	1907.81
3 rd 26 week period	11.78	471.38	2049.66
4 th 26 week period	12.64	505.68	2197.76
5 th 26 week period	13.57	542.91	2360.66
6 th 26 week period	14.65	585.99	2547.99
7 th 26 week period	15.64	625.72	2720.76
		688.04	2991.75

Effective June 4, 2008 - for those employees hired after May 18, 2004. (See Appendix J, Paragraph 5)	Hourly Equivalent	Weekly Rate	Monthly Equivalent
1 st 52 week period	10.23	409.06	1778.68
2 nd 52 week period	10.97	438.76	1907.81
3 rd 52 week period	11.78	471.38	2049.66
4 th 52 week period	12.64	505.68	2197.76
5 th 52 week period	13.57	542.91	2360.66
6 th 52 week period	14.65	585.99	2547.99
7 th 52 week period	15.64	625.72	2720.76
8 th 52 week period	17.20	688.04	2991.75

- 5.05** All hours not worked will be recorded and the applicable time debits will be made on an hourly basis by the amount of the applicable hourly rate, and the number of hours so deducted, as well as the number of hours credited as overtime/recall, shall be shown on a pay statement accompanying such pay cheque.

**ARTICLE 6 HOURS OF WORK, WORK SCHEDULES AND SUB-SCHEDULES,
TRANSFERS WITHIN A LOCATION, MEAL AND REST PERIODS, SHIFT TRADES**

6.01 HOURS OF WORK

6.01.01 The standard working week shall be forty (40) hours. The standard working day shall be eight (8) consecutive hours including meal and rest periods. Where the standard working day is not practicable, the employee may be scheduled for more than eight (8) hours but not in excess of nine (9) consecutive hours, inclusive of rest periods. Where it is not practical to relieve employees two (2) days in seven (7), the number of days off in a complete shift cycle shall not be less than two-sevenths (2/7) of the total number of days in the cycle. In the development of such schedules, no less than two (2) consecutive days off will be scheduled together, unless otherwise agreed by the Company and the Union at the District level.

NOTE 1: The provision of allowing a shift to extend up to nine (9) hours is to achieve the equivalent of the forty (40) hour working week at locations where the 6 days on, 3 days off Work Schedule is in effect.

NOTE 2: With respect to shift extension for meal periods, refer to point 16 of the May 23, 2004 Memorandum of Agreement found in Appendix "J" of the Collective Agreement.

6.02 WORK SCHEDULES AND SUB-SCHEDULES

6.02.01 Shift schedules / bid lines will be bid in seniority order.

In the event it becomes necessary to revise or establish Work Schedules or Sub-Schedules, the Company shall initiate meetings with the Union at the District Level for the purpose of reviewing the levels of staff requirements and developing such Work Schedules or Sub-Schedules. These meetings will commence not later than four (4) weeks prior to the implementation of the Schedule(s). The Schedule(s) developed at these meetings will be published and posted not later than two (2) weeks prior to implementation.

6.02.01.01 Work Schedules may contain Sub-Schedules related to specific groups of employees by location and/or function(s); however, no more than two (2) Sub-Schedules may be put into effect for employees performing the same function in Reservations locations. Sub-Schedules developed for Part-Time employees and/or to implement a reduced work week are considered separately and are over and above this limitation. Additionally, relief is a function for which Sub-Schedules may be developed.

6.02.02 In dealing with the question of Work Schedules or Sub-Schedules, it is the responsibility of the Company to establish the staff requirements at various periods. In order to determine the required distribution of staff, the Company shall, at the first meeting, present the levels of staff requirements in detail for each period of fifteen (15) minutes of the work day at each location.

6.02.03 To ensure there is an understanding of the desires of the employees as well as the operational requirements of the Company, Work Schedules or Sub-Schedules shall be established only after the fullest discussion, including discussion of alternate schedules as applicable, has taken place between the Company and the Union at the District level.

6.02.04 At locations where there are two (2) or more Sub-Schedules as provided for in Article 6.02.01.01, an employee shall be assigned to one (1) such Sub-schedule and shall rotate through all shift starting times therein over the life of the Work Schedule or Sub-schedule.

NOTE: Notwithstanding the above, subject to mutual agreement, Article 6.02.04 may be applied so that rotation through some or all shift schedules shift starting times may not be necessary. In such case more than two (2) sub-schedules may be put in effect for employees performing the same function in Reservations locations.

6.02.04.01 When dealing with the development of Work Schedules and Sub-Schedules the Company may consider the feasibility of planning flexible shift starting/terminating times. Such flexible shifts may be applicable to all shifts or to specified shifts in a published Work Schedule. In any event, the amount of flexibility would not be allowed to exceed thirty (30) minutes and would be based on a published shift time. For example, a 0900-1700 shift could have, amongst others, the following flex-start times:

0830 - 0900
 0900 - 0930
 0845 - 0915
 0845 - 0900
 0900 - 0915

The employee would work the total hours of the scheduled shift and terminate their shift on completion of those hours. All shift premiums would be based on the start of the scheduled shift starting time and the employee would neither gain or lose any premium(s) as a result of a flexible shift.

6.02.05 Shift and Work Schedule Alterations

- 6.02.05.01** When an employee's scheduled shift or scheduled shift starting time is altered, the Company will advise the employee personally, at least forty-eight **(48)** hours in advance of the starting time of the shift the employee would have worked or the starting time of the shift that the employee will now be working, whichever is the earlier shift. The Company will initially advise the employee orally of the change and then provide confirmation, in advance of the change, in writing, including the reason, with a copy to the Union. The forty-eight **(48)** hours of advance notice may be reduced if mutually agreed between the Company and the employee.
- 6.02.05.02** The Company shall not alter an employee's scheduled day(s) on/day(s) off, unless it advises the employee personally at least two (2) weeks in advance of the starting time of the first shift that the employee would have worked or the first shift that the employee will now be working, whichever is the earlier shift. The two (2) week notice may be reduced if mutually agreed between the Company and the employee and will be reduced to one (1) week for an employee receiving training as a result of their transferring under the provisions of Article 6.03. The Company will initially advise the employee orally of the change and then provide confirmation, in advance of the change, in writing, including the reason, with a copy to the Union.
- 6.02.05.03** The provisions of Article 6.02.05 are intended to be used solely to cover requirements of the work which result from changes in the flight schedule; increases or reductions of staff; absences of employees on vacation, Time Off for Union business, Employee Assistance Program Coordinators and Health & Safety Committee Members and/or Representatives, Leaves of Absence and Sick Leave as described in Article 6.02, excepting personal leaves.
- 6.02.05.04** An employee's scheduled shift(s) or scheduled shift(s) starting time or scheduled day(s) on/day(s) off may be altered to meet training requirements, including the training of another employee.
- 6.02.05.05** Articles 6.02.05 is not intended to permit the Company to change the Work Schedules or Sub-Schedules established in accordance with Article 6.02.01.
- 6.02.05.06** When an employee changes their location, their classification or base under the provisions of Article 10 or Article 12, the Company may alter that employee's scheduled shifts, scheduled shift starting times or scheduled days on/days off. Such alterations to the employee's new work schedule or sub-schedule may provide for an initial period of up to thirty-five (35)

days in order to train the employee in their new location. The minimum notice period provided for in Article 6.02.05.02 shall apply and the employee will be provided with detailed orders in writing, copied to the Union District Chair.

6.02.05.07 In any location where there are two or more Sub-Schedules, an employee may be changed from one such Sub-Schedule to a second such Sub-schedule when a permanent vacancy occurs in the second Sub-schedule. The provisions of Article 6.02.05.02 shall apply to such changes. Where applicable, the desires of employees should be considered.

6.02.06 When an employee's scheduled days on/days off are altered or an employee's scheduled shift or scheduled shift starting time is altered, and when final new Work Schedules or Sub-Schedules are introduced, the employee will not be debited for the time lost, but will be credited at straight time with any time gained on account of the change or alteration.

NOTE 1: The foregoing shall apply equally to any change between Work Schedules or Sub-Schedules made pursuant to Article 8.03, Article 10, or Article 12. All subsequent changes or alterations shall be as provided in this Collective Agreement.

NOTE 2: The foregoing credits will not apply when the provisions of Article 6.03 are utilized by an employee to change their cycle of days on/days off when such a change would not be required in the exercise of their seniority rights under Article 6.03 to change from one function/sub-schedule to another.

6.03 TRANSFERS WITHIN A LOCATION

6.03.01 Vacancies occurring in a work function within a location will be filled in accordance with the following.

6.03.01.01 An employee may file a written request with their Supervisor, copied to the Union District Chair, to move from one work function to another work function within the location. In filling vacancies, except those vacancies under Article 6.03.01.02, the Company will honour these requests in order of seniority. Where lack of ability can be shown, the Company may return the employee to their previous function and any other employee who has been transferred because of the rearrangement of positions will also be returned to their previous function.

6.03.01.02 The Company will determine whether it is necessary to fill a temporary vacancy arising from the absence of an employee, however, when the decision is to fill such a vacancy, whenever practical it will be offered to the most senior employee in the location who has requested a transfer to that function.

6.03.01.03 The foregoing will not preclude the Company and the Union at the District level from implementing other mutually agreeable procedures which are consistent with local needs. With six (6) months notice, either party may cancel such procedures and return to the basic terms of the Collective Agreement.

6.03.02 In the event of a staff reduction within a function, such a reduction will be effected in inverse order of seniority with the displaced employee(s) being placed in a vacancy in another function which has not been requested by a more senior employee in accordance with Article 6.03.01.01.

6.04 MEAL PERIODS

6.04.01 Employees shall be entitled to a thirty (30) minute unpaid meal period which shall be scheduled in each shift during the third or fourth or fifth hour, unless otherwise mutually arranged locally between the Company and a majority of the employees concerned.

NOTE 1: Employees in Reservations and DCC locations shall be entitled to a forty (40) minute meal period which is to be scheduled in accordance with the above.

6.04.02 In the event an employee is requested by a supervisor to waive a meal period, due to a requirement of the service, or where the authority of a supervisor cannot be obtained to work a meal period, the employee may elect to have the meal period rescheduled during the balance of the shift or receive an overtime credit in lieu thereof, or with the concurrence of management, terminate the shift early by the amount of time equal to the scheduled meal period.

6.04.03 In locations where an employee(s) desires a longer meal period, this may be provided when there is mutual agreement between the Company and the employee(s), with the concurrence of the Union District Chair. In the event there is an agreement to extend the meal period beyond thirty (30) minutes, only thirty (30) minutes shall be considered as time worked.

NOTE 1: In the event employees in Reservations and DCC locations elect to extend their meal period beyond forty (40) minutes, only forty (40) minutes shall be considered as time worked.

NOTE 2: Given the nature of the Work at DCC, the extension of meal period to forty (40) minutes must not have an adverse impact on the operations.

6.04.04 Employees who report to work a recall on a scheduled work day or who work more than nine and one half (9½) hours, inclusive of meal and rest periods, on a scheduled day off will be granted an additional meal period of thirty (30) minutes on Company time.

6.04.05 An employee who is unable to take any meal period granted under the provisions of Article 6.04.04, will be credited with thirty (30) minutes of overtime or recall.

6.05 REST PERIODS

6.05.01 Employees shall be entitled to two (2) rest periods on Company time of fifteen (15) minutes each in each full scheduled day. Rest periods shall be scheduled in each half of the work day, but not in conjunction with the meal period. No rest periods shall be scheduled in conjunction with the start or termination of a shift and they shall be scheduled in such a manner so as to provide the benefits for which they are intended.

6.05.02 In the event an employee is requested by a supervisor to waive a rest period, due to a requirement of the service, or where the authority of a supervisor to work a rest period cannot be obtained, the employee may elect to have the rest period rescheduled during the balance of the shift or receive an overtime credit in lieu thereof or, with the concurrence of management, terminate the shift early by the amount of time equal to the scheduled rest period.

6.05.03 Employees who work overtime consecutive with their shift will be granted a rest period of fifteen (15) minutes on Company time during the first four (4) hours worked.

6.05.04 Employees who report to work a recall will be granted a rest period of fifteen (15) minutes on Company time during each four (4) hours of work as established and guaranteed under Article 7.04.

6.05.05 If an employee will not have nine (9) hours free from duty between leaving work and reporting for duty for the next scheduled shift, the employee will either be relieved from reporting for duty until nine (9) hours have elapsed without any time debit or alternatively if the Company requires the employee to report for duty for the next scheduled shift then the difference between the actual time they were free from duty and the nine (9) hours they should have been free from duty shall be paid double time.

6.05.06 If an employee does not have nine (9) hours free from duty between leaving

work and prior to the start of overtime preceding the next scheduled shift, then the difference between the actual time they were free from duty and the nine (9) hours they should have been free from duty shall be paid double time.

6.06 SHIFT TRADES

- 6.06.01** Employees may arrange for another employee to work their shift subject to the supervisor's approval, consistent with the following:
 - 6.06.01.01** Other than in exceptional circumstances, advice of the trade will be provided to the supervisor in writing, in advance, and will be signed by the employees involved.
 - 6.06.01.02** All time credits and shift premiums for the scheduled shift will be credited to the employee who was scheduled to work the shift as though they had worked the shift.
 - 6.06.01.03** Overtime worked prior to or following a traded shift and premium credits on a holiday, in accordance with Article 7.03 and Article 13 respectively, will be credited to the employee who worked the shift as though the shift had been the employee's scheduled shift.
 - 6.06.01.04** All recall credits will be credited to the employee who is recalled.
 - 6.06.01.05** All time debits will be deducted from the employee who agreed to work the shift.
 - 6.06.01.06** Company sick leave provisions will apply to the employee who agreed to work the shift and only to the amount provided for in such regulations. All time not worked in excess of one (1) full shift during a work day shall be debited in accordance with Article 6.06.01.05.
 - 6.06.01.07** Shift trades may only be arranged between employees working in the same location except that, at locations with thirty (30) or less Full-Time employees, shift trades may be arranged by employees at these locations with employees at other locations within the same base and classification. Such shift trades may be granted subject to the employees concerned being capable of performing the work function of the other party.
 - 6.06.01.08** An employee's ability to trade shifts is not intended to allow employees to be absent from the work place for extended periods of time nor to take alternate employment.

- 6.06.01.09** Partial shift trades are permitted only in Reservations locations, DCC and Customer Relations provided that no shift is split into more than two (2) parts. No more than two (2) employees may cover a single shift. Partial shift trades are subject to the same conditions and approvals as referenced above.
- 6.06.01.10** It will be the sole responsibility of the employees to ensure that the introduction of partial shift trades has absolutely no adverse operational and customer service impact.
- 6.06.01.11** Under no circumstances shall an employee be allowed to leave his/her assigned duties or work area until their task is completed. His/her "shift trade partner" must be present and ready to take over their next assignment. This transition needs to be seamless to the customer.
- 6.06.01.12** There will not be additional meal or rest periods assigned to a shift subject to a partial shift trade. Meal and rest periods will be taken as scheduled.
- 6.06.01.13** A minimum of one (1) hour must be worked by one of the employees involved with a partial shift trade.
- 6.06.01.14** Any violation of the terms set out herein will result in the immediate suspension of the "partial shift trade privileges" for the employee. Such a measure will be deemed to be of an administrative nature and will not be grievable under any circumstances except as provided below.
- 6.06.01.15** Notwithstanding the above, the Union may file a grievance only to allege that the violation for which the partial shift trade privileges were revoked did not occur. The Union will bear the onus of the burden of proof in such circumstances.

ARTICLE 7 OVERTIME, RECALL, TIME CLEARANCE, TIME BANK, TIME OFF, TIME RECORD

7.01 AUTHORIZATION

7.01.01 No overtime or recall shall be worked except on authorization of proper management personnel. In cases where prior authority cannot be obtained, or an employee is unable to complete a transaction with a customer, or to complete their accounts either within their scheduled shift or prior to the termination of their established recall, the overtime or the time worked in excess of the established recall shall be reported to management and it shall be recorded to the nearest minute in accordance with Articles 7.03 or 7.04, as applicable.

7.02 WORK DAY

7.02.01 The work day shall be a twenty-four (24) hour period beginning at midnight. All time worked in any tour of duty, including overtime, and any recall worked, shall be considered as work performed on the work day on which the scheduled shift or recall began.

7.03 OVERTIME

7.03.01 All time worked by an employee in accordance with Article 7.01 which is outside and consecutive with their scheduled shift will be considered as overtime. All overtime will be recorded and computed in keeping with the following:

OVERTIME	
(N = Scheduled Shift)	
HOURS WORKED	COMPUTED AT
OVER N	1.5 X

NOTE: Notwithstanding the above, overtime credits will not start until the completion of the number of hours in a scheduled shift.

7.03.02 When an employee works overtime which commences more than two (2) hours prior to the start of their scheduled shift, they will be credited with a minimum of four (4) hours at time and one-half.

7.04 RECALL

7.04.01 If an employee is requested to work any time not consecutive with their scheduled shift, the Company shall establish and guarantee the time to be worked, but in any case the employee shall be credited with a minimum of four **(4)** hours. Recalls shall be recorded to the nearest minute and computed as follows:

Recall on a Scheduled Day Off

HOURS WORKED	1ST DAY OFF COMPUTED AT	2ND AND' SUBSEQUENT DAYS OFF COMPUTED AT
0 - 8	1.5 X	1.5 X
Over 8 - 12	1.5 X	Prohibited
Over 12	Prohibited	Prohibited

Recall on a Scheduled Day On

HOURS WORKED	COMPUTED AT
Over 0	1.5 X

NOTE 1: Notwithstanding the above, should the requirements of the operation change, the establishment and guarantee of time to be worked may be cancelled by the Company up to forty-eight **(48)** hours prior to the commencement of the time to be worked, in which case no credits shall apply.

NOTE 2: In any case, the recall on a scheduled day on shall not be less than that provided for in Article 7.03.

7.05 TIME CLEARANCE

7.05.01 All time credits/debits (including credits accumulated in accordance with Article 13) shall be cleared on the pay cheque for each pay period; alternatively, at the request of the employee, the credits may be recorded in a time bank as provided for in Article 7.06.

7.05.02 All payments or deductions will be made at the applicable hourly rate.

7.06 TIME BANK

7.06.01 Employees shall have the ability to utilize a time bank for the purpose of recording time credits without immediately affecting their pay.

7.06.02 When electing to utilize the time bank, the employee shall advise the Company, in writing, which of the three (3) following options they will use.

Option A - plus twenty-four **(+24)** hours; or,

Option B - plus forty **(+40)** hours; or,

Option C - plus eighty **(+80)** hours.

7.06.03 Once having elected to utilize the time bank, the arrangement shall continue until such time the employee subsequently advises the Company, in writing, that they wish to opt out of the time bank or that they wish to reselect the options available to them under Article 7.06.02. When such advice is given to the Company it shall become effective with the commencement of the second pay period following such advice.

7.06.04 Accrued time credits may be withdrawn from the time bank in the form of time off, at some later date, in lieu of pay and in accordance with Article 7.07, or they may be withdrawn in the form of pay, at some later date and in accordance with Article 7.05. All credits in excess of the options will be cleared in accordance with Article 7.05.

7.07 TIME OFF

7.07.01 Time off will be granted in accordance with the desires of the employee and consistent with the requirements of the Company. Time off granted under this Article will not exceed thirty (30) consecutive calendar days, nor will two (2) or more requests result in the employee being granted time off for more than thirty (30) consecutive calendar days.

7.07.02 For each full shift that an employee wishes to take off, they shall make their request in writing. When approval is granted, requests for identical time off shall be granted in order of seniority. Oral approval may be given initially but in any case the approval shall be confirmed in writing within twenty-four **(24)** hours, stating the period of time off granted.

7.07.03 Procedures for time off of less than one (1) full shift will be developed at each location.

ARTICLE 8 RELIEF, SPECIAL AND TEMPORARY ASSIGNMENTS**8.01 SPECIAL ASSIGNMENTS**

- 8.01.01** An employee who accepts a temporary assignment to represent the Company outside a location within their base shall be paid a premium of seventy-five cents (75¢) an hour for all time worked, and all hours worked outside their scheduled shift shall be credited in accordance with Article 7 or Article 13. In addition, the employee shall be reimbursed for all necessary out-of-pocket expenses including, but not limited to, expenses incurred for meals, transportation, parking and grooming.
- 8.01.02** The Company agrees to endeavour, to the extent possible, to solicit applications from all employees at the base and to consider all such applications.
- 8.01.03** Where the temporary assignment under this Article will exceed five (5) days, the Company will consider splitting the assignment, where possible, between two or more employees.

8.02 OUTSIDE SCOPE

- 8.02.01** An employee who accepts a temporary assignment to work in a position not covered by this Agreement shall be paid in accordance with Company regulations.
- 8.02.02** An employee who accepts a temporary assignment to work in a position not covered by this Agreement shall be limited to a total of seventy-five (75) working days, or portions thereof, within any calendar year. During any such assignment, the employee shall not be subject to the rights provided for in Articles 6, 7 and 13.

NOTE: For the purposes of the foregoing, a working day shall be defined as a day during which the employee actually performs work in the outside scope position. Days off granted due to the assignment will not be counted but will be specified at the time of assignment in accordance with Article 8.02.05 and will be taken consecutive with the working days of the assignment.

- 8.02.03** The Company will not oblige any employee to accept any temporary assignment, as provided in this Article, nor will the Company request an employee to work in a job falling within the scope of other Collective Agreements.

- 8.02.04** As provided for in Article 6.02, during staffing discussions at locations where employees regularly accept temporary assignments in positions not covered by this Agreement, the Company will, where possible, provide for additional staff in the employee work force at those locations in an attempt to reduce the impact on the remaining employees.
- 8.02.05** The Company will advise the employee in writing, copy to the Union District Chair, on the form provided for in the Appendices of the Agreement, of any temporary assignment.
- 8.02.06** Employees who accept a temporary assignment shall not be permitted to be directly involved in the discipline of any other employee.

8.03 IN SCOPE

- 8.03.01** The Company will arrange with the Union at the District level before any use is made of the provisions of Article 8.03. It is the responsibility of the Company to afford as much notice as possible in order to implement these provisions, however, in situations requiring immediate action when the Union cannot be contacted, the provisions of Article 8.03 may be used for an interim period not exceeding seven (7) consecutive calendar days pending such contact.
- 8.03.02** Staff requirements at a location resulting from absences of employees due to annual vacations, sick leave, time off for Union business, bereavement leave, compassionate reasons, training for scope duties, language training or from a temporary increase in the work load may be filled in accordance with Article 8.03, subject to Article 8.03.01. Relief assignments of less than one (1) full day and for more than thirty (30) days shall be subject to prior mutual agreement between the Company and the Union, at the District level.
- 8.03.03** The use of an employee on a relief assignment under Article 8.03.02 will not result in any change to approved vacations, time off or leaves of absence for other employees.
- 8.03.04** The Company shall solicit volunteers from amongst qualified employees at other locations within the same base or another base. Within a base where there are fifty (50) employees or less, when there are no volunteers, the Company may assign the junior qualified employee at another location to fill the relief assignment.
- 8.03.05** An employee on a relief assignment shall be provided with detailed orders in writing, copied to the Union District Chair.

- 8.03.06** Upon completion of a relief assignment, an employee shall be returned to their original location and work schedule or sub-schedule subject to the actioning of the employee's requested transfer or change of status in accordance with Article 12 or, in the event of a staff reduction, subject to Article 10.
- 8.03.07** An employee on a relief assignment from one location to another location or from one base to another base will, in addition to their regular rate of pay, receive a relief premium of seventy-five cents (75¢) an hour for all time worked away from their permanent location.
- 8.03.08** If the Company changes the employee's scheduled shift, scheduled shift starting time and/or scheduled days on/days off, the employee shall suffer no loss of premiums because of the change but shall be granted any greater premiums resulting from the change. An employee on a relief assignment shall not be debited for time lost but will be credited with time gained.
- 8.03.09** The Company will provide the employee with positive space travel to and from the assignment, and, on employee request, additional space available (highest priority) pass(es) will be provided between the employee's permanent base and the point of assignment. The Company will provide travel insurance in the amount of one hundred thousand dollars (\$100,000.00) for the employee so assigned.
- 8.03.10** Travel time to and from the relief assignment will be paid for as time worked but the Company will not pay for travel on the employee's own volition between the commencement and termination of the relief assignment.
- 8.03.11** An employee on a relief assignment shall be afforded additional and necessary out-of-pocket expenses. Such allowable expenses shall not be less than those provided in Company regulations. Provisions for expenses may be modified or expanded from time to time at Union-Management Headquarters Meetings.
- 8.03.12** Subject to prior mutual agreement between the Company and the employee, the employee may use their own transportation to travel to another base in which case the employee shall be reimbursed in accordance with Company regulations and travel time shall be equal to the normal flying time between the two bases.

8.04 OUTSIDE CANADA

- 8.04.01** An employee who requests and/or accepts a temporary assignment outside the territorial limits of Canada shall be subject to the following:
- 8.04.01.01** Such requests shall be considered only after all requests for voluntary leaves of absence have been actioned.
- 8.04.01.02** Such requests shall not be considered if the resultant decrease in staff creates any vacation restrictions.
- 8.04.01.03** An employee returning from a temporary assignment as provided for in Article 8.04 shall be returned to their original location providing they do not displace any employee at that location, otherwise, they will be relocated within their base.

ARTICLE 9 PROBATION

- 9.01** A person being hired into a classification covered by this Agreement will be required to serve a probationary period of one hundred and eighty-two (182) calendar days from date of employment. The probationary period shall not be extended due to annual vacation or training.
- 9.02** A person entering into a classification covered by this Agreement will be required to serve a probationary period as described in Article 9.01.
- 9.03** The qualifying period referred to in Article 12.02.04 is not to be considered a probationary period.
- 9.04** The Company reserves the sole right to make decisions regarding the termination, retention or work assignment of an employee at any time during the probationary period.
- 9.05** Employees in their probationary period will not be laid off.
- NOTE:** Probationary employees have no right to be laid off and are subject to Article 9.
- 9.06** Time served as a temporary employee will be applied against the probationary period provided there is no break in employment.

ARTICLE 10 SENIORITY, STAFF REDUCTION, RECALL FROM LAYOFF

- 10.01** **Purpose** - Seniority shall be established by classification on a system basis within Canada and shall date from an employee's permanent entry into a classification covered by this Agreement. Employees permanently reclassified within the Agreement shall take their seniority with them to their new classification.
- 10.01.01** In accordance with Article 10.04, employees may apply for reinstatement of previous continuous seniority. Such seniority must have accrued in a position covered by the Collective Agreement, must not have been broken by more than seven (7) consecutive days and must be substantiated by Company records. The employee attaining new seniority will be sequenced in accordance with Article 10.03 of the Collective Agreement. It is understood that any adjustment of seniority will not affect any action taken on the basis of seniority prior to that adjustment.
- 10.01.02** Notwithstanding the provisions of Article 10.01, where an employee who was hired to fill a temporary vacancy in accordance with Article 12.07 or L1.13 accepts permanent employment during, or at the termination of, their term of temporary employment with no break in employment, their seniority date and last date of entry shall reflect their continuous employment in the temporary vacancy.
- 10.02** A probationary employee's seniority shall not be exercised except as provided for in this Collective Agreement.
- 10.03** In cases where employees were hired on the same day, the sequence of seniority shall be determined by the application of the following in the order stated:
- 10.03.01** The last date of entry into a Full-Time or Part-Time permanent position with the Company, whichever is the earlier.
- 10.03.02** The last three (3) digits of the employee number, backwards, with the lowest number identifying the more senior employee (000 being the lowest possible number).
- 10.03.03** In cases where the above factors will not determine the position on the seniority list, the position will be jointly determined by the Company and the President of the Union.
- 10.03.04** Date hired, as it relates to Article 10.03, means the first day that the employee commences employment. That day is the first day for which an employee is credited with time worked for pay purposes, and time spent in training shall be considered as time worked.

- 10.04 Seniority List** - Shall be prepared, corrected, amended and published in the following manner:
- 10.04.01** Not later than March 1, of each year, the Company shall prepare and post at each location complete seniority lists for each classification described in Article 4.
- 10.04.02** The list shall be posted and kept open for requests for corrections up to and including March 30.
- 10.04.03** It shall be the sole responsibility of each individual employee to examine the list and make written request (2 copies) for any correction during the posting period.
- 10.04.04** One copy of this request for correction must be forwarded to Labour Relations - Air Canada Headquarters and one copy will be forwarded to the Union Headquarters, by the employee concerned.
- 10.04.05** All requests for corrections shall be actioned and finalized by the Company after consultation with the Union at the Headquarters level during the sixty (60) calendar days following March 30. The corrected list shall be posted not later than May 31 as amendments to the annual seniority list. The amended seniority list shall become effective on June 1.
- 10.04.06** The amended seniority list shall remain in full force and effect until the following year when a new list is published and posted in the above manner, subject to Article 10.04.09 and Article 10.04.12.
- 10.04.07** In the event it is not possible to finalize a request for correction in the stipulated period, the correction will be withheld pending a discussion between the Company and the Union at the Headquarters level and the correction, if mutually agreed upon, will become effective as of the date of posting of the last amended annual seniority list.
- 10.04.08** As soon as possible following September 1, but not later than September 15 of each year, the Company will issue an addendum to the seniority list showing all those employees who were hired subsequent to the original posting. Corrections to the addendum will be made in accordance with Article 10.04.09.
- 10.04.09** Notwithstanding the foregoing regulations, the Union Headquarters may request corrections to the seniority list at times other than the stipulated period. Such corrections, if mutually agreed upon, will become effective immediately and will be incorporated in the new list of the subsequent year

and the employee(s) will be so advised, in writing. If, however, prior to the time the new list is effective, circumstances arise such that an employee's right to continue in, or their right to regain, employment in their classification is jeopardized, such correction will be published immediately and action will be taken in accordance with the newly corrected list.

- 10.04.10** Employees and personnel outside the scope of the Agreement who retain but do not accrue seniority will have their seniority date adjusted and position on the seniority list altered to account for time during which seniority was not accrued. Such z adjustment and alteration will occur at the time the employee resumes the accrual of seniority, or prior to the Company taking action which would be affected had the adjustment or alteration already occurred, whichever is the earlier.
- 10.04.11** In the event of a dispute arising in the order of seniority, a grievance may be initiated by the Union at the Step 2 level.
- 10.04.12** Subject to Article 10.04.07, and provided the amended seniority list has not been contested under Article 10.04.09, on behalf of an employee whose position on the seniority list has been affected as a result of an amendment, any action taken on the basis of the seniority list to which there have been no requests for correction within the time limits specified in Article 10.04.02, or any action taken on the basis of the amended seniority list, shall stand as final. In any event, action taken on the basis of the above list involving employees whose queries have not been finalized in accordance with Article 10.04.07, or corrections initiated under Article 10.04.09, will be subject to grievance and correction.

10.05 SENIORITY SHALL BE RETAINED AND ACCRUED DURING:

- 10.05.01** Absence due to layoff or Off-Duty Status.
- 10.05.02** Sickness or accident.
- 10.05.03** Authorized leave of absence (subject to Article 11.04.04) or furlough without pay.
- 10.05.04** Suspension without pay.
- 10.05.05** Strike or lockout.

10.06 RETENTION AND NON ACCRUAL OF SENIORITY

- 10.06.01** An employee permanently appointed to a job not covered by the Agreement shall retain but not accrue seniority for a period of six (6) months.

10.07 AN EMPLOYEE SHALL LOSE SENIORITY AND THEIR NAME WILL BE REMOVED FROM THE SENIORITY LIST FOR ANY ONE OF THE FOLLOWING REASONS:

10.07.01 When resigning from the Company.

10.07.02 When terminated.

10.07.03 When discharged for cause.

10.07.04 When laid off for a period of more than sixty (60) consecutive months, or the number of consecutive months equivalent to the number of completed months of the employee's seniority as of the date of layoff, whichever is greater.

10.07.05 Desertion of service (resignation without notice).

10.07.06 When permanently appointed to another job outside the Agreement for a period of more than six (6) months.

10.07.07 When retired with or without pension.

10.08 COMPANY PERSONNEL OUTSIDE THE SCOPE of the Agreement retaining seniority and who are considered by the Company as unsuited to the assignment, or who, within the first six (6) months, express their desire in writing to return to their previous classification, will be returned at the discretion of the Company but will not displace an employee other than a temporary employee or a probationer.

10.09 STAFF REDUCTIONS - within each classification will be made in accordance with the following:

10.09.01 In the event of staff reduction, surplus Company personnel outside the scope of the Agreement retaining seniority will revert to a classification within the scope of the Agreement providing no permanent employee is displaced at the base where they are reverted and providing there are no laid off employee(s) awaiting recall to the base to which they are reverted.

10.09.02 Subject to L1.04.01, in the reduction of staff levels within a location or base, the Company will establish separately the number of Full-Time and Part-Time employees required. Staff reductions, as necessary, will then take place in inverse order of seniority within each status in accordance with the terms of Article 10.

- 10.10 STAFF REDUCTION AT A LOCATION** - within each classification will be made in accordance with the following:
- 10.10.01** At locations within a base, staff adjustments between locations will be made in inverse order of seniority within the affected status, including probationary employees, provided that valid transfers and changes of status take precedence over relocation where such transfers and changes of status negate the necessity to relocate an employee.
- 10.10.01.01** An employee subject to relocation, whether Full-Time or Part- Time, may elect to fill a vacancy which exists in the location in the other status. Such vacancies shall be filled in order of seniority. Should no vacancy exist, the employee may bump a junior employee in the other status in the location.
- 10.10.02** An employee exercising their rights under Article 10.10.01 or Article 10.10.01.01 shall be given fourteen (14) calendar days notice before effecting the change.
- 10.11 STAFF REDUCTION AT A BASE** - within each classification will be made in accordance with the following, subject to L1.04.01:
- 10.11.01** Staff reductions at a base will be made in inverse order of seniority within the affected status only after all temporary employees in both statuses and then all probationary employees within the affected status have been terminated. Any staff adjustment between locations, required as a result of staff reductions at the base, will be made in accordance with Article 10.10.
- 10.11.01.01** A redundant employee, whether Full-Time or Part-Time, may elect to fill a vacancy which exists in the base in the other status. Such vacancies shall be filled in order of seniority. Should no vacancy exist, the employee may bump a junior employee in the other status in the base.
- 10.11.02** The Company shall determine if there are any vacancies for permanent employees at other bases in Canada or in the other classification, in the same status as the redundant employee. If any vacancies exist, the employees affected at the base where the reduction occurs will be given twenty-one (21) calendar days notice of layoff and commencing with the most senior redundant employee(s) in the status, first in the classification and then in the other classification, in order of seniority, shall be offered the vacancies subject to the necessary physical and language requirements being met. The employees must then advise within seven (7) calendar days of this notice if they will accept relocation.

- 10.11.03** An employee who is being relocated to the other classification in accordance with Article 10.11.02 in their base shall be given fourteen (14) calendar days notice before effecting the change. An employee who is being relocated to another base in accordance with Article 10.11.02, shall be given up to twenty-one (21) calendar days from date of acceptance to report to the new base. The employee shall continue to work at their original location until such time they effect the move.
- 10.11.03.01** An employee who chooses to relocate to the other classification in accordance with Article 10.11.02 shall be allowed a period of up to twenty six (26) weeks in which to qualify. Should the employee not qualify, and should no vacancy be available in their former classification, they shall be placed on layoff status with recall rights as set out in Article 10.12.
- 10.11.04** If an employee chooses to relocate to another base in accordance with Article 10.11.02, one hundred per cent (100%) of the transfer expenses shall be paid by the Company in accordance with the Company Regulations Manual and free air transportation will be provided as outlined in Company Publication 715.
- 10.11.05** An employee who does not accept the offer to relocate will be laid off at their base without bumping privileges at the termination of the twenty-first (21st) calendar day following original notice. The employee will be issued a questionnaire as provided for in Article 10.15 on which they may select three (3) bases to which they wish to be recalled in order of preference in addition to the base where they were laid off.
- 10.11.06** In the event two (2) or more employees in the same status and in the same classification are affected by a staff reduction and the number of affected employees exceeds the number of any existing vacancies in the status, the employees shall be accommodated in order of seniority with the senior employee having first choice of either filling a vacancy or bumping an employee who is subject to being bumped. If the senior employees affected by the staff reduction do not accept the existing vacancies, the vacancies shall be offered to an equal number of the most junior surplus employees in accordance with Articles 10.11.02 and 10.11.05.
- 10.11.07** If no vacancy exists, the employee will be given twenty-one (21) calendar days notice of layoff and will be issued a questionnaire as provided for in Article 10.15. The questionnaire will include, if eligible, a notice of their right to bump the most junior employee in their status or the other status, in their classification, at any base where less senior employees in the status are employed. The questionnaire will specify those bases where these less senior employees are employed.

- 10.11.08** Within seven (7) calendar days of receipt of notice and questionnaire the employee must advise the Company of their decision to either exercise their right to bump or to accept layoff status at their base. In the event they elect to exercise their bumping right, the employee must report to their new base within thirty (30) calendar days from the date of notice and that thirty (30) day period shall include three (3) calendar days travel time. In all cases of bumping, the employee will pay their own expenses but space available transportation shall be provided. In any event, the employee will be placed on layoff status effective the twenty-second (22nd) calendar day following the notification in Article 10.11.07 pending reporting to the base into which they have bumped.
- 10.11.09** Questionnaires returned to the Company within the time limits will be honoured in order of seniority as to first choice from those bases available to bump into.
- 10.11.10** If the employee cannot be accommodated in accordance with their request, chooses not to bump or does not have bumping privileges, the employee shall be advised they are being placed on layoff status effective the twenty-second (22nd) calendar day following their original notification and will be subject to recall.
- 10.11.11** In any event, any employee affected by staff reduction(s) will be advised of their circumstances within fourteen (14) calendar days following original notification.
- 10.11.12** An employee declared redundant at their base as a result of being bumped by a more senior employee will exercise their seniority rights in accordance with Article 10.11.01.01 or Article 10.11.07.
- 10.11.13** An employee who has signified intent to exercise bumping privileges, and who subsequently reverses that decision, will be terminated. Exceptional circumstances will be subject to consideration by the Company and the Union, at the Headquarters level.
- 10.12 RECALL FROM LAYOFF** - will be in accordance with the following:
- 10.12.01** An employee who has been laid off may select recall to their base and three (3) other bases in either or both Full-Time or Part-Time status in their classification or in the other classification. In the event an employee selects recall at another base or other bases, their total selection shall not exceed six (6) positions in addition to those at their base. The employee shall make their request to base management within fourteen (14) calendar days after having been advised that they are to be laid off; however, nothing shall prevent the employee from making adjustments to their original request sent registered mail to Air Canada Labour Relations. The employee shall list their

selections for recall in order of preference and the Company shall advise the management at those bases selected by the employee.

- 10.12.02** Employees, when laid off, must file their address with the base management and keep that base notified of any subsequent change of address. The Company shall provide the employee with an acknowledgment of such notification and a copy shall be forwarded to the Union Headquarters.
- 10.12.03** Recall to a base shall be in order of seniority, first in the classification, and then in the other classification, including those employees who have requested transfer or change of status in accordance with Article 12 and those employees on layoff who have requested recall in accordance with Article 10.12.01.
- 10.12.04** In the case of employees being recalled from layoff, notice of vacancy shall be sent by registered mail to the most senior laid off employee who has requested recall to a base where a vacancy has occurred and Articles 10.12.05, 10.12.06 and 10.12.07 shall apply.
- 10.12.05** The notified employee must advise the Company within seventy-two (72) hours after having received the notice if they wish to accept the recall. The employee shall reply by telegram and the advice shall be directed to the person who originated the notice of vacancy.
- 10.12.06** Recalled employees must report for duty within fourteen (14) calendar days from date of advising the Company of intent to return.
- 10.12.07** Failure to comply with Articles 10.12.02, 10.12.05 and/or 10.12.06 above will result in the employee's name being removed from the seniority list and the employee will be considered as having resigned from the service of the Company with consequent loss of all rights and privileges. If, due to exceptional circumstances, an employee fails to comply with Articles 10.12.02, 10.12.05 and/or 10.12.06, such cases will be subject to special consideration by the Company and the Union, at the Headquarters level.
- 10.13** If staff reductions occur at a base, the employee may elect to terminate their services with the Company rather than take layoff status. In such cases, the employee shall receive two (2) weeks' pay at the current rate of pay for each full calendar year of service, or part thereof, up to a maximum of fifty-two (52) weeks' pay.
- 10.14** Copies of all correspondence and questionnaires relating to Article 10 shall be sent to Union Headquarters.
- 10.15** The applicable questionnaire, as referred to herein, is described in the Appendices to the Agreement and shall form part of this Agreement.

ARTICLE 11 LEAVE OF ABSENCE AND SICK LEAVE

11.01 LEAVE OF ABSENCE -GENERAL

- 11.01.01** Any leave of absence granted in accordance with Company regulations and which is not provided for in this Collective Agreement shall be subject to the conditions of Article 11.02.
- 11.01.02** The approval of a leave of absence will not result in any changes to approved vacation dates.
- 11.01.03** An employee returning from a leave of absence shall return to the location and classification held immediately prior to the commencement of the leave, subject to Article 10 and except as provided for in Article 11.01.05.
- 11.01.04** An employee who engages in other employment while on leave of absence shall be terminated unless the employee has received specific permission for such from both the Company and the Union Headquarters in writing. Requests for permission to engage in other employment while on leave of absence shall be made in writing to the Company and to Union Headquarters.
- 11.01.05** An employee who has a transfer, a change of status or a change of classification confirmed while on a Personal Leave of Absence will be required to terminate their leave early and report to their new location and/or for their new status or for their new classification. An employee who wishes to continue their absence will decline the offer in accordance with the provisions of Article 12.04.03.

11.02 PERSONAL LEAVES OF ABSENCE - GENERAL

- 11.02.01** When the requirements of the Company permit, an employee, upon written request through the employee's immediate supervisor, may be granted a voluntary leave of absence without pay. Requests for leaves of absence will not be refused unreasonably.
- 11.02.02** A personal leave of absence will fall into one of the following categories:
- Short-Term** - More than thirty (30) calendar days but not exceeding one hundred and eighty (180) calendar days.
- Long-Term** - More than one hundred and eighty (180) calendar days.
- 11.02.03** When two or more requests for leaves of absence cover all or part of the same period, they shall be considered in the order of short-term first **and** then long-term, subject to Articles 11.03.03 or 11.04.03.

- 11.02.04** If the employee wishes to return to work prior to the approved termination of the leave, the employee shall make the request to their immediate supervisor. The request shall be in writing at least fourteen (14) calendar days in advance of the requested termination date; in extenuating circumstances, the fourteen (14) day requirement may be waived. The Company may authorize a return to work on the date requested or another day mutually acceptable to both Company and employee, or the Company may deny the request.
- 11.02.05** When a leave of absence is terminated prior to the originally approved date, no other employee will be displaced. The Company will advise the employee in writing of its decision on the request to terminate the leave.
- 11.02.06** Failure on the part of an employee to return to duty on termination of a leave of absence may result in disciplinary action.
- 11.02.07** Failure to comply to the requirements of Articles 11.03 and 11.04 will render a request for a leave of absence invalid; however, in the event no other valid requests have been received, the Company may consider the request and, if honoured, it shall not be invalidated.

11.03 PERSONAL LEAVES OF ABSENCE - SHORT-TERM

- 11.03.01** A short-term leave of absence will consist of more than thirty (30) calendar days but will not exceed one hundred and eighty (180) calendar days.
- 11.03.02** Employees will make their requests, in writing, to their immediate supervisor at least fourteen (14) calendar days in advance of the commencement date of the requested leave.
- 11.03.03** Requests will be approved in order of seniority among those on hand at the time of granting, subject to Article 11.02.03. Approval shall be in writing stating the date the leave is to commence and terminate. Once approved, a leave may not be cancelled.
- 11.03.04** A short-term leave cannot exceed one hundred and eighty (180) calendar days; however, this will not preclude an employee from returning to work to initiate a second request for leave. Such requests will be made and granted in accordance with Articles 11.03 or 11.04.
- 11.03.05** During a short-term leave of absence an employee will retain and accrue seniority and will retain all seniority rights. Company service will not continue to accrue during the leave of absence.

11.03.06 A limited continuation of a short-term leave may be granted but only subject to obtaining written permission from the Company and Union Headquarters. In the event the continuation results in the leave extending beyond one hundred and eighty (180) calendar days, the leave will become a long-term leave and will be subject to Article 11.04.04.

11.03.07 Copies of all correspondence relating to Article 11.03 will be forwarded to the Union District Chair.

11.04 PERSONAL LEAVES OF ABSENCE - LONG-TERM

11.04.01 A personal leave of absence exceeding one hundred and eighty (180) calendar days will be a long-term leave.

11.04.02 Employees will make their requests, in writing, to their immediate supervisor at least fourteen (14) calendar days in advance of the commencement date of the requested leave.

11.04.03 Requests will be approved in order of seniority among those on hand at the time of granting, subject to Article 11.02.03. Approval shall be in writing stating the date the leave is to commence and terminate. Once approved, a leave may not be cancelled.

11.04.04 During a long-term leave of absence, the employee will retain but not accrue seniority and will retain all seniority rights. Adjustment of the employee's seniority date will be in accordance with Article 10.04.10. Company service will not continue to accrue during the leave of absence.

11.04.05 A limited continuation of a long-term leave may be granted but only subject to obtaining written permission from the Company and Union Headquarters.

11.04.06 Copies of all correspondence relating to Article 11.04 will be forwarded to the Union District Chair.

11.05 LEAVE OF ABSENCE - MATERNITY

11.05.01 Maternity Leave of absence without pay shall be granted to employees in accordance with the following:

11.05.02 The employee must request her leave of absence in writing, accompanied by medical certificate certifying pregnancy and specifying the estimated date of her confinement and an anticipated date of return to duty, four (4) weeks prior to the date she intends to commence such leave. Maternity Leave shall

consist of a period not exceeding one hundred and thirty-two (132) days unless otherwise provided herein.

11.05.03 Maternity Leave shall commence not more than ninety (90) days prior to the expected date of termination of pregnancy except upon direction from the employee's doctor, supported by a medical certificate. Such exception shall be considered Maternity Leave but shall not be considered as part of the one hundred and thirty-two (132) days referred to herein.

11.05.04 If the date of termination of pregnancy is later than the date specified in the medical certificate, provided under Article 11.05.02, the number of days difference between the estimated date of termination of pregnancy and the actual date of termination of pregnancy shall be considered as Maternity Leave but shall not be considered as part of the aggregate of one hundred and thirty-two (132) days upon direction from the employee's doctor supported by a medical certificate.

11.05.05 It is the responsibility of the employee to afford the Company notice of any change in the anticipated date of return to duty, provided under Article 11.05.02. If the new anticipated date falls within the aggregate of one hundred and thirty-two (132) days, the new date will be considered the date of return to duty, whether the new anticipated date of return to duty is on a day earlier or later than previously anticipated. Maternity Leave will be extended beyond the aggregate of one hundred and thirty-two (132) days for a reasonable period of time when supported by a medical certificate.

11.05.06 The employee shall be reinstated in her former function, at her location, subject to Article 6.03, Article 10 and Article 12. If during the period of the leave, there is a staff reduction in the function, at the location or at the base and the employee would be affected, the employee shall exercise her rights in accordance with Article 6.03 or Article 10, respectively.

11.05.07 Reference herein to a medical certificate shall mean a certificate signed by a qualified medical practitioner chosen by the employee.

11.05.08 If, following the termination of the Maternity Leave, the employee desires additional leave prior to returning to duty, the employee may request a personal leave of absence in accordance with Article 11.02.

11.06 CHILD CARE LEAVE

11.06.01 A leave of absence without pay for the purpose of child care shall be granted to employees in accordance with the following.

11.06.02 Any leave of absence granted under this Article 11.06 shall not exceed two hundred and fifty-nine (259) calendar days. If two (2) employees are

involved, the aggregate amount of such leave that may be taken by the two (2) employees in respect to the care of any one (1) child shall not exceed a total of two hundred and fifty-nine (259) calendar days, thirty-seven (37) weeks.

11.06.02.01 Notwithstanding the provisions of Article 11.06.02, in the case of Adoption the maximum period of leave shall be two hundred and fifty-nine (259) calendar days (thirty-seven (37) weeks) or such greater amount as required in order to comply with the legal requirements of the province in which the employee(s) reside or the province in which the child is adopted.

11.06.03 Commencement of Child Care Leave shall be in accordance with the following and as the employee elects:

11.06.03.01 Female Employee

The leave shall be taken within the fifty-two (52) week period commencing on:

- a) the expiration of a leave of absence taken by her under the provisions of Article 11.05 or any extension thereof under the provisions of Article 11.05.05, or
- b) the day the child is born, or
- c) the day the child comes into the employee's care and custody.

11.06.03.02 Male Employee

The leave shall be taken within the fifty-two (52) week period commencing on:

- a) the expiration of a leave of absence taken by a female employee under the provisions of Article 11.05 or any extension thereof under the provisions of Article 11.05.05, or
- b) the day the child is born, or
- c) the day the child comes into his actual care and custody

11.06.04 In the application of Article 11.06.03, in the case of adoption, the leave shall be taken within the fifty-two (52) week period commencing on the day the child comes into his or her actual care and custody.

11.06.05 It shall be the responsibility of each employee to provide as much notice as possible to the Company, in writing, indicating the approximate commencement and termination date of the leave.

11.06.06 The employee shall be reinstated in her former function, at her location, subject to Article 6.03, Article 10 and Article 12. If during the period of the leave, there is a staff reduction in the function, at the location or at the base and the employee would be affected, the employee shall exercise her rights in accordance with Article 6.03 or Article 10, respectively.

11.07 LEAVE OF ABSENCE - COURT APPEARANCES

11.07.01 Employees will be granted time off due to Jury Duty, Coroner's Inquest or when required as a court witness in accordance with Company regulations which will not be reduced during the term of this Agreement.

11.08 LEAVE OF ABSENCE - UNION BUSINESS

11.08.01 Employees who have been elected or appointed to carry out business authorized by the Union on a full-time basis shall be granted a Leave of Absence for this purpose. The Union will advise the Company of the name(s) of such employee(s), the term of such leave, and the specific purpose. The Union shall repay the Company for the Company's costs incurred in Employee Benefit Plans and the employee(s) shall continue to pay their contributions directly to the Company. The Company shall provide such employees with free and reduced-rate transportation in accordance with Company regulations. Such employees shall continue to accrue seniority and service while on leave of absence.

11.09 LEAVE OF ABSENCE - BEREAVEMENT

11.09.01 When a death occurs in the immediate family of an employee, the employee shall be granted Bereavement Leave up to seven (7) calendar days, at the employee's option, of which not more than three (3) will be with pay. Such leave will normally commence with the first day following the death or advice of death.

11.09.02 Immediate family is defined as: spouse (including common-law spouse), children of employee and spouse, parents of employee and spouse, grand-parents of employee and spouse, grand-children of employee and spouse, brothers and sisters of employee and spouse, and including other relatives residing with the employee.

11.09.03 In unusual circumstances where the deceased is not a member of the immediate family (e.g., guardian), Bereavement Leave will be at the discretion of the Company.

11.09.04 Additional leave without pay up to a maximum of fifteen (15) calendar days may be granted without reference to Article 7.07.

1 ■10 SICK LEAVE

11.10.01 Employees will accrue paid sick leave at the rate of one (1) working day per month, to a maximum of six (6) working days [forty-eight (48) hours] per calendar year. Such days in equivalent hours will be used by the employee to offset loss of pay due to absence caused by illness/injury of the employee or when the employee is absent to care for their sick or injured spouse/partner, parent or dependant child.

11.10.02 Accrued sick leave hours will be reduced when an employee is absent until such time as the employee's unused accrued credits are exhausted, up to a maximum of forty-eight (48) hours per calendar year. Partial days will be deducted from the banks on an hour for hour basis. Sick days in excess of the foregoing will be unpaid.

11.10.03 Employees may bank any unused sick leave hours accrued under Article 11.10.01, to a maximum of hundred and twelve (112) hours, for use exclusively during the waiting period for GIDIP benefits ("GIDIP Bank").

11.10.04 During the GIDIP waiting period, employees shall deplete available sick leave hours in the following order:

(1) Any hours accrued under Article 11.10.01;

(2) Any hours in the GIDIP Bank; and then

(3) Any hours in the employee's existing sick bank.

Withdrawal from these banks will be made according to the employee's preceding work schedule.

11.10.05 Employees will have access to the above banks upon self declaration of disability. However, should an employee not go on GIDIP, the Company will recoup the payment made and replenish the appropriate bank.

11.10.06 Employees who misuse sick leave shall be subject to discipline.

ARTICLE 12 TRANSFERS, CHANGE OF STATUS, CHANGE OF CLASSIFICATION, VACANCIES

12.01 TRANSFERS OR CHANGE OF STATUS within the same classification will be made in accordance with the following:

12.01.01 Employees wishing to transfer or change status will make their request in accordance with Article 12.03.

12.01.02 When a permanent vacancy occurs at the requested location or base, the employee will be transferred or the status of the employee will be changed provided that:

12.01.02.01 No employees wish to relocate or bump in accordance with Articles 10.11.02, 10.11.07, 10.11.08, Staff Reductions.

12.01.02.02 The necessary physical and language requirements are met, if applicable.

12.01.02.03 The applicant's standard of work has been satisfactory.

12.01.02.04 Where a change of location or base is involved the applicant has served in their present location for at least twelve (12) months.

The above residency clause will not be applicable to employees forced to bump into another location.

12.01.03 Selection will be made based on the seniority of the employees whose applications have been received at least forty-five (45) calendar days prior to the job becoming available.

12.01.04 All personal expenses incurred resulting from such a transfer will be borne by the employee.

12.01.05 Air transportation will be provided as outlined in Company publication 715, to employees and their immediate families when the employee is transferring between bases.

12.01.06 When the transfer or change of status involves a change of base, the employee shall be granted, on request, up to three (3) working days, without pay, prior to reporting for duty at the new base.

12.01.07 When a vacancy under the provisions of Article 12 is confirmed for an employee on Maternity or Child Care Leave, or away due to illness/injury or Court Appearance, The Company may rely on the provisions of Article 12.07 to fill the resulting temporary vacancy. When such a vacancy could not

normally be filled due to the restrictions under Article 12.07, the provisions of Article 12.07.04 will be relied upon to fill such temporary vacancy.

12.02 CHANGE OF CLASSIFICATION - will be made in accordance with the following:

12.02.01 An employee wishing to change classification will make their request in accordance with Article 12.03.

12.02.02 When a permanent vacancy occurs, the change of classification will be actioned provided that:

12.02.02.01 No employee(s) wish to relocate or bump in accordance with Articles 10.11.02, 10.11.07, 10.11.08, Staff Reduction.

12.02.02.02 All eligible transfers and changes of status have been actioned in accordance with Article 12.01.

12.02.02.03 The necessary physical and language requirements are met, if applicable.

12.02.02.04 The applicant's standard of work has been satisfactory.

12.02.02.05 The employee has served in their present classification for at least twenty-four (24) months.

12.02.03 Selection will be made based on the seniority of the employees whose applications have been received at least forty-five (45) calendar days prior to the vacancy occurring, and in the same order as in the case of transfers and change of status.

NOTE: In the application of 12.02.03, vacancies in the letter writing function for the Customer Solutions Representative positions will be filled by the most senior applicant who possesses the necessary qualifications. The necessary qualifications will be jointly determined by the Company and Union which will include letter writing tests and an informational session.

12.02.04 The employee selected shall be allowed a period of up to twenty-six (26) weeks in which to qualify. Should the employee not qualify, they shall be returned to their previous job.

12.02.05 All personal expenses incurred resulting from such a change of classification will be borne by the employee.

12.02.06 Air transportation will be provided as outlined in Company Publication 715, to employees and their immediate families when the employee is transferring

between bases.

12.02.07 When the change of classification involves a change of base, the employee shall be granted, on request, up to three (3) working days, without pay, prior to reporting for duty at the new base.

12.03 REQUESTS SHALL BE INITIATED BY THE EMPLOYEE, IN WRITING, ON FORMACF732-1, IN ACCORDANCE WITH THE FOLLOWING:

12.03.01 The request will be prepared in four (4) copies and will be distributed as follows:

Original- Employee Services
P.O. Box 7650, Station B
Toronto, Ontario
M2K 3B5

First copy – Employee's Manager

Second copy – Union District Chair

Third copy - Employee's retention

12.03.01.01 When an employee and their employee spouse (including common-law spouse) desire a joint transfer to the same location or base they shall so indicate at the time of submission of their transfer requests.

12.03.01.02 When two (2) such employees have indicated their preference for joint transfers, as provided for in Article 12.03.01.01, such transfers will be actioned in accordance with Article 12.01.02 or Article 12.02.02 using the seniority date of the junior employee and provided two (2) vacancies are being confirmed.

12.03.02 The original must be forwarded by Registered Mail - Canada Post. If a stoppage of work, either complete or partial, occurs in the postal service and such stoppage affects the forwarding of the forms provided in Article 12.03, the Company will arrange with the Union, at the Headquarters level, for an alternate means of processing the forms. Any such arrangement will be bulletined to all employees and will terminate on the resumption of postal service.

12.03.03 The request will be acknowledged, in writing, to the employee concerned.

12.03.04 Failure on the part of the employees to forward the request in accordance with Article 12.03.02 will render the request invalid.

- 12.03.05** Errors or omissions in the completion of the form may also render the request invalid, subject to joint agreement between the Company and the Union, at the Headquarters level.
- 12.04** **SUBJECT TO ARTICLES 11.01.05 THROUGH 11.01.05.03, SUBSEQUENT ACTION TO REQUESTS SHALL BE IN ACCORDANCE WITH THE FOLLOWING:**
- 12.04.01** **Withdrawal** - If the employee desires to withdraw their request at any time prior to a transfer, change of status, or change of classification being offered, they may do so in writing in accordance with Article 12.03.01.
- 12.04.02** **Confirmation** - The employee will be advised in writing of the confirmation of their transfer, change of status or change of classification request and will be required to signify their acceptance to the Company in writing within twenty-four (24) hours from the time of the employee's receipt of confirmation.
- 12.04.02.01** Upon the employee's acceptance of the transfer, change of status or change of classification, all other requests will be null and void, except that valid request for transfer in the other status to the same location will remain active.
- 12.04.03** **Refusal** - In the event the employee fails to signify their acceptance in accordance with Article 12.04.02, it will be deemed to be a refusal and the employee shall be restricted from submitting a new request for a period of twelve (12) months from the date of their original confirmation.
- 12.04.04** **Reversion** - An employee whose transfer, change of status or change of classification has been accepted by the employee as per Article 12.04.02, will not be eligible to withdraw, unless mutually acceptable to the Company and the Union, at the Headquarters level. If the reversion is accepted, the employee shall be restricted from submitting a new request for a period of twelve (12) months. In the event a reversion is not mutually acceptable to the Company and the Union, at the Headquarters level, the employee may elect to take furlough without pay with recall rights only to the base to which they were placed on furlough except that in the event of a subsequent staff reduction that would have affected an employee had they not been on furlough, the employee will be returned to work and granted their rights under Article 10. If the reversion is acceptable or if the employee elects to take furlough, the Company will confirm the reversion or furlough in writing to the employee with copies to the Union Headquarters and the Union District Chair. If the employee is placed on furlough they shall be returned to the first vacancy at their base in their classification and Articles 10.12.04 through 10.12.07 shall apply.
- 12.04.05** An employee transferring or changing status under the provisions of Article

12.01 or changing classification under the provisions of Article 12.02 shall be given fourteen (14) calendar days notice before effecting the transfer, change of status or change of classification. The fourteen (14) days shall exclude the three (3) days of travel time provided for in Articles 12.01.06 and 12.02.07.

- 12.04.06** When an exception to the notice in Article 12.04.05 is desired by Management or the employee, the Union District Chair or their designated alternate will be consulted before transfer dates are finalized.
- 12.04.07** All requests described in Articles 12.01, and 12.02 shall be considered active for one (1) year from the postmark date of the original application.
- 12.04.08** An employee who still desires to transfer or change status or classification prior to the end of the year for which their application was active will have to submit a renewal request in writing in accordance with Articles 12.03.01 and 12.03.02.
- 12.04.08.01** If the renewal request is postmarked within the ninety (90) calendar days prior to the expiry date of the original application the employee shall retain their original application date. Such renewal requests postmarked more than ninety (90) calendar days prior to the expiry date of the original application will be considered invalid and rejected as untimely. Such renewal requests postmarked after the expiry date of the original application shall be considered as new requests.
- 12.04.08.02** Second and subsequent renewal requests will be handled in the same manner as a first renewal request and Articles 12.04.08 through 12.04.08.01 will continue to apply.
- 12.04.09** An employee who is relocated to another location within the base in the same status in accordance with Article 10.10.01 and who submits a valid application to transfer back to their previous location in accordance with Article 12.01, shall not be subject to the time limitations provided for in Articles 12.01.02.04 and 12.01.03, however, all other provisions shall apply.
- 12.05** A permanent employee may file a request at any time during their employment, subject to Articles 12.04.03 and 12.04.04. provided that they have completed their probationary period. Such requests shall be accepted by the Company; however, processing on the part of the Company may be deferred until the applicable provisions of Articles 12.01 and 12.02, have been met.
- 12.06** The time limitations as provided for in Articles 12.01.02, 12.01.03 12.02.02 and 12.02.03, shall not be deemed to prevent the Company from accommodating an applicant who has not served in their present location,

base or classification for the time specified provided that such transfers, changes of status or changes of classification are mutually acceptable to the Company and the Union at the Headquarters level.

12.07 TEMPORARY VACANCIES

12.07.01 Subject to Articles 12.07.06 and 12.07.06.01, at those locations where there are twenty-five (25) or less employees, the Company may, if required, fill a temporary staff requirement without actioning eligible requests under Article 12, providing such requirement results from the absence of an employee due to vacation, sick leave, Maternity leave, Child Care leave, court appearance leave and time off for Union business.

12.07.02 Subject to Articles 12.07.06 and 12.07.06.01, at those locations where there are twenty-six (26) or more employees, but no more than one hundred (100) employees, the Company may, if required, fill a temporary staff requirement without actioning eligible requests under Article 12, providing such requirement results from operational staff shortages resulting from the absence of an employee due to sick leave, Maternity leave, Child Care leave, court appearance leave, time off for Union business and training.

12.07.03 a) Subject to Articles 12.07.06 and 12.07.06.01, the Company may, if required, fill a temporary staff requirement without actioning eligible requests under Article 12, providing such requirement results from a temporary increase in the workload which has been separated from the last such increase by at least sixty (60) calendar days, or from temporary operational staff shortages caused by the absence of employees due to training.

b) At airport locations only and during the periods of the second week of May to the week following Labour Day weekend and the second week of December to the week following New Years Day, for the purposes of increasing the amount of vacation and time off granted to employees, the Company may fill resulting temporary staff requirements without actioning eligible requests under Article 12 and without offering such positions to employees requesting change of status, change of classification, or transfer from another location as provided for in Articles 12.07.06 and 12.07.06.01. Such vacancies will first be offered amongst employees in the classification holding lay-off status as provided for in Article 12.07.06.01 before filling remaining vacancies in accordance with Article 12.07.06.02

Up to five (5) weeks of classroom training as provided for in Article 12.07.05.04 may be added to the above periods where such training is required.

The rate of pay for any temporary employee filling such vacancy, including those recalled from lay-off, will be the 1st 52 week period level and such employees will be excluded from participation in all employee benefit plans.

In order for the Company to use this provision, vacation allocated for these periods must be in excess of the vacation periods that would be available if the vacation liability for the location was spread equally over the calendar year. The increase in vacation during these periods will result in a corresponding decrease in vacation periods available at the location outside of the above periods. It is agreed that this provision will be limited at any time to not more than two hundred (200) employees and additional vacation time will be equitably distributed amongst the eight (8) airport locations (Vancouver, Calgary, Edmonton, Winnipeg, Ottawa, Toronto, Montreal, and Halifax) where it applies.

- 12.07.04** Nothing hereinabove shall prevent the Company and the Union at the Headquarters level from mutually agreeing to other types of unusual absences or to a reduction of the sixty (60) calendar days separation provided for in Article 12.07.03 to no less than thirty (30) calendar days.
- 12.07.05** Prior to taking any action under Articles 12.07.01, 12.07.02 or 12.07.03, the Company shall first enter into full discussion with the District Chair and, if any action is taken subsequent to the discussion, the Company shall advise the District Chair, in writing, copied to Union Headquarters, of the reason and expected duration of the temporary requirement.
- 12.07.05.01** The provisions of Articles 12.07.01, 12.07.02 and 12.07.03 shall not apply to any vacancy expected or known to be in excess of one hundred and thirty-two (132) consecutive calendar days except as provided for in Articles 12.07.05.04 and 12.07.05.05.
- 12.07.05.02** If the vacancy is expected or known to exceed one hundred and thirty-two (132) consecutive calendar days Article 12 shall be actioned, if necessary, as applicable, except as provided for in Articles 12.07.05.04 and 12.07.05.05.
- 12.07.05.03** In the event Articles 12.07.01, 12.07.02 or 12.07.03 have been utilized and the vacancy subsequently exceeds one hundred and thirty-two (132) consecutive calendar days except as provided for in Article 12.07.05.04 and 12.07.05.05, Article 12 shall be actioned as applicable, and the employee who had been filling the vacancy shall be returned to laid off status in accordance with Article 12.07.06.01 returned to their original status and/or location in accordance with Article 12.07.06.01 or terminated in accordance with Article 12.07.06.02 as applicable.

12.07.05.04 Initial basic classroom training for a maximum of five (5) weeks does not form part of the one hundred thirty-two (132) consecutive calendar days.

12.07.05.05 Notwithstanding the provisions of Articles 12.07.05.01, 12.07.05.02 and 12.07.05.03 the period of the temporary vacancy may be extended beyond one hundred and thirty-two (132) consecutive calendar days for the purpose of covering the absence of an employee due to Child Care leave and extensions to Maternity leave.

12.07.06 The filling of temporary staff requirements will be accomplished by the application of the following in the order stated:

12.07.06.01 **Full-time positions** will be offered, in order of seniority, first from amongst employees in the classification holding lay-off status from the location or base and employees in the location requesting a change of status, and then employees in the base and classification requesting transfer or change of status where the vacancy is occurring.

Part-time positions will be offered in order of seniority from amongst employees in the classification holding lay-off status from the location or base and employees in the location requesting a change of status.

If the offer is accepted by an employee holding lay off status, the employee will be returned to lay-off status at the end of the temporary vacancy and for the purposes of Article 10.07.04, the date of return to lay-off status shall be considered the commencement of layoff for the employee. Acceptance or declination of an offer to fill a temporary vacancy will have no effect on the employee's request for recall to a permanent vacancy.

If the offer is accepted by an employee requesting transfer or change of status, the employee will be returned to their original status and/or location at the end of the temporary vacancy. Acceptance or declination of an offer to fill a temporary vacancy will have no effect on the employee's request for transfer or change of status.

12.07.06.02 Positions not filled through the application of Article 12.07.06.01 and any vacancy created by the application of Article 12.07.06.01 may be filled with temporary employees. Such employees will be terminated at the end of the temporary vacancy unless there is a permanent vacancy available at the base for which there are no eligible requests on file.

ARTICLE 13 STATUTORY HOLIDAYS

13.01 The following holidays, equivalent time off, or time credit will be granted to all employees:

- | | |
|--|------------------|
| New Year's Day | Labour Day |
| Good Friday | Thanksgiving Day |
| Victoria Day | Christmas Day |
| Canada Day | Boxing Day |
| Other* | |
| *Natal Day - Halifax | |
| *St. John the Baptist's Day - Province of Quebec | |
| *August Civic Holiday - Other provinces | |

13.02 Employees will be advised by posted bulletin listing each employee affected, at least twenty-one (21) calendar days in advance of the Statutory Holiday, if the employee is not required to work on any Statutory Holiday, or, which day is being assigned as the day off with pay in accordance with Article 13.02.01. Failing such notice, the employees will be entitled to work as scheduled.

NOTE: Should staff requirements change within the twenty-one (21) day period, the Company may offer and grant time off in accordance with Article 7.07 to employees scheduled to work on a Statutory Holiday.

13.02.01 In the event a Statutory Holiday falls on an employee's scheduled day off, the employee may, subject to the required notice, be assigned in lieu of the eight (8) hour credit a day off with pay on the scheduled day on immediately preceding or following the Statutory Holiday.

13.03 In summary, on a Statutory Holiday, the following applies:

HOURS WORKED/PAID	SCHEDULED TO WORK	NOT SCHEDULED TO WORK
0	Regular Pay	8 Hours Pay
8	Regular Pay	8 Hours Pay
	+ 1.5 X	
Over 8 - 12	1.5 X	1.5 X
Over 12	Prohibited	Prohibited

ARTICLE 14 VACATIONS**14.01 GENERAL**

- 14.01.01** Past Service Recognition - Notwithstanding the provisions of this Article, it is understood and agreed that the employees will be subject to the provisions and regulations of the Company's policy on past service recognition except that, during the first full calendar year of re-employment, vacation entitlement will be based on the provisions for a reduced vacation entitlement in accordance with Company regulations.
- 14.01.02** Vacation leave will be taken in consecutive days. Vacation leave is not cumulative and will be taken during the calendar year in which it is earned unless special circumstances warrant otherwise and prior arrangements are made in writing with local management.
- 14.01.03** Split Vacations
- 14.01.03.01** An employee with a vacation of fifteen (15) or more days may elect to take vacation in two (2) blocks. The dates of the second block will be allocated in the same way as the first, only after all the original seniority process of allocating vacation periods and dates has taken place.
- 14.01.03.02** An employee with a vacation of twenty (20) or more days may elect to take vacation in three (3) blocks. The dates of the third block will be allocated in the same way as the first, only after all the original and secondary seniority process of allocating vacation periods and dates has taken place.
- 14.01.04** It is recognized by the parties to this Agreement that restrictions on the selection of vacation times may be necessary. It is agreed, however, that such restrictions are undesirable and should be avoided where possible. Any restrictions on vacation dates must be declared by the Company by September 1st each year.
- 14.01.04.01** Where practicable, the scheduled days off of employees will not be considered in the application of restrictions.
- 14.01.05** Vacation dates will not be exchanged between employees without prior approval of the Company and the Union District Chair or their designated alternate.
- 14.01.06** When an employee's vacation falls while they are on sick leave, maternity leave, child care leave or is receiving disability benefits, or is away due to Court appearance, the employee may elect to discontinue sick leave, maternity leave, child care leave, disability benefits or time off for Court

Appearance and take the vacation as scheduled. Alternatively, the employee may take vacation with pay, or any part thereof which is displaced, at the conclusion of sick leave, maternity leave, child care leave, disability or Court Appearance and prior to return to work, or at a time not desired by another employee.

14.01.06.01 Notwithstanding the provisions of Article 14.01.06, when an employee's displaced vacation has not been taken as of December 31st of each year, the employee may elect to receive pay in lieu of that vacation upon return to work.

14.01.06.02 The employee shall endeavour, to the extent possible, to advise the Company of their option prior to the commencement of their scheduled vacation.

14.02 ENTITLEMENT

14.02.01 Employees shall be entitled to vacation leave with pay. Such time away from work shall be granted in working days, exclusive of holidays, as provided in Article 13, which may occur during the vacation period in accordance with:

Less than one (1) year of continuous service by December 31st of each year - one (1) day of vacation leave with pay for each full month of continuous service up to December 31st to a maximum of ten (10) days.

More than one (1) year of continuous service by December 31st of each year based on years of service in accordance with the following:

Years of Service	Entitlement
■ through 4 years	10 working days / 80 hours
5 through 14 years	15 working days / 120 hours
15 through 24 years	20 working days / 160 hours
25 years and over	25 working days / 200 hours

Note 1: The above hourly entitlement is reduced by half for part-time employees.

Note 2: When vacation is taken in a work schedule type not conforming to a 5/2 work schedule, the vacation increment will be taken in equivalent hours as provided for above.

Note 3: Vacation guide charts (please see LOU 29), established for various rotational shift schedules are premised on the principle that by granting rotational schedules, by granting vacation in conjunction with regular days off and by permitting employees

to split their vacation entitlement into weekly calendar (7 day) increments, the total number of paid vacation hours cannot exceed the amounts set out in the Chart 1.

However, in instances where the number of paid vacation days as per the Chart 1 – does not grant an employee a complete calendar week(s) of vacation as per the Chart 2 – the employee has the option, at the time of bid, to select vacation time off as per the following:

- 1) as per Chart 1; or
- 2) as per Chart 2. In such instances, the employee must, when sufficient vacation hours are available, take vacation in weekly calendar increments. When sufficient vacation hours are not available to take vacation in weekly calendar increments, the employee can then take additional time off without pay in order to obtain a complete calendar week of vacation. The vacation time off without pay will be contained within the last period(s) of the vacation year.

Note 4: If an employee changes shift patterns during the vacation year, the paid vacation time will be impacted positively or negatively depending on the type of work schedule and length of shift the employee will now work.

14.02.02 For each holiday listed in Article 13 which falls within an employee's vacation, the employee will receive a day off with pay added to that vacation block unless the employee elects for a credit of eight (8) hours for such day.

14.02.03 Employees on a Maternity Leave or Absence or on a Child Care Leave shall not have their vacation entitlement reduced for the following year providing such leave is in accordance with Articles 11.05 and 11.06. Any extension to Maternity Leave shall be subject to a prorated vacation entitlement in accordance with Company regulations.

14.02.04 Employees who are returned from furlough or recall from layoff will have their vacation entitlement prorated for the calendar year following return or recall in accordance with Company regulations.

14.03 SELECTION

14.03.01 At each location, dates will be allocated in order of seniority within each classification.

14.03.02 Employees who fail to request their vacation dates prior to the times described in Article 14.05.01 will be assigned dates, as the case may be, after all other employees in that location have been assigned.

14.03.03 Within locations, employees possessing the greatest seniority will have preference as to the selection of vacation dates. Employees who have transferred, relocated, exercised bumping privileges, or have been recalled from layoff, or returned from furlough after August 31st of each year, shall select vacation dates in seniority order from remaining available dates.

14.03.04 Company personnel who enter into the scope of the Agreement and who have not taken the vacation earned will select their vacation dates in accordance with Articles 14.03.01 and 14.05.01.

14.04 RELIEF

14.04.01 Employees who have accepted relief assignments in accordance with Article 8.04 and who have been assigned vacation dates that will occur during the relief assignment shall take that portion of the vacation immediately following the termination of the relief assignment and prior to reporting back to duty at their base.

14.04.02 Employees who return from a relief assignment provided for in Article 8.04 after the deadline for vacation selection dates shall exercise their seniority from available dates after all other requests have been actioned.

14.05 DATES

14.05.01 Employees will request vacation dates, in writing, not later than eleven (11) weeks prior to the end of calendar year, subject to Article 14.01.03.03. The request may indicate the employee's first, second or third choices.

14.05.02 Not less than eight (8) weeks prior to the end of calendar year, the Company will post on appropriate bulletin boards, an approved list of vacation dates. When requested by the employee, vacation dates will be assigned in conjunction with their scheduled days off.

14.06 WAITING LIST

14.06.01 Vacation periods which become available will be offered to employees who are on a waiting list in order of seniority and, once accepted, will become their assigned dates.

14.07 JOINT VACATIONS

- 14.07.01** Where two (2) or more employees desire a joint vacation period, they must so indicate at the time they select dates, subject to Article 14.01.03.03.
- 14.07.02** When two (2) or more employees have indicated they desire a joint vacation period, each of the employees concerned will assume the seniority of the most junior employee concerned and each shall retain that seniority for vacation selection purposes, for that vacation period so assigned.

14.08 VACATION PAY

- 14.08.01 Employees who leave the service of the Company for any reason are entitled to receive pay in lieu of accrued vacation. The date of separation will not be extended beyond the date of actual termination of service.

14.09 VACATION PURCHASE PROGRAM (hereinafter VPP)

- 14.09.01** The Company will offer employees the opportunity to purchase additional vacation in each location of the Company:
- a. Reservations & DCC: The minimum number of weeks available will be determined by multiplying the number of full-time employees by 0.5 to determine the number of full-time weeks available; and by multiplying the number of part-time employees by 0.5 to determine the number of part-time weeks available. The number of employees for the purposes of this calculation shall be based on the number of active employees on August 1st. The Vacation purchase liability will be planned and bid separately within each status. I.e. Full Time would bid on Full Time VPP availability.
 - b. Airports & Customer Relations: The minimum number of weeks available will be determined by multiplying the number of full-time employees by 1.0 to determine the number of full-time weeks available; and by multiplying the number of part-time employees by 1.0 to determine the number of part-time weeks available. The number of employees for the purposes of this calculation shall be based on the number of active employees on August 1st. The Vacation purchase liability will be planned and bid separately within each status. I.e. Full Time would bid on Full Time VPP availability.
- 14.09.02** Temporary employees and inactive employees who do not have a scheduled return to work date within the applicable year will be excluded from participating in the VPP program. This section will also not apply to 'Small Base' locations except YQR & YXE.

- 14.09.03** For the purpose of the VPP one week equates to forty (40) hours for Full-Time employees and twenty (20) hours for Part-Time employees.
- 14.09.04** The Company will maintain the ability to determine the times of the year in which the additional vacation will be made available and the ability to plan the number of VPP slots by week which could include different levels of VPP by week throughout the periods identified. These available time periods will be identified for each branch the year prior of the vacation year within the VPP application bulletin.
- 14.09.05** The Company, at its sole discretion, may offer more vacation weeks than the minimum amount, as calculated article 14.10.01. The offering of this additional vacation in one or more locations or status shall not oblige the Company to offer more vacation in any other location or status.
- 14.09.06** The additional vacation available will be awarded in seniority order in one (1) week allotments. In the event that the additional vacation offered by the Company is not taken up with all employees one (1) week request, employees may be allowed to purchase an additional week above the initial one (1) week allotment. In any case the maximum that any one employee may purchase is two (2) weeks.
- 14.09.07** For each week of additional vacation awarded to an employee, the employee will be charged 2 percent (2%) of their basic salary for one entire year. This will be paid via payroll deduction throughout the vacation year.
- 14.09.08** Alternatively, for each week of additional vacation awarded to an employee, the employee may choose to deduct forty (40) hours for Full-Time employees or twenty (20) hours for Part-Time employees from their time bank (article 7.06.02). In order for an employee to utilize this option, they must have adequate hours in their time bank as of the closing period for applications of vacation purchase. These hours will be debited in their entirety following the award of the additional vacation. Should the employee take advantage of this option, his / her time bank will be upgraded to ninety-six (96) hours.
- 14.09.09** Employees will be allowed to combine the two (2) methods of purchase described above if they are granted two (2) VPP weeks.
- 14.09.10** Applications for the increased Time Bank and the VPP program will be made available by the company June 1st. Employees must complete and submit their applications by August 1st. The company will provide its Vacation plans to the CAW by September 1st, which will include the levels of VPP. The company will confirm all VPP applications by September 15th by providing a list of confirmed applicants by location to the appropriate local representatives for the company and union.

14.09.11 An employee will be provided one (1) additional block for bidding regardless if they are approved for one (1) or two (2) weeks of VPP. Employees will be able to use their VPP weeks for bidding vacation following their 1st block. This time can be bid solely or in conjunction with the second block or any subsequent block up to a maximum of four (4) blocks. A VPP week can be bid on its own as long as it is in the 2nd or any subsequent block. For example:

- a. Employees who have earned 3 weeks vacation and choose to purchase 1 week of VPP can bid all of their earned vacation in their 1st block followed by their 1 week of VPP in their second block.
- b. They could also bid 1 week of vacation in the 1st block and 3 weeks (2 weeks vacation, 1 week VPP) in the 2nd block.
- c. If those employees purchased 2 weeks VPP then they could bid all of their 3 weeks vacation in their 1st block and then 2 weeks VPP in the 2nd block.
- d. They could also choose to bid all 3 weeks vacation in their 1st block and one week of VPP in the 2nd and 3rd block.

14.09.12 Participation in the VPP will be terminated should the employee elect to change status in order to participate in the Retirement Phase-in program.

14.09.13 In the event that an employee chooses to accept a transfer, change of status or change of classification under Article 12, continued participation in the Vacation Purchase Program will be dependent upon further clearance from the corresponding locations operational manager.

The same will be applicable to an employee returning from an extended absence from the workplace.

14.09.14 On an annual basis, the Company will reconcile the cost of each VPP with the actual time off granted to each employee. The employee will be notified in advance if the reconciliation results in the employee owing money or hours to the Company.

ARTICLE 15 GRIEVANCE PROCEDURE - GENERAL

15.01 It is the desire of the parties to this Agreement that complaints or grievances be settled as promptly as possible. This Article is to provide for the prompt handling of such matters as alleged misinterpretation or violation of the Agreement, or other causes for complaint but excluding appeals from disciplinary action and discharge which are provided for in Article 16.

15.01.01 If an employee has a complaint, or if they believe they have the basis of a grievance, they may have a personal talk with management at their location, if they so desire, with a view to resolving the matter.

15.01.02 If the employee fails to resolve the matter through the provisions of Article 15.01.01, or if they elect to bypass the provisions of Article 15.01.01, they may ask their District Chair to enter into informal discussions with management at their location on their behalf with a view to resolving the matter prior to initiating a grievance. The employee may elect to accompany the District Chair at all such meetings or they may elect to have the District Chair enter into such discussions in their absence.

15.02 GRIEVANCE PROCEDURES

15.02.01 Grievances initiated at the Step 1 level under this Article shall be initiated by the Union District Chair and only after the required informal discussion(s) provided for in Article 15.01.02.

15.02.02 Throughout the grievance procedure the Union shall be given the full opportunity to present evidence and make representation.

15.03 STEP 1 - LOCAL LEVEL

15.03.01 Following the last informal discussion, the Union District Chair shall have fourteen (14) calendar days in which to lodge a formal appeal to Step 1 of the grievance procedure. The Company shall hold a hearing within seven (7) calendar days of receipt of a written grievance and reasonable notice of the hearing shall be given to the Union District Chair. The Company shall have seven (7) calendar days to render a decision in writing from the close of the hearing. Failing answer or satisfactory adjustment within the above time limits, the grievance may be submitted to the Union Headquarters for appeal to the Step 2 level.

15.04 STEP 2 - CORPORATE LEVEL

15.04.01 An appeal from Step 1 must be lodged by the Union at the Headquarters level within seven (7) calendar days of receipt of the Company's decision at Step 1.

15.04.02 The Union Headquarters may also initiate grievances at the Step 2 level when such grievances are too large in scope to fall under the Step 1 level. In such cases, the matter will first be discussed with a Company Headquarters representative designated by the Company. The Company representative shall have seven (7) calendar days to adjust the matter. Failing answer or satisfactory adjustment within the above time limit, the grievance may be initiated.

15.04.03 The Company shall contact the Union within seven (7) calendar days from receipt of a written grievance for the purpose of scheduling a hearing, subject to Article 15.05, within thirty (30) calendar days of receipt of the grievance.

15.04.04 The Company shall have seven (7) calendar days to render a decision in writing from the close of the hearing. Such decision shall also contain the facts and position presented by the Company during the hearing as well as facts obtained by the Company during any investigation conducted subsequent to the hearing.

15.05 UNRESOLVED GRIEVANCES

15.05.01 If a decision rendered at the Step 2 level is not satisfactory and the complaint deals with a case of alleged misinterpretation or violation of this Agreement, the matter may be taken to arbitration in accordance with the provisions of Article 17.

15.05.02 At the Step 2 level, if the Company fails to hold the hearing in the manner set forth in Article 15.04, or render a decision within the specified time limits, the grievance may be appealed to arbitration, if the Union so wishes, in accordance with the provisions of Article 17, and the Company shall bear all expenses and fees of the arbitrator.

15.06 TIME LIMITS

15.06.01 If a grievance is not initiated within the prescribed time limits, it shall become null and void, and if a decision is not appealed within the prescribed time limits, it shall become final and binding.

15.06.02 When notice of intent to arbitrate is given to the Company, the notice shall be given to the Company within thirty (30) calendar days following receipt of the Step 2 level decision.

15.06.03 All reference to calendar days hereinabove shall be exclusive of Saturday, Sunday and holidays and the time limits may be extended by mutual agreement.

15.07 WITNESSES

15.07.01 The Union/Company may have any witness(es) present who can give relevant evidence on the matter in question.

15.07.02 Employees who are Union witnesses shall be given time off without pay for a time sufficient to permit them to appear as witnesses, subject to staff requirements. If a witness is denied such time off, the testimony the employee would have given will be entered at the Step 2 level in the position of the Union. Space available transportation will be provided over the lines of the Company from the point of duty to the point of hearing and return.

15.08 CORRESPONDENCE

15.08.01 All correspondence under this Article shall be copied to the District Chair and the Union Headquarters.

15.08.02 Appeals being lodged in accordance with Article 15.03 shall be directed to the Manager designated by the Company. The Union District Chair shall be advised, in writing, of the Manager so designated and of any changes thereto. Appeals being lodged in accordance with Article 15.04 shall be directed to the Director, Labour Relations - Customer Service.

ARTICLE 16 DISCIPLINARY AND DISCHARGE ACTION AND APPEAL PROCEDURES

16.01 This Article is to provide for the procedures relating to disciplinary and discharge action and the prompt handling of appeals.

16.01.01 INVESTIGATION

16.01.01.01 Under circumstances where disciplinary or discharge action is contemplated as a result of an alleged misdemeanour, the Company may initiate an investigation in order to consider all factors involved. Such investigations may involve any of the employees, or others, as deemed necessary by the Company.

16.01.01.02 If it is considered undesirable that an employee should be allowed on company premises and where there is doubt as to the appropriate charge/penalty, the employee may be held out of service pending the outcome of the investigation for up to three (3) calendar days, exclusive of Saturday, Sunday and holidays.

16.01.01.03 Whenever the Company is going to interview an employee in the course of an investigation, they shall first advise the employee: of their right to have a Union representative as an observer during an interview; that an investigation is being held; and, the matter which is under investigation.

16.01.02 DISCIPLINARY AND DISCHARGE ACTION

16.01.02.01 No employee shall be disciplined or discharged except for just cause.

16.01.02.02 Disciplinary or discharge action will not be initiated without prior discussion with the employee. At the commencement of the discussion the employee will be advised of: their right to have a Union representative present; the alleged misdemeanour(s); and, that discipline or discharge action is being contemplated.

NOTE: The foregoing will not preclude the Company from initiating discharge action without such prior discussion in those instances where the employee is not reasonably available.

16.01.02.03 When disciplinary action is verbal, the employee shall be advised of the specific reason(s) and of their right to appeal the disciplinary action.

16.01.02.04 When disciplinary action such as a Disciplinary Letter or Suspension Without Pay is taken, the employee shall be advised in writing and the advice shall also inform the employee of the precise reason(s) for such action together with the employee's right to appeal the disciplinary action.

16.01.02.05 Implementation of a Suspension Without Pay shall be withheld until all appeal procedures requested in accordance with Article 16.02 have concluded.

16.01.02.06 When disciplinary action is in the form of discharge, the employee shall be advised in writing that they are Suspended Pending Discharge and the advice shall also inform the employee of the precise reason(s) for such action together with the employee's right to appeal the disciplinary action.

16.02 APPEAL PROCEDURES

16.02.01 If the employee feels they have been unjustly dealt with, they shall have the right to initiate an appeal or to request the Union to initiate an appeal on their behalf under this Article. Throughout the procedures the employee shall have the right to be represented by the Union. The employee may, however, handle the matter on their own behalf if they so desire, including arbitration, in accordance with such special procedures as may be arranged between the employee and the Company. In such cases, the employee shall have to assume all fees and expenses involved in the process, including arbitration.

16.02.02 Throughout the appeal procedures, the employee or the Union shall be given full opportunity to present evidence and make representation.

16.03 STEP 1 - Local Level

16.03.01 Each appeal must be lodged in writing, within seven (7) calendar days from receipt of the advice to discipline. The Company shall hold a hearing within seven (7) calendar days of receipt of a written appeal and reasonable notice of the hearing shall be provided to the Union. The Company shall have seven (7) calendar days to render a decision, in writing, from the close of the hearing. Failing a decision or a satisfactory settlement within the above time limits, the matter may be appealed to the Step 2 level.

16.04 STEP 2 - Corporate Level

16.04.01 The procedures shall be in accordance with the dispositions of Articles 15.04.01, 15.04.03, 15.04.04.

16.04.02 The Company's decision in the case of such appeals and hearings may uphold a previous Company decision, or fully exonerate and reinstate the employee with pay for all time lost, or render such intermediate decision as may be considered just and equitable.

16.04.03 Where Articles 16.03.01 and 16.04.01 refer to the word Union, it shall be deemed to be the employee or the Union, as appropriate.

16.05 UNRESOLVED APPEALS

- 16.05.01** If a decision rendered at the Step 2 level is not satisfactory, the matter may be taken to arbitration in accordance with the provisions of Article 17.
- 16.05.02** At the Step 2 level, if the Company fails to hold the hearing in the manner set forth in Article 16.04.01, or render a decision within the specified time limits, the matter may be appealed to arbitration, if the Union so wishes, in accordance with Article 17, and the Company shall bear all expenses and fees of the arbitrator.

16.06 TIME LIMITS

- 16.06.01** If an appeal is not initiated within the prescribed time limits, the Company's current decision shall be final and binding.
- 16.06.02** When notice of intent to arbitrate is given to the Company, the notice shall be given to the Company within thirty (30) calendar days following receipt of the Step 2 level decision.
- 16.06.03** All reference to calendar days hereinabove shall be exclusive of Saturday, Sunday and holidays and the time limits may be extended by mutual agreement.
- 16.06.04** If an employee is to be disciplined in the form of Suspension Without Pay, the suspension shall be applied in consecutive work days. The Company will endeavour to commence the suspension within thirty (30) days following the expiration of the appeal periods as provided for in Articles 16.03.01 and 16.04.01, or within thirty (30) days following receipt of the Company's decision at the Step 2 level.
- 16.06.05** If the employee is to be disciplined in the form of discharge, the discharge will take effect on the day following the expiration of the appeal periods as provided for in Articles 16.03.01 and 16.04.01, or following receipt of the Company's decision at the Step 2 level.

16.07 WITNESSES

- 16.07.01** The Union/Company may have any witness(es) present who can give relevant evidence on the matter in question.
- 16.07.02** Employees who are Union witnesses shall be given time off without pay for a time sufficient to permit them to appear as witnesses, subject to staff requirements. If a witness is denied such time off, the testimony the employee would have given will be entered at the Step 2 level in the position of the Union. Space available transportation will be provided over the lines of

the Company from the point of duty to the point of hearing and return.

16.08 CORRESPONDENCE

- 16.08.01** All correspondence under this Article shall be copied to the employee concerned, the District Chair and the Union Headquarters unless the employee concerned advises the Company that they wish to proceed by handling the matter on their own behalf as provided for in Article 16.02.01.
- 16.08.02** All correspondence to an employee concerning discipline in the form of Suspension Without Pay shall remain on the employee's personal file for a period of three (3) years from the advice in writing as provided for in Article 16.01.02.04, subject to Article 16.08.05.
- 16.08.03** In the event the Suspension Without Pay is modified through either the appeal or arbitration procedures, the original advice will be removed from the employee's personal file and replaced with the final decision, unless such decision is to exonerate the employee, in which case all correspondence will be removed.
- 16.08.04** Provided that no subsequent correspondence of a disciplinary nature is added to the employee's personal file in the three (3) year period, the correspondence referring to the Suspension Without Pay will be deleted from the employee's personal file: furthermore, when such correspondence is deleted, the employee will be so advised in writing.
- 16.08.05** In the event subsequent disciplinary correspondence is placed on the employee's personal file, the previous correspondence relative to Suspension Without Pay shall remain on the employee's personal file until the expiry date of the subsequent correspondence, or until such time the three (3) year period has expired, whichever is the later.
- 16.08.06** When correspondence of a disciplinary nature is removed from the employee's personal file, the circumstances that led to the discipline shall not be referred to in relation to any subsequent disciplinary action.
- 16.08.07** Appeals being lodged in accordance with Article 16.03 shall be directed to the Manager designated by the Company. The Union District Chair and the employees shall be advised, in writing, of the Manager so designated and of any changes thereto. Appeals being lodged in accordance with Article 16.04 shall be directed to the Director, Labour Relations - Customer Service.

ARTICLE 17 ARBITRATION

- 17.01** Any dispute not settled in Articles 15 or 16 may be submitted to arbitration and hearings shall be held and decisions rendered under the provisions herein set

forth. The party requesting arbitration will serve notice of intent to arbitrate to the other party in accordance with the disposition of Article 15 or 16.

17.02 SINGLE ARBITRATOR

17.02.01 A panel of arbitrators will be mutually agreed to by the parties. The panel will not exceed ten (10) arbitrators and will be reviewed annually at the first 18.03 Headquarters Meeting; however, vacancies shall be filled by agreement as they occur.

17.02.02 In the event that no mutually agreed arbitrator is empanelled, the party serving notice of intent to arbitrate may request the Minister of Labour to appoint one for each case.

17.02.03 An arbitrator shall be selected from the mutually agreed-to panel in the following manner. Each arbitrator will be called upon to act on a rotation basis. The arbitrator will be contacted to determine their availability within the applicable period of time as follows: with respect to a case where financial liability is expected to exceed thirty (30) days, during the forty-five (45) calendar days and, with respect to any other appeal case, during the ninety (90) calendar days, following receipt of notice of intent to arbitrate. If that arbitrator is not available within the applicable period of time outlined above, but is available at a later date, the parties may agree to accept that later date or proceed to the next arbitrator in order of rotation in the same manner until a mutually acceptable date is agreed.

17.03 The arbitrator shall hold hearings at which the Company and the Union shall have the opportunity to present evidence, witnesses, argument and summation, and shall issue a written award within thirty (30) days from the date of the final hearing. No fact or position shall be presented by the Company, nor permitted, which was not contained in the Company's decision at the Corporate level.

17.04 The arbitrator shall have the authority to render any decision that they consider just and equitable.

17.05 The arbitrator's decision shall be final and binding on the Company, the Union and the employee(s) involved. In the event that the arbitration board does not reach a majority decision, the decision of the Chair will be considered as final and binding.

17.06 The Company and the Union shall share equally the costs of the arbitrator

17.07 The arbitrator shall establish procedures consistent with the requirements of natural justice.

17.08 The arbitrator or arbitration board shall not make any decision inconsistent

with the provisions of this Agreement, nor shall they alter, modify or amend any part of the Agreement. A monetary award may be granted as determined by the arbitrator or arbitration board.

ARTICLE 18 UNION-'MANAGEMENTCOMMUNICATIONS**18.01 COMMUNICATIONS IN WRITING**

18.01.01 All communications to an employee involving any of the following shall be in writing and copied to the Union District Chair: Letters of Expectation, alterations to scheduled shifts, scheduled shift starting times and scheduled days on/days off; time off under Article 7.07.02; assignments under Article 8 and Letters of Understanding No. 16 and 17; layoff and recall; leaves of absence; transfers, change of status and furlough; Off-Duty Status; promotion; demotion; and, termination; additionally, all correspondence under Article 15 and Article 16 shall be copied to the Union District Chair and the Union at the Headquarters level, subject to Article 16.08.01.

18.02 LETTERS OF UNDERSTANDING

Any Letter of Understanding negotiated between the Company and the Union shall be deemed to form part of this Agreement as if it had been incorporated herein. A Letter of Understanding shall be identified by a heading and a number, and must be signed by representatives of both parties at the Headquarters level.

18.03 UNION-MANAGEMENTCOMMITTEE

18.03.01 It is recognized that meetings between the Company and the Union are essential to the maintenance of good employee-employer relations and the establishment of mutual confidence and trust.

18.03.02 Union-Managementcommittees will be established at each base and/or location to promote better communications, mutual respect and understanding between the Company and its employees, to discuss ways and means of improving working conditions, Work Schedules or Sub-Schedules, methods, safety, operating efficiency, maintenance of good morale and to provide for advance discussion of other changes affecting the work or working conditions of employees.

18.03.03 At the base and/or location level, meetings will be held each month.

18.03.04 At Union-Management Headquarters level, meetings will be held at least once each quarter between Union Headquarters representatives and representatives of the Corporate Management level.

18.03.05 The dates of such meetings will be established by mutual agreement and minutes of such meetings will be prepared and made available to all concerned following approval of both parties.

18.03.06 The meetings of Union-Management Committees shall not be considered as being in lieu of the Grievance procedures.

18.04 TIME OFF - UNION BUSINESS

18.04.01 The Company recognizes the importance of prompt handling of Union business, such as the handling of grievances throughout the process, negotiating of amendments to Agreements, and the attendance of Union meetings at various levels; the Company further recognizes the importance of the role of the Union Officers in carrying out the functions of Union business. It is therefore agreed that Union representatives be granted reasonable time off and transportation in accordance with Company regulations to carry out such functions. This time will be allowed as promptly as possible consistent with service pressures. In order to facilitate this process it will be the obligation of the Union representatives to afford as much notice as possible of such needs and to clear their activities both with their own supervisors and with the supervisors of the employees involved in any problem situation.

18.04.01.01 Where Union Headquarters requests time off for employees to attend pre-scheduled educational training, the Company shall, within reason, ensure those employees so designated will be released from duty. Union Headquarters shall request such time off from the Company at the Headquarters level and such requests to the Company shall afford as much notice as possible.

18.04.01.02 Time *off* for the Union Bargaining Committee (5) members will be forty (40) hours per week to be absorbed by the Company.

Time off for the Union Health and Safety Coordinator will be forty (40) hours per week to be absorbed by the Company.

Time off for Union District Chairs as outlined below will be absorbed by the Company:

NUMBER OF EMPLOYEES	TIME OFF
51 - 100	8 hours per week
101 - 200	20 hours per week
201 - 600	40 hours per week
601 - 1000	80 hours per week
1001 - +	120 hours per week

18.04.02 The Union shall be billed for the time off except in those cases where the Company has agreed to absorb certain costs. In either case, the employees involved in this activity are not debited or removed from the payroll. The time billed will be the actual scheduled time off and no account will be taken of the

fact that in some cases the absent employee may not be replaced, or that they may be replaced on an overtime or recall basis.

18.04.03 Time off shall be charged to either the Union or the Company, depending on the activity, on the following basis:

**Grievance Procedure General, Discipline and Discharge
Charge to Code Number**

Step 1 :

Aggrieved Employee(s)	1
Union Representative(s) Two only	1

Step 2:

Aggrieved Employee(s)	1
Union Representative(s) Two only (including members of Bargaining Committee).....	1 or 2

**Union-Management Committee Meetings
(Article 18.03)**

District Level:

District Chair.....	1
District Vice-Chair	1
District Union Representative (when authorized by Management.....)	1

Headquarters Level:

Bargaining Committee.....	2
District Representatives (when authorized by Management.....)	1

**Technological Change Meetings
(Article 18.07.03)**

Union Representative(s) One only.....	1
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Monitoring and Measurement Joint Review Board Meetings (L11.04)

Union Representative(s) One only	1
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Employee Introduction. This includes addressing new employees at basic or localized training sessions in order to cover the following: introduction to Union Officers with whom the employee will be coming in contact; objectives of the Union's constitution; outline of the Union's structure and history; Rand Formula and check-off; application of the Collective Agreement; Government

legislation applicable to Union operation; question and answer period. The presentation will be scheduled during the last thirty (30) minutes of any day within the training period with a forty-five (45) minute limitation.

District Chair	1
District Vice-Chair	1
District Union Representatives.....	1

Union-Management Meetings
(other than Union-Management Committee meetings)

District Level:

District Chair	1
District Vice-Chair	1
District Union Representatives.....	1

Headquarters Level:

Bargaining Committee.....	2
District Union Representatives (when authorized by Management).....	1

Negotiations:

Five (5) Union designated members of the Union Bargaining Committee for time spent in direct negotiations with the Company.....	2
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18.04.03.01 Time off required by members of the Union Bargaining Committee for activities other than those directly related to Air Canada will be cleared at the Headquarters' level and charged to the Union on the following basis:

Time required for Union activities not directly related to Air Canada.....	4
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18.04.03.02 Time off required by the employee appointed by the Union to the position of National Health and Safety Coordinator will be cleared through the Company at the Corporate level and charged to the Union or the Company on the following basis:

- Time required for activities for their duties involving Company employees and Company representatives..... 2
- **All** other time required..... 4

18.04.04 Time spent by a Union representative attending meetings with the Company outside the representative's scheduled shift will be computed at straight time.

18.04.05 Except as provided for above, the Union will bear the cost of all time off for the Union members and officers while participating in recognized Union activities. This will include but is not limited to: Union conventions; executive meetings;

meetings to discuss internal Union business; arbitration; conciliation. The Union will bear the cost of time off for other than those designated members of the Union Bargaining Committee for whom the Company accepts responsibility salary-wise for the time spent in negotiations.

District Chairs.....	3
District Vice-Chairs	3
District Union Representatives.....	3
Bargaining Committee Members.....	4
Vice-presidents.....	4
Health and Welfare Trustees.....	5

18.04.06 Explanation of Codes

- CODE 1** Time off for Union District Chairs, Vice-Chairs, representatives, and members to be absorbed by the Company.
- CODE 2** Time off for Union Vice-presidents and Bargaining Committee Members to be absorbed by the Company.
- CODE 3** Time off for Union District Chairs, Vice-Chairs, representatives, and members to be charged to the Union.
- CODE 4** Time off for Union Vice-presidents and Bargaining Committee Members to be charged to the Union.
- CODE 5** Time off for Union Health and Welfare Trustees to be charged to Health and Welfare Trust.

18.04.07 District, as referred to throughout this section, shall be those districts as defined in the Union's By-Laws or Constitution. In no case shall the number of districts or chairpersons exceed two (2) at any base for the purpose of time charges absorbed by the Company, except in cases where more than one (1) airport location exists within the same base, in which case the number of districts or chairpersons shall not exceed three (3) at any base.

18.05 CORPORATE REORGANIZATION

In the event that the Company changes ownership, merges with another company or in any way changes its corporate identity, this Agreement will remain in full force and effect and the Union recognition now in effect and/or the certificate issued by the Canada Labour Relations Board then in existence shall not be affected in any way except as otherwise governed or directed by the Board. The Company further agrees to enter into negotiations with the Union relative to protection of employees' seniority and other conditions of this Agreement. Failing settlement, the provisions of the

Canada Labour Code will apply.

18.06 BULLETIN BOARDS

The Union shall have the privilege of posting notices and related Union material on Company notice boards and the applicable internal electronic communication system (CIC).

18.07 TECHNOLOGICAL CHANGES

18.07.01 The intent and purpose of the following articles is to ensure that ample consideration is given to the effect technological change will have upon the job security and conditions of employment of employees as well as the continuing effectiveness of the Company.

18.07.02 Definition - Technological change means the introduction of equipment or material, different in nature, type or quantity from that previously utilized and/or to the manner in which work is carried on related to the introduction of such equipment which affects a significant number of employees.

18.07.03 To ensure the intent, purpose and benefits of technological change are achieved, the Company will meet at the Headquarters level with members of the Bargaining Committee and designated representatives of the Union at least once each quarter but in any case no less than one hundred and sixty (160) days prior to the implementation of any technological change.

18.07.04 The Company shall provide the above representatives with materials pertaining to technological change which may be required to ensure that the fullest discussion will take place on such matters as retraining, filling of jobs created by technology, change of work methods, reorganization of work, change to the method of organization, etc., so as to ensure the change is implemented with the least possible disruption and with the maximum possible benefits to the Company and the employees.

18.08 EMPLOYEE STATISTICAL LISTS

18.08.01 The Company shall provide Union Headquarters with monthly computer printout lists showing the numbers of employees on the following basis:

- employees by years of service; and
- employees by year of birth; and
- employees by base.

18.08.02 The aforementioned lists shall be as of the last day of each calendar month.

18.09 HEALTH AND SAFETY

18.09.01 It is the responsibility of all Company personnel and employees to ensure and promote the continued health and safety of the employees. In addition, each employee as well as each Union representative has an obligation to bring any situation which in their opinion represents a hazard to the health and safety of the employees to the attention of the Company.

18.09.02 LOCAL HEALTH AND SAFETY COMMITTEES

18.09.02.01 The Company shall, for each base and/or location at which twenty (20) or more employees are employed, establish a Health and Safety Committee. The members of each Committee shall be determined in accordance with the following:

Number of Employees

20 - 199	One (1) selected by the Union; One (1) selected by the Company.
200 - 599	Two (2) selected by the Union; No more than two (2) selected by the Company.
600 and over	Three (3) selected by the Union; No more than three (3) selected by the Company.

18.09.02.02 The Company shall post and keep posted the names and work locations of all the members of the Health and Safety Committee in a conspicuous place or places where they are likely to come to the attention of the employees.

18.09.02.03 The Health and Safety Committee:

- (a) shall receive, consider and expeditiously dispose of complaints relating to the health and safety of the employees represented by the Committee;
- (b) shall maintain records pertaining to the disposition of complaints relating to the health and safety of the employees represented by the Committee;
- (c) shall cooperate with any occupational health service established to serve the workplace;
- (d) may establish and promote health and safety programs for the education of the employees represented by the Committee;
- (e) shall participate in all inquiries and investigations pertaining to

occupational health and safety including such consultations as may be necessary with persons who are professionally or technically qualified to advise the Committee on such matters;

- (f) may develop, establish and maintain programs, measures and procedures for the protection or improvement of the health and safety of employees;
- (g) shall monitor on a regular basis programs, measures and procedures related to the health and safety of employees;
- (h) shall ensure that adequate records are kept on work accidents, injuries and health hazards and shall monitor data relating to such accidents, injuries and hazards on a regular basis;
- (i) shall cooperate with safety officers;
- (j) may request from an employer such information as the Committee considers necessary to identify existing or potential hazards with respect to materials, processes or equipment in the workplace;
- (k) shall have full access to all government and employer reports relating to the health and safety of the employees represented by the Committee but shall not have access to the medical records of any person except with the consent of that person; and,
- (l) may conduct a workplace inspection at least once each month. The results of the inspection shall be discussed at the monthly Health & Safety Committee meeting.

18.09.02.04 The Health and Safety Committee shall keep accurate records of all matters that come before it and shall keep minutes of its meetings and shall make such minutes and records available to a safety officer on their request.

18.09.02.05 The Health and Safety Committee shall meet at least once each month and, where meetings are required on an urgent basis as a result of an emergency or other special circumstance, the Committee shall meet as required.

18.09.02.06 A member of a Health and Safety Committee is entitled to such time from their work as is necessary to attend meetings or to carry out any other function as a member of the Committee, and any time spent by the member while carrying out any of their functions as a member of the Committee shall, for the purpose of calculating wages owing to them, be deemed to have been spent at their work.

18.09.02.07 No member of a Health and Safety Committee is personally liable for anything done or omitted to be done by them in good faith.

- 18.09.02.08** At locations and/or bases with less than twenty (20) employees, the Union shall select an employee as a Health and Safety representative.
- 18.09.02.09** The Company shall post and keep posted in a conspicuous place or places where it is likely to come to the attention of the employees, the name and work location of the Health and Safety representative.
- 18.09.02.10** A Health and Safety representative:
- (a) shall receive, consider and expeditiously dispose of complaints relating to the health and safety of the employees represented by the representative;
 - (b) shall participate in all inquiries and investigations pertaining to occupational health and safety, including such consultations as may be necessary with persons who are professionally or technically qualified to advise the representative on such matters;
 - (c) shall monitor, on a regular basis, programs, measures and procedures related to the health and safety of employees;
 - (d) shall ensure that adequate records are kept on work accidents, injuries and health hazards and shall monitor data relating to such accidents, injuries and hazards on a regular basis;
 - (e) may request from an employer such information as the representative considers necessary to identify existing or potential hazards with respect to materials, processes or equipment in the workplace; and
 - (f) shall have full access to all government and employer reports relating to health and safety of the employees represented by the representative but shall not have access to the medical records of any person except with the consent of that person.
 - (g) may conduct a workplace inspection at least once each month and report the results of such inspections to the Company.
- 18.09.02.11** A Health and Safety representative is entitled to such time from their work as is necessary to carry out their functions as a representative and any time spent by them while carrying out any of those functions shall, for the purpose of calculating wages owing to them, be deemed to have been spent at their work.
- 18.09.02.12** No Health and Safety representative is personally liable for anything done

or omitted to be done by them in good faith.

18.09.03

Matters which are too large in scope or matters that cannot be resolved at the local Health and Safety Committee level may be dealt with at the Union-Management Headquarters level as per Article 18.03.04.

ARTICLE 19 GENERAL PROVISIONS**19.01 HUMAN RIGHTS**

19.01.01 No employee will be unlawfully interfered with, restrained, coerced or discriminated against by the Company or the Union, their officers or agents on the grounds of race, national or ethnic origin, colour, religion, disability, age, sex, sexual orientation, marital status, family status, political affiliation or conviction for an offence for which a pardon has been granted. The Company further commits that no employee will be unlawfully interfered with, restrained, coerced or discriminated against by the Company, its officers or agents because of membership in, or lawful activity on behalf of the Union.

19.02 UNIFORMS

19.02.01 The Company and the Union shall each appoint its members of the Joint Uniform Committee. The Union's members shall consist of a maximum of six (6) employees.

19.02.02 The wearing of uniforms shall be in accordance with published Company regulations. The conditions of payment shall be on a 50/50 cost sharing basis between the Company and the employees on all items, compulsory or optional. Prior to the introduction of any new uniform or of any changes to an existing uniform, the Joint Uniform Committee shall meet to discuss the style, colour and material of the uniform, its components and accessories, the frequency of replacement, and the Company regulations regarding the wearing of the uniform. The recommendations of the Union representatives shall be considered by the Company before making any such changes.

19.03 SAVING CLAUSES

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

19.03.02 Where the provisions of this Agreement are at variance with the Company regulations the former shall take precedence.

19.04 COPIES OF AGREEMENT

19.04.01 The Company and the Union desire that all employees and all levels of management affected by this Agreement be familiar with the provisions herein. For this reason, all employees and all levels of management concerned shall be given a copy of the Agreement and any subsequent

changes to the Agreement including Letters of Understanding.

19.04.02 As soon as practical, the Company and the Union will agree to a final draft of the Collective Agreement prior to printing. The Company shall be responsible for the preparation and printing of the Agreement. The cost of printing will be the responsibility of the Company.

19.04.03 The Agreement shall be published in both French and English, and both versions shall have equal application. In the event of conflicting translation or interpretation, the version in which a clause was negotiated shall govern. As soon as practical, the Company and the Union will agree to a final draft of the French version prior to printing.

19.05 EMPLOYEE STATUS

19.05.01 All employees shall be permanent except for those hired under the provisions of Articles 12.07.06.02 and 12.07.03 b), who shall be classified as temporary.

19.06 TRAINING

19.06.01 All training other than on the employee's scheduled shift will be in accordance with Article 7 and/or Article 13.

19.07 GROUP LIFE INSURANCE

19.07.01 The Company will pay the full cost of the Group Life Insurance Plan up to a maximum coverage of \$70,000.00. Coverage in excess of \$70,000.00 will continue to be shared on a 50/50 basis. The level of coverage will be two and one-half (2½) times the basic annual salary up to a maximum of \$80,000.00. The maximum level of paid-up life insurance for retired employees will remain at one fourth (¼) of coverage at time of retirement up to a maximum of \$10,000.00.

19.08 GROUP LIFE INSURANCE DISABILITY INCOME PLAN

19.08.01 Employees shall be in a plan established for CAW - Canada, Local 2002 participants on an employee-pay-all-basis. The Company will provide payroll deduction facilities and remittances of appropriate deductions to the CAW - Canada, Local 2002, Health and Welfare Trust Plan Fund. There will be separate underwriting and funding of the revised program with separate policy or policies issued to the CAW - Canada, Local 2002, Health and Welfare Trust Plan Fund by the underwriter(s) of their choice. Air Canada will continue to assist in initial channelling and handling of claims material and providing other administrative cooperation to ensure the effective and smooth operation of the program. Air Canada shall have the right to name one observer to the Group Insurance Disability Income Plan. Participation in

GIDIP under the CAW - Canada, Local 2002, Health and Welfare Trust Plan Fund sponsored plan shall remain a condition of employment for all Full-Time employees, for Part-Time employees who have elected to participate and for all Part-Time employees hired or who changed status from Full-Time on or after April 1, 1984.

- 19.08.02** The Company shall pay to the CAW - Health and Welfare Trust, an amount equal to forty dollars (\$40.00) for each Full-Time permanent employee and twenty dollars (\$20.00) for each Part-Time permanent employee as of December 31st each year. Such amounts shall be used by the Health and Welfare Trust to improve benefits.

19.09 SUPPLEMENTARY HEALTH INSURANCE

- 19.09.01** The Company will pay the full cost of Plan II. The maximum aggregate under the Supplementary Health Plan will be fifty thousand dollars (\$50,000.00), with an annual reinstatement of two thousand dollars (\$2,000).
- 19.09.02** The Company will extend coverage to include psychologists at a benefit level of fifty percent (50%) of the cost per visit to a maximum of seven hundred and fifty dollars (\$750.00) per person and one thousand five hundred dollars (\$1,500.00) per family per year.
- 19.09.03** The Company will provide coverage for hearing aids and tests to a maximum of seven hundred and fifty dollars (\$750.00) per five (5) year period.
- 19.09.04** Expenses incurred for paramedical services of Chiropractors, Osteopaths, Naturopaths, and Podiatrists will be covered to a maximum of fifty dollars (\$50.00) per visit to a maximum of one thousand dollars (\$1,000.00) per person per year or two thousand dollars (\$2,000.00) per family per year, less any amount paid to the employees for such services under the employee's provincial medical plan.

19.10 DENTAL INSURANCE

- 19.10.01** The Company will pay the full cost of premiums for the Group Dental Insurance Plan. The Company shall be the sole policy holder and administrator of the above-mentioned Plan.
- 19.10.02** The annual maximum of covered expenses is two (2) thousand dollars (\$2,000.00) per calendar year per person. The basic dental services coverage is payable at ninety (90%). The maximum orthodontic coverage for dependent children will be two thousand five hundred dollars (\$2,500.00).

19.11 VISION CARE PLAN

- 19.11.01** The Company will pay the full cost of a Vision Care Plan.

19.11.02 The benefits for each employee and each eligible dependent to be not more than two hundred and twenty-five dollars (\$225.00) reimbursement for eyeglasses, contact lenses or laser eye surgery in each period of twenty-four **(24)** consecutive calendar months, except that for contact lenses prescribed for severe corneal situations, as set out in Company Publication 711, Chapter 8, 9, 10, the maximum amount payable shall be three hundred and sixty dollars (\$360.00), payable once during the entire period the person is insured.

19.12 EMPLOYEE ASSISTANCE PROGRAM

In our industry, people encounter a wide range of problems not necessarily associated with job functioning, but which can have a serious effect on family, friends, health and ultimately their ability to maintain good work performance.

Air Canada and the Canadian Auto Workers Local 2002 recognize that many human problems can be successfully treated provided they are identified in their early stages, and referral is made to an appropriate professional resource. This is true whether the problem is one of alcoholism, drug dependency or other medical/social problems.

The Employee Assistance Program has been developed to ensure a better understanding of policy and guidelines for assisting employees who are experiencing problems which may affect their health, their relationship with others, or their **job** performance.

All employees have the right to participate in the Employee Assistance Program without fear of job recrimination and regardless of their status.

The decision to accept or reject assistance is the responsibility of the individual and no employee will be compelled to participate.

It will be the responsibility of the System Committee to ensure that the needs of all coordinators are met in the areas of program promotion and training. All newly appointed coordinators will be required to attend the "Effective Helping Workshop".

19.13 DOMESTIC VIOLENCE

19.13.01 The Company agrees to recognize that employees sometimes face situations of violence or abuse in their personal life that may affect their

attendance or performance at work. For that reason, the Company and the Union agree, when there is adequate verification from a recognized professional (i.e. doctor, lawyer, registered counsellor), an employee who is in an abusive or violent situation will not be subjected to discipline if the absence can be linked to the abusive or violent situation. Absences which are not covered by sick leave or disability insurance will be granted as absent with permission without pay.

- 19.13.02.01** The Company and the Union recognize that female employees may sometimes need to discuss with another women, matters such as violence or abuse at home or workplace harassment. For this reason, the parties agree to recognize the role of a centralized person designated to be Women's Advocate in the workplace.
- 19.13.02.02** The Women's Advocate will be designated, by joint agreement by the Company and the Union, from within the female elected union officers that are already on a full time union release.
- 19.13.02.03** The Company agrees to provide the Women's Advocate with access to a confidential phone line.
- 19.13.02.04** The Company and the Union will develop appropriate communications to inform employees about the advocacy role of the female Women's Advocate and provide the contact number of the confidential phone line.

ARTICLE 20 CHECK-OFF

- 20.01** The Company shall deduct on the payroll for each pay period, as per the Company's designated payroll periods, from wages due and payable to each employee such sum as may be uniformly assessed by the Union Constitution subject to the conditions set forth herein.
- 20.02** The amount to be deducted shall include the initiation fee and shall not be changed excepting to conform with a change in the Union's Constitution.
- 20.03** Membership in the Union will be available to any employee under the Constitution of the Union on payment of the initiation or reinstatement fees uniformly required of all other such applicants. Membership shall not be denied on the grounds of race, national or ethnic origin, colour, religion, age, sex, marital status, language capability or political affiliation.
- 20.04** Deductions shall commence on the payroll for the first applicable pay period of the calendar month following the first date of service in, or training for, a classification covered by this Agreement.
- 20.05** If the wages of an employee payable for any pay period are insufficient to permit a full deduction, no such deduction shall be made from the wages of such employee by the Company on that payroll. The Company shall not, because the employee did not have sufficient wages payable on any payroll, carry forward and deduct from any subsequent wages the amount not deducted on an earlier payroll.
- 20.06** Only payroll deductions now or hereafter required by law, deductions of monies due or owing the Company, pension deductions and deductions for provident funds shall be made from wages due and payable prior to any deductions under this Article.
- 20.07** The amount so deducted from wages, accompanied by a statement of deductions from individuals, shall be remitted by the Company to the Union, as may be mutually agreed by the Union and the Company, not later than thirty (30) calendar days following the pay period in which the deductions are made.
- 20.08** The Company shall not be responsible financially or otherwise either to the Union or to any employee, for any failure to make deductions or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction pursuant to this Article from an employee's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Union, the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all amounts acted pursuant to the provisions of this Article, shall terminate at the time it

remits the amounts payable to the Union.

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

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

ARTICLE 21 DURATION OF AGREEMENT

- 21.01** This Agreement is effective June 1, 2009, except as otherwise provided herein, and shall continue in full force and effect until February 28th 2011, subject to Articles 4.03, 18.05 and 18.07, and may be varied by mutual agreement, in writing, between the parties hereto. It shall remain binding thereafter from month to month, unless notification, in writing, to reopen the Agreement is served by either of the parties hereto not more than ninety (90) days prior to the expiry date, or any continuation of expiry date, on a month-to-month basis, subject always to Article 21.03.
- 21.02** Where notice to bargain collectively has been given, the Union and the Company shall, without delay, commence to meet diligently to bargain in good faith and make every reasonable effort to enter into a Collective Agreement.
- 21.03** This Agreement shall remain in full force and effect until superseded by another Agreement or until all the requirements of the prevailing Federal Laws have been met and no agreement has been reached.

Dated at Toronto, Ontario this 8th day of June 2009.

FOR: AIR CANADA

FOR: CAW – CANADA AND ITS
LOCAL 2002

COMPANY NEGOTIATING
COMMITTEE

UNION BARGAINING COMMITTEE

H. Clarke

M. Rondeau

N. Attardo

C. Chaplin

C. Gregory

P. Janssen

G. Cabral

S. Rothlin

E. Cere

S. Mcmanus

C. Scott

C. Levore

S. Morey

L. Dias

V. Goumakos

R. DiPasquale

D. Draeger

LETTERS OF UNDERSTANDING

LETTER OF UNDERSTANDING NO. 1 - PART-TIME EMPLOYMENT

- L1.01** The Company will staff its operation with Full-Time employees whenever a reasonable degree of employee utilization can be achieved. It is recognized, however, that the use of Part-Time employees may be desirable due to the varying work loads.
- L1.02** When Part-Time employment is resorted to, care must be taken to avoid deterioration of the working conditions and scheduling of Full-Time employees.
- L1.03** Therefore, the parties to this Agreement agree to cooperate and work harmoniously together to avoid wherever possible added burdens on Full-Time employees because of lack of training of Part-Time employees and to avoid imposing any threat to continuous employment of Full-Time employees.
- L1.04** **The following rules will be applied in the use of Part-Time employees:**
- L1.04.01** Full-time employees with a seniority date of May 19, 1985 or earlier will not be laid off or relocated from their base or required to change status to Part-Time in order to remain in their base while Part-Time employees are employed at that base.
- L1.04.02** Part-Time employees will be paid a rate not less than the minimum nor more than the maximum that is provided by this Agreement.
- L1.04.03** Each Part-Time employee may be scheduled for a minimum of four (4) hours and up to eight (8) consecutive hours employment per day and a minimum of twenty (20) hours and a maximum of twenty-four (24) hours per week.
- NOTE:** With respect to shift extension for meal periods, refer to point 16 of the May 23, 2004 Memorandum of Agreement found in Appendix "J" of the Collective Agreement.
- L1.04.04** During initial basic classroom training, the Part-Time employee may, for a maximum of seven (7) weeks, be scheduled for eight (8) consecutive hours a day with a maximum of forty (40) hours a week in which case rest and meal periods shall be equal to those of a Full-Time employee.
- L1.04.05** The number of Part-Time employees at a base shall not exceed forty percent (40%) of the total number of employees (Full-Time and Part-Time) at the base as of December 31st of the previous year, excluding temporary employees and additional Part-Time employees agreed to under the provisions of L1.04.05.01 but including probationary employees. The number of part-time employees at a location shall not exceed eighty percent (80%) of the permissible number of Part-Time employees at that base.

NOTE 1: Final numbers will be determined using standard mathematical rounding procedures (i.e. decimals equal to or greater than 0.5 are rounded-up to the nearest integer).

NOTE 2: The allowable number of Part-Time employees at any location will be based on eighty percent (80%) of the un-rounded number of allowable Part-Time employees at the base.

L1.04.05.01 Notwithstanding the foregoing, in order to provide the Company with the ability to bid on, successfully acquire, retain and/or renew passenger handling contracts for other airlines, the Company may, with the mutual agreement of the Union at the Headquarters Level, exceed the permissible number of Part-Time employees at the location and/or base. The Union commits that such mutual agreement shall not be unreasonably withheld. In addition, any such arrangements, if required, shall continue through subsequent work schedules subject to Article 6.02.

L1.04.05.02 When the provisions of L1.04.05.01 are to be utilized, the additional number of Part-Time employees to be hired shall not exceed the actual number required to perform the passenger handling contract services for the other airline.

L1.06 **Rates of Pay** - As provided for in Article 5.

L1.07 **Meal and Rest Periods**

L1.07.01 An employee scheduled to work four (4) hours shall be entitled to one (1) rest period and one-half ($\frac{1}{2}$) of the applicable unpaid meal period included in their shifts. In the event a majority of the part-time employees affected so desire, the meal and rest periods may be joined into one period, provided Management and the Union District Chair agree to such an arrangement.

L1.07.02 An employee scheduled to work six (6) hours shall be entitled to one (1) fifteen (15) minute rest period and one (1) thirty (30) minute unpaid meal period included in their shift.

- L1.07.03** An employee scheduled to work eight (8) hours shall be entitled to two (2) fifteen (15) minute rest periods and one (1) thirty (30) minute unpaid meal period included in their shift.
- NOTE:** Employees in Reservations and DCC locations who are scheduled eight (8) hours shall be entitled to a forty (40) minute meal period which is to be scheduled in accordance with the above.
- L1.08** **Shift Alterations** - May only be applied amongst Part-Time shifts and work schedules and if applied, cannot exceed the hours of work provided in L1.04.03.
- L1.09** **Overtime and Recall**- In cases where Full-Time employees do not wish, or are not reasonably available to provide necessary overtime and recall requirements, Part-time employees may be used if the overtime is required for a period which is not in conjunction with a Full-Time employee's shift and, in any case, may be used prior to recalling a Full-Time employee.
- L1.09.01** A Part-Time employee may be used up to a maximum of two (2) hours in excess of their scheduled hours. Overtime credits shall be at straight time.
- L1.09.02** Recall of Part-Time employees will be limited to four consecutive hours. Recall credits shall be in accordance with Article 7.04.
- L1.09.03** Additional time worked for training purposes in conjunction with a scheduled hours shift to a maximum of a total combined period of eight (8) hours shall be at straight time, subject to L1.14.
- L1.09.04** Additional time worked for training purposes not in conjunction with a scheduled shift shall be credited in accordance with Article 7.04 and/or L1.14.
- L1.10** **Seniority/Staff Reduction/Recall from Layoff** - As provided for in Article 10, subject to L1.04.01. Part-Time employees shall be denoted as such on the seniority list.
- L1.11** **Service** - In accordance with Company Regulations subject to the provisions of Letter of Understanding No. 2.
- L1.12** **Leave of Absence** - Requests by Part-Time employees for personal leaves of absence will be considered separately from requests by Full-Time employees.
- L1.13** **Vacancies** - The provisions of Article 12.07 may only be utilized to fill a temporary Part-Time staff requirement when the resulting number of Part-Time employees in the location actively employed and scheduled on

duty does not exceed the permissible number under L1.04.05.

L1.14 **Holidays** - Paid as set forth in Article 13 based on the scheduled hours or, if worked, on the hours worked. Holiday pay on days off will be based on the hours scheduled in the four (4) week period immediately preceding the week in which the holiday falls and will be one twentieth (1/20) of those hours.

L1.15 **Vacations** - As provided for in Article 14, however, the application will be amongst the part time employees only.

L1.16 Insurance Plans

Group Life Insurance

The level of coverage will be two and one-half (2%) times the basic annual earnings up to a maximum of \$40,000.00.

Supplementary Health Insurance

The Company will pay the full cost of Plan II. The maximum aggregate under the Supplementary Health Plan will be \$50,000.00, with an annual reinstatement of two thousand dollars (\$2,000).

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

LETTER OF UNDERSTANDING NO. 2 - ACCRUED SERVICE ON CHANGE OF STATUS AND JOINED SERVICE IN CAW-CANADA SCOPE

L2.01 Continuous Employment - For the purposes of establishing levels of vacation entitlement and free and reduced rate travel privileges and priorities, any employee whose status is changed from either Full-Time to Part-Time or Part-Time to Full-Time shall take their accrued service credits with them.

L2.02 Broken Employment - Any employee, regardless of their status, who has terminated shall be entitled to have their past service recognized upon re-employment in either status provided such re-employment shall have continued for at least twenty-six (26) calendar weeks. This provision shall reflect credit for all previous service which can be substantiated.

NOTE: The provisions of L2.02 apply only to employees hired prior to January 1, 1989.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Ioia

LETTER OF UNDERSTANDING NO. 3 - UNION ACTIVITIES

L3.01 It is agreed by and between the Company and the Union that in the event that concerted activities on the part of the Union disrupt the service of the Company by the employees, the Union waives its right to Article 15 and Article 17 in the event that Article 2.03 is not adhered to by the Company.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iola

LETTER OF UNDERSTANDING NO. 4

Deleted - Intentionally left blank

LETTER OF UNDERSTANDING NO. 5 - OFF-DUTY STATUS, INDUSTRIAL DISPUTES

- L5.01** The purpose of this Letter is to set forth the terms and conditions that will apply to employees in the event of an industrial dispute involving any group of persons not covered by this Agreement which causes a reduction in the Company's services.
- L5.02** All provisions of the Collective Agreement not specifically modified or waived by this Letter will remain in effect. Any dispute arising from the terms and conditions of this Letter will be referred to the Headquarters level as soon as possible without prejudice to the Union's right to initiate a formal grievance.
- L5.03** Only those employees who are not required to work during the period the Company's services are affected shall be placed on Off-Duty Status hereafter referred to as O.D.S.
- L5.04** All Part-Time employees in a classification in a base will be placed on O.D.S. before any Full-Time employees in that classification are placed on O.D.S.
- L5.05** Base seniority within each classification will be the determining factor as to who will be kept on duty except that employees may request personal leaves of absence without pay where such leaves will avoid another employee being placed on O.D.S. Such leaves shall be termed voluntary Off-Duty Status and will be subject to the provisions of L5.16, L5.17 and L5.19 and shall remain in effect until the provisions of L5.20 become effective. Employees electing for voluntary Off-Duty Status will be advised of the above conditions prior to the leave being granted.
- L5.06** The Company shall provide notice of O.D.S., in writing, to only those employees who are not required to work. An employee placed on O.D.S. will be given a minimum of twenty-four (24) hours notice which may be verbal but which will be confirmed in writing not later than forty-eight (48) hours after commencement of O.D.S.
- L5.07** As soon as possible after implementing the provisions of this Letter the Company will produce and issue a letter to each employee on O.D.S. This letter will include a summary of Employment Insurance Commission procedures to be followed by the employee, the effect on Company insurance plans and benefits, the effect on the Group Insurance Disability Income Plan, and any other relevant information.
- L5.08** An employee whom the Company is unable to contact to advise of O.D.S. will be placed on O.D.S. and the written notice provided for in L5.06 and

L5.07 will be sent to the employee's last known address,

L5.09 An employee who is out of the base and, who, due to an inability to travel, the Company is unable to contact to advise of work assignment will not be disciplined. Such employee will be placed on O.D.S. but will be returned to work within twenty-four (24) hours of the Company having knowledge of their return to the base, provided their seniority is sufficient to retain a work assignment.

L5.10 No employee's scheduled days on/days off will be altered. However, the scheduled shift or scheduled shift starting time of an employee required to work may be altered to conform with major changes in the normal working hours or work requirements at a base. The Company will advise the employee at least twenty-four (24) hours in advance of any alteration to their shift. Such notice may be verbal but written notice will be provided as soon as possible.

L5.11 RELOCATION - IN BASE

L5.11.01 An employee kept on duty may be required to work at another location within the base in their classification; however, such assignments will be in inverse order of seniority providing the remaining employees are capable of performing the tasks/duties required. In any case, Full-Time employees will not be relocated from a location while Part-Time employees are retained in that location.

L5.12 RELOCATION - OUT OF BASE

L5.12.01 In the event that operations are rescheduled in or out of another base in Canada, employees at a base where the Company's services are reduced may be required to report to the other base or travel with passengers rerouted to the other base. Volunteers will be solicited from amongst the employees at that location in which they will be working at their new base and selection shall be in order of seniority.

L5.12.02 In the event that operations are rescheduled in or out of U.S.A. airports, employees in the Customer Sales and Service classification may be required to travel with the passengers. In such instances, employees will not be requested to perform any tasks/duties not falling within the scope of this Agreement. All such assignments shall be on a voluntary basis in order of seniority subject to discussion between the Company and the Union District Chair or their designated representative where no volunteers can be found.

L5.12.03 The Company will provide travel insurance in the amount of one hundred thousand dollars (\$100,000.00) for each employee travelling and expenses

will be paid in accordance with Company regulations.

- L5.13** There shall be no overtime or recall in a classification at any base where employees in that classification are on O.D.S. Additional staff requirements shall be filled by returning employees on O.D.S. to duty in order of base seniority within each classification.
- L5.14** While it is recognized that all temporary assignments in accordance with Article 8.02 should be terminated, where it is necessary to have such assignments they shall be from among those employees kept on duty in accordance with this Letter.
- L5.15** The Company will investigate the possibility of providing training during any reduction in the Company's service. If it is found that training can be provided, all such programs shall be subject to mutual agreement between the Union and Company, at the Headquarters level.
- L5.16** An employee on vacation will continue on vacation and will be placed on O.D.S., if applicable under L5.04 or L5.05, upon the date of their scheduled return from vacation. An employee kept on duty or an employee placed on O.D.S. will commence vacation as scheduled.
- L5.17** Subject to changes to the Group Insurance Disability Income Plan, the following will apply during any O.D.S.:
- L5.17.01** An employee receiving disability insurance benefits will continue to receive those benefits until they are scheduled to return to work at which time they will be placed on O.D.S., if applicable. An employee whose illness commenced before the reduction of operations and who has not yet completed the waiting period will receive disability insurance benefits as scheduled, subject to satisfactory proof of disability.
- L5.17.02** An employee who wishes to continue their Group Insurance Disability Income Plan coverage during a period of O.D.S. may do so by pre-paying the premium as provided in the regulations of the Plan.
- L5.18** Company sick leave benefits will not be granted to an employee on O.D.S. However, any illness during the period of O.D.S. may be reviewed at the Company Headquarters level upon request of the Union Headquarters.
- L5.19** An employee placed on O.D.S. will not lose service credits for pension purposes unless the employee is off the payroll for a full calendar month. Company service for all other purposes will continue to accrue for the first fourteen (14) calendar days of any O.D.S. Prior to any action by the Company relative to service accrual beyond fourteen (14) days, discussions

will be held at the Headquarters level between the Company and the Union.

L5.20 Notification of return to duty may be verbal, but must be later confirmed in writing, and will state the effective date of the return to duty. Every effort will be made by the Company to return all employees at a location scheduled to work in the shift(s) in effect at the time the Company resumes its operations at that location. The Company will endeavour to return such employees to duty in order of seniority.

L5.20.01 An employee will be allowed a reasonable length of time to return to duty.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

LETTER OF UNDERSTANDING NO. 6 - LANGUAGE

- L6.01.01** It is agreed by and between the Company and the Union that bilingual numerical levels of capability for the Customer Sales & Service Agent classification as shown herein have been established for each base and location.
- L6.01.02** In an effort to achieve the bilingual numerical level of capability the Company would implement a policy of hiring only qualified applicants who are bilingual in bases where the agreed bilingual level was below the established figure. This hiring policy applies after complying with the provisions of Article 10 and Article 12 and modifications agreed to hereunder. Established levels are to be considered as a minimum objective and every effort should be made to surpass these figures.
- L6.01.03** Where the language capability at a base or location is below the numerical level, a transfer or change of status under Article 12 will only be actioned if the employee meets the necessary language requirement.
- L6.01.04** An employee, whose valid request for transfer or change of status has not been actioned on the basis of not meeting the language requirement, will be offered the next vacancy at the requested base or location regardless of the numerical level of language capability.
- L6.01.05** Where the numerical level of language capability has been met, transfers and changes of status will be actioned in accordance with Article 12.
- L6.01.06** In the event of a staff reduction, the language requirements in Article 10.11.02 will not apply. A unilingual employee electing to exercise bumping privileges, filling a vacancy or accepting recall from lay-off to a base where the numerical level of language capability is always equal to the authorized establishment will, however, be responsible to acquire the necessary language proficiency within a period of twelve (12) months. If the employee fails to reach the necessary language proficiency within the specified period of time, the employee will be subject to relocation. Prior to relocation, each such case will be discussed by the Company and the Union, at the Headquarters level.
- L6.01.07** For employees who are identified as having bilingual (French and English) capability, methods of testing will be employed by the Company to determine their acceptability and/or language level.
- L6.01.08** Language training (French and English) will be provided at Company expense and at Company time on a voluntary basis to those employees who have been tested and possess the required basic knowledge and learning

L6.01.09 ability in the other official language.
The details of such a training program will be discussed with the Union at the Headquarters level prior to its implementation.

L6.01.10 The provisions of this Letter of Understanding will be reviewed periodically during the life of this Agreement at the Union-Management Headquarters level.

L6.01.1 ■ BILINGUAL NUMERICAL LEVELS CUSTOMER SALES & SERVICE AGENT CLASSIFICATION

LOCATION	REQUIRED	LOCATION	REQUIRED
CALGARY		OTTAWA	
Airport	15	Airport	40
Reservations	<u>16</u>		<u>40</u>
	31		
CHARLOTTETOWN		QUEBEC	
Airport	<u>3</u>	Airport	All
	3		
EDMONTON		REGINA	
Airport	<u>10</u>	Airport	<u>3</u>
	10		3
HALIFAX		SAINT JOHN, N.B.	
Airport	20	Airport	3
	<u>20</u>	Reservations	<u>120</u>
			123
MONCTON		SASKATOON	
Airport	<u>12</u>	Airport	<u>3</u>
	12		3

MONTREAL

Airport All
Reservations All
Customer Solutions All

ST. JOHN'S, NFLD.

Airport $\frac{5}{5}$

THUNDER BAY

Airport $\frac{3}{3}$

VANCOUVER

Airport $\frac{40}{40}$

LOCATION

REQUIRED

LOCATION

REQUIRED

TORONTO

Airport 120
Reservations 60

WINNIPEG

Airport 26
Reservations 70

180

96

WHITEHORSE

Airport 1

NOTE 1: The foregoing numerical levels reflect permanent Full-Time and Part-Time requirements.

NOTE 2: At Toronto Airport, 25% of the number of positions (Full-Time and Part-Time) will be designated as bilingual in Rapidair.

In addition, three (3) Part-Time positions may be utilized to satisfy the Company's bilingual requirements in its Maple Leaf Lounge(s) at Toronto Airport.

L6.01.12 The Company and the Union Regional Bargaining Committee member agree to jointly investigate any bilingual complaint received from the office of the Official Language Commissioner for the purpose of resolving the issues giving rise to the complaint.

L6.02 Route Languages

L6.02.01 To ensure the Company's ability to provide Route Language service to our customers, it is agreed that the following will apply:

L6.02.01.01 At the Vancouver, Montreal, Calgary and Toronto International gateway bases, the Company will designate routes which require specific language capabilities. Those requirements will be identified during work schedule

discussions provided for in Article 6.02.

L6.02.01.02 Sub-schedules will be developed in accordance with Article 6.02 for identified Route Language requirements and such sub-schedules will not exceed 25% of the functional requirements at each location.

L6.02.01.03 Vacancies for Route Language sub-schedules will first be filled in accordance with the provisions of Article 6.03 by those employees possessing the required language capability. In the event the designated Route Language vacancies are not filled through the provisions of Article 6.03, those employees with a seniority date of July 14, 1997 or later possessing the required Route Language capability will be assigned to such vacancies in inverse order of seniority.

L6.02.02 In an ongoing effort to achieve and maintain language capability, the Company will implement a policy of hiring qualified applicants who possess the required Route Language(s). This hiring policy will apply after complying with the provisions of Article 10 and Article 12 and modifications agreed to hereunder.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

LETTER OF UNDERSTANDING NO. 7 - APPLICATION OF ARTICLE 2.03

- L7.01** It is recognized that it is in the mutual interest of the Company and the employees to contribute to a viable and economic operation of the Company which will provide, to the fullest extent possible, continuing employment to the employees.
- L7.02** It is agreed that the provisions of Article 2.03 do not prevent the Company from marketing its products through outside companies, even though these companies may be performing some of the functions described in Article 4.
- L7.03** Where the Company has undertaken to perform the handling of other airline's customers and customers of tour wholesalers, representatives of these will be permitted to deal with their customers, provided they are not used to replace employees.
- L7.04** It is further agreed that where it is established by the Company to not be economically feasible to staff a new base with employees, the application of Article 2.03, Note 4, to such new base may be deferred after discussion with the Union at the Headquarters level.
- L7.05** During the life of this Agreement the Union agrees to exempt the Company from the terms of Article 2.03 as it applies to tasks/duties covered by the Collective Agreement being performed by other Company personnel, and to the extent that such tasks/duties are being performed, as of September 25, 1984.
- L7.06** It is recognized by the parties to this Agreement that certain tasks/duties covered under Article 4 and not associated with marketing the Company's products, as described in L7.02, are being performed by persons who are not Company personnel. It is agreed that such tasks/duties may continue to be performed, where they are being performed, as of September 25, 1984.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Ionia

LETTER OF UNDERSTANDING NO. 8 -APPLICATION OF ARTICLE 12.07.06

- L8.01** The purpose of this letter is to set out the terms and conditions that apply to employees who are recalled, transferred and/or change status in accordance with the provisions of Articles 12.07.06, and 12.07.06.01 in order to fill a temporary staff requirement provided for in Article 12.07.
- Note:** This Letter of Understanding is not applicable to employees filling temporary vacancies declared in accordance with Article 12.07.03 b).
- L8.02** The provisions of the Collective Agreement which relate to the employee's original status/location shall apply to the employee working temporarily in the other status/location, unless modified by the following:
- L8.02.01** **Rates of Pay** - As provided for in Article 5 or L1.06 and will be paid on the basis of the standard working week as provided for in Article 6.01 or L1.04.03, whichever is applicable to the temporary status.
- L8.02.02** **Shift and Work Schedule Alterations/Transfers within a Location** - Employees will be permitted to exercise their seniority to fill a vacancy except where it interferes with the request of an employee who has not been temporarily recalled, transferred or changed status.
- L8.02.03** **Meal and Rest Periods** - As provided for in Articles 6.04, 6.05 and 1.09 as applicable to the shift being worked.
- L8.02.04** **Overtime and Recall** - As provided for in Articles 7.03, 7.04 and L1.09 as applicable to the employee's temporary status.
- L8.02.05** **Time Off** - Application of the employee's seniority as provided for in Article 7.07.02 will be in the temporary status/location.
- L8.02.06** **Relief, Special and Temporary Assignments** - As provided for in Article 8 and applicable to the employee's temporary status/location.
- L8.02.07** **Leaves of Absence and Sick Leave**
- L8.02.07.01** Requests for Personal Leaves of Absence as provided for in Articles 11.02, 11.03 and 11.04 will be considered in accordance with L1.12 in the employee's temporary status/ location.
- L8.02.07.02** Sick Leave benefits will be based upon the shifts being worked in the temporary status.
- L8.02.08** **Statutory Holidays** - In accordance with Article 13. Application of Article

13.03 and L1.14 will be based upon the employee's temporary status.

- L8.02.09** **Vacations** - An employee's entitlement to vacation with pay as provided for in Article 14.02, and vacation pay, will not be affected as a result of a temporary change of status.
- L8.02.10** **Group Insurance Disability Income Plan** - As provided for in Article 19.08.01 except that a temporary change of status shall not affect an employee's original option to not participate in the Plan. Premium rates and benefits will be as determined by the Health & Welfare Trust Fund Plan Trustees.
- L8.02.11** **Air Canada Pension Plan** - A temporary change of status shall not affect membership or non-membership in the Company Pension Plan. Pension service accrual, pension contributions and benefits will be in accordance with the Plan.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Ionia

LETTER OF UNDERSTANDING NO. 9 - INTER-LOCATION ASSIGNMENTS

- L9.01** At any base where there are fifty (50) employees or less, the Company will be permitted to assign employees in one location to perform scope tasks/duties in another location when there is a requirement due to varying work loads. The foregoing shall be subject to the following provisions.
- L9.02** Except as modified hereinafter, the rights and working conditions of employees provided for in the Agreement shall not be altered, or abridged in any way.
- L9.03** The ability to make use of the provisions herein will be established by mutual agreement during the discussions provided for in Article 6.02.01. During these discussions the specific periods when staff levels are surplus to requirements in each work day will be identified and recorded and utilization of the provisions of this Letter of Understanding may be effected during those periods; however, additional periods, where there is a requirement of the service, will be over and above the foregoing. It is recognized by the parties to this Agreement that circumstances will arise from time to time where it is desirable to make use of the provisions of this Letter which are not described above and such circumstances will be in accordance with any agreement reached between the Company and the Union District Chair.
- L9.04** Application of these provisions will not cause a lay-off or termination of existing employees nor will they be used at a base where an employee is awaiting recall.
- L9.05** These provisions are not intended to be used in lieu of the provisions of Article 8 - Relief.
- L9.06** In the use of this Letter the Company will distribute such duties evenly among those employees who have indicated their desire to work in the other location. In the event there are insufficient volunteers, the duties will be distributed equitably among all employees in the location.
- L9.07** Training, where necessary, will be provided so that employees are able to perform the work, to avoid an added burden to other employees and to facilitate fair distribution as in L9.06 above. Where training should appear to be a major problem, resolution of same shall be mutually agreed at Union and Company Headquarters.
- L9.08** The use of this Letter will be reviewed at the Union-Management Headquarters level during the life of this Agreement.
- L9.09** This Letter shall apply only during the life of this Agreement and shall expire

upon its termination.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

LETTER OF UNDERSTANDING NO. 10 - REDUCED WORK WEEK

L10.01 Except as otherwise provided for hereinafter, all provisions of the Agreement shall apply to those employees who have selected the option of working a reduced work week.

L10.02 In some locations the Company may declare that its operations could permit a reduced work week. Such a reduced work week would consist of the following:

- a) a standard work week of thirty-five (35) hours and a standard work day of seven (7) consecutive hours, inclusive of meal and rest periods. Where it is not practical to relieve employees two (2) days in seven (7), the number of days off in a complete Sub-schedule shall not be less than two-sevenths (2/7) of the total number of days in the Sub-Schedule:

NOTE: Where the standard work day of seven (7) consecutive hours is not practicable, the employee may be scheduled for more than seven (7) consecutive hours but not in excess of eight (8) consecutive hours, inclusive of meal and rest periods. This provision is to achieve the equivalent of the thirty-five (35) hour reduced work week on a 6 days on, 3 days off rotation (average seven and one half (7½) hours per day) or on a 5 days on, 3 days off rotation (eight (8) hours per day).

- b) a thirty-two (32) hour work week (4 work days of 8 paid hours);
- c) a thirty-six (36) hour work week (4 work days of 9 paid hours).

NOTE: These shifts outlined in a), b) and c) will be extended by thirty (30) minutes to reflect the portion of the unpaid meal period.

L10.03 Employees will advise their immediate supervisor, in writing, with a copy to the Union District Chair if they wish to work a reduced work week. Prior to initiating discussions concerning development of a Work Schedule, the Company, if it determines a reduced work week to be feasible, will contact those employees who have recorded their wish to work a reduced work week and those presently working a reduced work week to establish that they still wish to exercise that option.

L10.04 In accordance with Article 6.02, a Sub-schedule may be developed for each function in a location where the Company has exercised its option to

introduce a reduced work week. Employees who have indicated their preference for a reduced work week in accordance with L10.03 will be assigned to the Sub-schedule within their function in order of seniority. Such Sub-Schedules shall be over and above those described in Article 6.02.04; however, only one (1) reduced work week Sub-schedule may be developed for each function.

- L10.05** Subject to L10.07, a person entering into a location, or an employee who is changing location, status or is being recalled from lay-off, returned to duty from furlough, or who is reporting back to duty following a maternity leave or child care leave, and who will be filling a vacancy in a reduced work week Sub-schedule will be given the option of working the reduced hours or having each shift extended by one (1) hour.
- L10.06** **Rates of Pay** - The basic weekly rate will be thirty-two (32), thirty-five (35), thirty-six (36) times the equivalent hourly rate provided for in Article 5.04, whichever is applicable. The monthly equivalent will be based on the basic weekly rate in the same manner as provided for in Article 5.04.
- L10.07** **Employee Election** - Employees who elect to work a reduced work week and who are subsequently assigned to such a Sub-schedule will remain on such a Sub-schedule for the duration of the Sub-Schedule, as provided for in Article 6, unless other arrangements acceptable to the Company can be made.
- L10.08** In the application of overtime, the first hour worked outside a scheduled shift in a reduced work week will be paid for at straight time. All time worked in excess of that first hour shall be recorded and computed in accordance with Article 7.03.
- L10.09** The application of this Letter of Understanding will be reviewed by the Company and the Union at the Headquarters level.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iola

LETTER OF UNDERSTANDING NO. 11 - MONITORING AND MEASUREMENT OF WORK PERFORMANCE

- L11.01** The Company and the Union recognize the stress that individual monitoring and measurement creates for employees if it is perceived as, or is being utilized in a manner inconsistent with the purposes as set out herein. It is not the intended purpose of monitoring or measurement to place unreasonable restrictions on employees or to discipline or discriminate against employees.
- L11.02** **Monitoring** - The primary purpose of monitoring is to support the processes of employee counselling, training and development
- L11.02.01** To ensure that any stressful effect on employees is reduced, each employee will be advised prior to the Company undertaking any monitoring in accordance with L11.02.
- L11.03** **Measurement** - The primary purpose of measurement is to provide the necessary information to determine the level of service to customers and to establish staff requirements.
- L11.04** In recognition of these concerns, and to ensure that monitoring and measurement continue to be utilized by the Company for the purposes intended, it is agreed that a Joint Review Board consisting of management and designated representatives of the Union, will meet at the headquarters level as often as required:
- L11.04.01** to review, on an ongoing basis, the utilization of monitoring and measurement equipment and processes currently being used or being considered for use in the future;
- L11.04.02** to investigate and review complaints; and
- L11.04.03** to report to the UMHQ level on a regular basis.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

LETTER OF UNDERSTANDING NO. 12 - VOLUNTARY STAFF REDUCTION PROGRAMS

- L12.01** At a base where there is a surplus of Full-Time employees and an underage of Part-Time employees, Full-Time employees may, at the discretion of the Company, elect to change status to Part-Time. Such an employee will continue to receive their Full-Time weekly rate of pay and benefits for a two (2) year period, after which they will terminate their employment or, if eligible, retire.
- L12.01.01** In the application of L12.01, the provisions of Article 12 will be followed. Employees will not be refused a change of status because they do not wish to avail themselves of the provisions of L12.01. However, an employee who is offered a change of status will be advised if the provisions of L12.01 are available.
- L12.02** At the discretion of the Company, and with the agreement of the Union, other methods of achieving a reduction in the number of Full-Time and/or Part-Time employees may be implemented by the Company.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

LETTER OF UNDERSTANDING NO. 13 - EXTENDED LEAVE OF ABSENCE - MATERNITY HEALTH CONCERNS RELATED TO POTENTIALLY HAZARDOUS WORKING CONDITIONS

- L13.01** A pregnant employee who furnishes to the Company a medical certificate attesting to her concerns that her working conditions may be physically dangerous to her unborn child, or to herself by reason of her pregnancy, may elect one of the following two (2) options:
- L13.01.01** To request: to be reassigned either within the location or within the base to another function or duties covered by the Collective Agreement under Article 4; or, alternatively, to be considered for a reassignment under L.O.U. 17.
- L13.01.02** To be placed, in accordance with the terms and conditions of Article 11.05.03, on an extension to a maternity leave of absence.
- L13.02** In response to a request under L13.01.01, the Company may alter working conditions to alleviate concerns, or in the event concerns remain, may reassign the employee, provided that no other employee is affected by the reassignment, or alteration. In the event the Company is unable to accommodate the employee under the provisions of L13.01.01, or in the event the employee does not accept, L13.01.02 shall still be available to the employee. If L13.01.02 is accepted under these circumstances, the employee may terminate the extension in the event the Company subsequently offers, and the employee accepts, a reassignment under the provisions of L13.01.01.
- L13.02.01** Where the employee furnishes the Company with a medical certificate attesting that the working conditions of her former function no longer pose a concern in accordance with L13.01, the employee may terminate an extension, or reassignment, and return to her former function.
- L13.02.02** Where an employee's transfer or change of status is actioned in accordance with Article 11.01.05.02 and where the employee furnishes the Company with a medical certificate attesting that the working conditions of her new location or status no longer pose a concern in accordance with L13.01, the employee may terminate an extension early.
- L13.02.03** The provisions of L13.02.01 and L13.02.02 may only be exercised once during an extension to a maternity leave of absence.
- L13.03** For the purpose of Article 11.05.06, the former "function" shall mean the employee's function prior to any reassignment resulting from the application of L13.01.01. All other terms of Article 11.05.06 shall apply.
- L13.04** In the application of L13.01.02, such extension shall be granted from the time

the request is made.

- L13.05** If an employee has requested a maternity leave of absence in accordance with Article 11.05.02, and then subsequently requests an extension to that leave in accordance with L13.01.02, the employee must then provide the Company with another medical certificate from her doctor.
- L13.06** Where any government form is available to the employee for the purpose of verification by her doctor, such forms may be used by the employee and, if used, shall be deemed to be the medical certificates referred to in Article 11.05 and L13.01.
- L13.07** Post-natal, extended maternity leave shall continue to be in accordance with Article 11.05.05.
- L13.08** Notwithstanding Articles 12.07.05.02 and 12.07.05.03, in the event an employee's Maternity leave of absence under Article 11.05.02 is extended under the provisions of L13.01, the 132-day period shall be increased to include that amount of time by which the Maternity leave of absence is extended.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iola

LETTER OF UNDERSTANDING NO. 14 - RECIPROCAL TRANSFERS AND CHANGES OF STATUS

L14.01 Twice each year, as soon as possible following February 1st and August 1st respectively, the Company and Union at the Headquarters Level will meet to determine where vacancies or staff requirements will be declared for the purpose of actioning reciprocal requests for transfer and change of status.

NOTE: For the life of the agreement, Reciprocal Transfers and Changes of Status, vacancies will be declared wherever there is a matching request between employees in like locations (e.g. Reservations to Reservations). The Union agrees that it will not entertain any Article 12 grievances from other employees affected by this item.

L14.02 Once declared, such vacancies or staff requirements will be filled in accordance with the provisions of Article 12, except as modified by the following:

L14.02.01 Selection will be made based on the seniority of the employees whose applications have been received at least forty-five (45) calendar days prior to February 1st and August 1st, as applicable.

L14.02.02 Offers will be considered conditional until such time as the reciprocating transfer(s) or change(s) of status have been accepted by the employee(s) involved.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Ioia

LETTER OF UNDERSTANDING NO. 15 -APPLICATION OF ARTICLE 12

- L15.01** Notwithstanding the provisions of Article 12, in order to provide the Company with language ability (excluding French/English) to bid on, successfully acquire or retain passenger handling contracts for other airlines, special charter programs and global expansion, the Company may, with the mutual agreement of the Union at the Headquarters level, not action a transfer unless the employee meets the necessary language capability and, if necessary, fill the vacancy with a new hire who has the language capability.
- L15.01.01** An employee, whose valid request for transfer or change of status has not been actioned on the basis of not meeting a language capability, will be offered the next vacancy at the requested base or location regardless of language capability.
- L15.02** In the event the Company wishes to reassign a person from outside the scope of this Agreement into a position covered by the scope of this Agreement and such reassignment would affect the seniority rights of an employee(s), except temporary employees, covered by this Agreement, the Company shall first obtain the agreement of the Union at the Headquarters level.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and ~~its~~ Local 2002

P. Nash

E. Di Iola

LETTER OF UNDERSTANDING NO. 16 - EXPANSION OF SCOPE TASKS/DUTIES

L16.01 This Letter of Understanding covering the expansion of scope tasks/duties has been agreed to by the Company and the Union.

L16.02 EXPANDED TASKS/DUTIES

L16.02.01 During the life of this Collective Agreement, the Company will maintain not less than fifty (50) positions on a non-exclusive basis.

L16.02.02 Separate work functions may be established in accordance with Article 6.02.01.01 comprised of employees performing these tasks/duties. In the application of Articles 6.03.01.01 and 6.03.01.02, vacancies will be filled by the most senior applicant who possesses the necessary qualifications.

L16.02.03 In those cases where a separate work function is not established, the Company shall make every reasonable effort to equitably distribute the performance of these tasks/duties amongst the employees in the location who volunteer to perform such tasks/duties and who possess the necessary qualifications.

L16.03 Exceptions to the application of the Collective Agreement which may be required due to the special nature of the task/duty to be performed shall be as determined by the Company and the Union at the Headquarters level.

L16.04 FUTURE EXPANSION OF SCOPE TASKS/DUTIES

L16.04.01 During the meetings provided for in Article 18.07.03, the Company and the Union shall explore the continued expansion and establishment of other tasks/duties.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Ioia

**LETTER OF UNDERSTANDING NO. 17 - TEMPORARY EXPANSION OF TASKS/
DUTIES**

- L17.01** In addition to the expansion of tasks/duties as described in Letter of Understanding No. 16, there will be a continuing need to expand tasks/duties for temporary periods. These temporary assignments, which may supplement those established under L.O.U. 16 or may be in areas other than those listed therein, will be made available in accordance with the following:
- L17.01.01** Where the assignment(s) would involve employees from one (1) base, such expansion will be subject to the agreement of the Union at the District Level.
- L17.01.02** Where the assignment(s) would involve employees from more than one (1) base, or where exception to the application of the Collective Agreement is requested, such expansion will be subject to the agreement of the Union at the Headquarters Level.
- L17.02** The performance of the tasks/duties provided for in the foregoing shall not be construed as being the exclusive right of employees.
- L17.03** A review of tasks/duties performed in accordance with this Letter shall be the subject of ongoing discussions by the Company and Union during the meetings provided for in Article 18.07.03.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

LETTER OF UNDERSTANDING NO. 18 - CESSATION, REDUCTION OR CHANGE OF OPERATIONS

- L18.01** In the event the Company ceases to operate, significantly reduces its operations, or significantly changes its way of doing business, at a base or in a location, it is recognized that the provisions of Article 10 governing staff reduction, layoff and recall may not fully or adequately deal with the impact on the employees affected. Therefore, it is agreed that when such changes are implemented by the Company, the following shall apply:
- L18.01.01** The Company shall provide as much notice to the Union as possible and sufficient to implement the provisions of this Letter of Understanding, and shall, without delay, meet the Union for the purpose of minimizing the effect on employees.
- L18.01.02** Where another company or other companies are expanding their operations, the Company will enter into discussions with those companies in order to assist those employees who so wish to gain employment with those companies.
- L18.02** Notwithstanding the provisions of L18.01.01 and L18.01.02, employees who are subject to staff reduction at a base shall have the option of:
- a) Terminating their employment with the Company in accordance with the provision of Article 10.13.
 - b) Relocating to another base in accordance with Article 10.11.04.
- L18.02.01** In a case where Air Canada ceases to operate a scheduled air service, employees electing to terminate employment with the Company will be entitled to a severance allowance of three (3) weeks' pay at their current rate of pay for each full calendar year of service, or parts thereof, up to a maximum of sixty-nine (69) weeks' pay.
- L18.02.02** Employees shall be offered the provisions of L18.02.01 in order of seniority only to the extent required to eliminate layoffs.
- L18.02.03 SEVERANCE ALLOWANCE OPTIONS**
- L18.02.03.01 Options for Pensionable Employees**
- a) Employees under age 55 at time of retirement may elect to receive "age make-up" at a rate of fifty percent (50%) of the months between their retirement age and 55 to a maximum of sixty (60) months. Eight (8) weeks of the allowance shall be converted for each year of "age

make-up" required for pension reduction purposes under age 55.

- b) Lump sum cash payment.
- c) Time on payroll at full salary.
- d) Time on payroll at half salary.
- e) Any combination of the above, except that options c) and d) in total may not exceed twenty-four (24) months or normal retirement age whichever is earlier.

L18.02.03.02 Options for Non-Pensionable Employees

- a) Lump sum cash payment.
- b) Time on payroll at full salary.
- c) Time on payroll at half salary.
- d) Any combination of the above, except that options b) and c) in total may not exceed twenty-four (24) months or normal retirement age whichever is earlier.

L18.02.03.03 Additional Provisions for Non-Pensionable Employees

- a) Continuation of Supplementary Health Insurance, Dental Plan, Group Life Insurance and Vision Care Plan for twelve (12) months beyond separation or re-employment with another company, whichever is the earlier.
- b) Two (2) Air Canada passes for the employee and eligible dependents for each year after separation for a period equal to the number of completed years of service at date of termination from the active payroll.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

For: CAW-Canada and its Local 2002

P. E. Cooley

P. Nash

M. Asselin

E. Di Iolia

LETTER OF UNDERSTANDING NO. 19 - AIRPORT RESTRICTED AREA ACCESS CLEARANCE PROGRAM

L19.01 It is recognized that legislation, and regulations thereto, may require employees to obtain restricted area access clearance to work at certain Airport locations and that it is in the mutual interest of the parties that, to the extent possible, affected employees are provided with opportunities for continued employment. Except as otherwise provided for hereinafter, all provisions of the agreement shall apply to those employees who fail to obtain restricted area access clearance.

L19.02 New Employees

L19.02.01 Employees hired into any Airport location on either a permanent or temporary basis who fail to obtain clearance shall be governed by the provisions of Article 9.

L19.03 Transfers, Changes of Status and Changes of Classification

L19.03.01 Transfers to Airport locations under the provisions of Articles 12.01, 12.02 or 12.07 shall be conditional on the employee undertaking to apply for clearance.

L19.03.02 An employee who has transferred or changed status or classification in their base under the provisions of Article 12 and who is refused clearance shall be returned to their previous location and, in the event of a change of status to their previous status at their previous location.

L19.03.03 An employee who has transferred or changed status under the provisions of Articles 12.01 or who has changed classification to another base under the provisions of Article 12.02 and who is refused clearance shall be governed by the provisions of L19.04.

L19.03.04 An employee who is returned under the provisions of L19.03.02 and, on appeal, is subsequently granted clearance shall be reinstated at the Airport location.

L19.04 Employees at Airport Locations

L19.04.01 An employee who is employed at an Airport location and who fails to obtain clearance shall be handled as follows:

L19.04.01.01 Employees shall be actioned in the order they fail to obtain clearance and where two or more employees fail on the same date, in order of seniority.

- L19.04.01.02** Where a vacancy exists in the affected employee's status at another location in the classification in the base, the employee will be transferred to fill that vacancy, even if that employee is not the senior valid applicant requesting transfer and regardless of whether the employee has requested a transfer or not.
- L19.04.01.03** Where a vacancy exists in the other status at another location in the classification in the base, the affected employee may agree to change status to fill that vacancy only if there are no other valid requests for that vacancy.
- L19.04.01.04** If the provisions of L19.04.01.02 and/or L19.04.01.03 cannot be effected and notwithstanding the provisions of Letter of Understanding No. 14, reciprocal transfers or, with the employee's concurrence, reciprocal changes of status will be actioned to provide for continuing employment in the base, even if the affected employee at the Airport location is not the senior valid applicant at that location requesting to transfer or to change status and regardless of whether that employee has requested a transfer or change of status or not.
- L19.04.01.05** During the period required to effect a transfer, a reciprocal transfer or change of status, where possible and subject to agreement by the Union, the employee and the Company, the affected employee will be assigned to tasks/duties in areas not requiring clearance. In the event there is no agreement or it is not possible to assign the employee to areas not requiring clearance, the employee will be placed on leave of absence without pay for the period required to effect a transfer, a reciprocal transfer or change of status.
- L19.04.01.06** In the event there is no ability to effect a transfer, a reciprocal transfer or change of status, the employee will be placed on furlough and the provisions of L19.05 will apply.
- L19.05 Furlough**
- L19.05.01** An employee placed on furlough in accordance with the terms of this Letter of Understanding shall be subject to the following:
- L19.05.01.01** The provisions of Article 10.13 shall not apply except as a result of a subsequent staff reduction at the base which would have made the option of Article 10.13 available if they had been working at the time the staff reduction occurs.

L19.05.01.02 An employee on furlough may select, in writing, recall to their base and three (3) other bases in either or both full-time or part-time status in their classification or in the other classification. In the event an employee selects recall at another base or other bases, their total selection shall not exceed six (6) positions in addition to those at their base.

L19.05.01.03 Recall to the base specified will be in accordance with the provisions of Article IO.12.

L19.05.01.04 An employee who is placed on furlough and, on appeal, is subsequently granted clearance shall be immediately reinstated at the Airport location.

L19.06 Temporary Vacancies

L19.06.01 Notwithstanding the provisions of Articles 12.07.01, 12.07.02 and 12.07.05.02, it is understood that the Company may, if required, fill a temporary staff requirement under the provisions of Article 12.07 where such requirement occurs due to the absence of an employee who is subject to the provision of L19.03.04, or who is on leave of absence in accordance with L19.04.01.05 or who is on furlough in accordance with L19.05.01.04.

L19.07 Recall from Layoff

L19.07.01 Notice of vacancy to an employee on layoff shall be conditional on the employee undertaking to apply for clearance, if the vacancy is at an Airport location.

L19.07.02 An employee who is recalled from layoff and fails to obtain clearance shall be placed on furlough in accordance with L19.05.

Dated at Toronto, Ontario this **24th** day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

LETTER OF UNDERSTANDING NO. 20 - COMPRESSED WORK WEEK

L20.01 The Company and the Union have agreed to the following, to give Customer Sales and Service Agents the ability to work a compressed work week:

<u>Schedule</u>	<u>Shift Duration</u>
a) 4 days on / 3 days off	= 10 hours and 30 minutes
b) 5 days on / 3 days off	= 9 hours and 35 minutes
c) 5 days on / 4 days off	= 10 hours and 45 minutes
d) 4 days on / 4 days off	= 11 hours and 55 minutes

Note 1: With respect to shift extension for meal periods, refer to point 16 of the May 23, 2004 Memorandum of Agreement found in Appendix "J" of the Collective Agreement.

Note 2: In Reservations Call Centres, employees in the "Pure General Reservations Telephone" will have access to shift pattern a) as a compressed work week. Employees in other Call Centre functions will have access to shift patterns a), b) and c) only as a compressed work week.

At airport locations a), b), c) and d) apply.

L20.02 The criteria to implement a compressed work week will be as follows:

- a) In the event a shift overlap is involved, a compressed work week can only be implemented where in the opinion of the Company productive use can be made of the shift overlap. The Company may change the shift overlap to any time which still meets operational requirements, subject to Article 6.02.
- b) Implementation of compressed work week work schedules or sub-schedules will require mutual agreement between the Company and the Union during the discussions provided for in Article 6.02.
- c) Approval at the Headquarters Level (UMHQ).

L20.03 The Company and the Union agree to the following changes to the Collective Agreement applicable only to employees working a compressed work week.

- a) Amend Article 6.01 to reflect the various standard working days as listed in L20.01 above.
- b) Employees assigned to a compressed work week sub-schedule will remain

on such a schedule for the duration of the schedule subject to Articles 6.02.05.07 and 6.03.

- c) Employees entering into a location where the vacancy is in a compressed work week will be assigned to that schedule.
- d) Articles 6.05.05 and 6.05.06 do not apply until more than eight (**8**) hours of overtime have been worked.
- e) Article 13 - Statutory Holidays

<u>Hours Worked</u>	<u>Scheduled to Work</u>	<u>Not Scheduled to Work</u>
0	Regular Pay	8 Hours Pay
8	Regular Pay + 1.5 X	8 Hours Pay + 1.5 X
Over 8-12	1.5 X	1.5 X
Over 12	Prohibited	Prohibited
Shift Duration (CWW)	Regular Pay + (8 Hours X 1.5)	

L20.04 One (1) meal period will be scheduled in each shift within one and one-half (1 1/2) hours on either side of the midpoint of each shift unless otherwise arranged according to the wishes of the majority of the employees involved.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Ionia

LETTER OF UNDERSTANDING NO. 21 - WORK SCHEDULES

When work schedules or sub-schedules are revised in accordance with the provisions of Article 6.02, the following guidelines will assist the Company and the Union to cooperate in the development of the work schedule at a location.

For information purposes and a better understanding of the Company's plan, the Company will provide the Union with the following at the first meeting:

1. Airports & DCC:

The staffing requirements in fifteen (15) minute increments. The Company will provide an optimal work schedule based on the following:

- a) Shift patterns of six days on, 3 days off (6x3) and 4 days on and 2 days off (4x2) with a nine (9) hour duration.
- b) The flight schedule for Airport locations together with any other relevant assumptions relied on by the Company in the development of the proposed schedule.
- c) A work schedule recap document which includes a breakdown of operations staff, relief staff, the total staff on hand and the Company's proposed shift schedule.
- d) If requested by either party, alternate shift schedules may include the provisions of LOU 10 and LOU 20. Where all operational requirements are met at no additional costs to the Company, the Company will not unreasonably withhold their agreement.

2. Reservations Call Centres:

The staffing requirements in fifteen (15) minute increments. The Company will provide an optimal work schedule based on the following:

- a) For the "Pure General Reservations" functions, shift patterns of 5x2 with 8 ½ hour duration. In addition, each individual call center can elect to implement only one of the following compressed work schedules (4x3 or 5x3 or 6x3 or 4x2). The elected compressed work schedule will be based on declared employees' preferences but, will not exceed 30% of the overall shifts of General Reservations.
- b) ~~On~~ an annual basis, employees working in the "Pure General Reservations" functions will declare their preferences on the compressed work schedule. The declared preference will form the basis for the development of the work

schedules

- c) In other Reservations Call Centre functions, the optimal work schedule will be based on a 5x2 eight and one-half (8.5) hour duration and the alternate presented by the Union in accordance with Appendix 1 will have access to all shifts in Letter of Understanding 20 with the exception of the 4x4, eleven hour and fifty-five minute duration.
3. The Union will be provided with a reasonable period of time to review, develop and propose an alternate shift schedule consistent with the following guidelines:
 - a) The Company's operational requirements in thirty (30) minute increments must be met utilizing the staff levels identified by the Company (i.e., if there are one hundred (100) operational shifts plus ten (10) relief shifts, the alternate must contained the same).
 - b) Any alternate shift proposal cannot exceed the Full-time/Part-time staff levels utilized in the Company's proposal. However, the Union may design their shifts with different Full-time/Part-time utilization, consistent with Point 1.
 - c) Cross utilization of staff between functions at the location will be consistent with what is normally applied at the location and such that it cannot create an unmanageable workplace situation.
 4. The parties will fully discuss all aspects of the proposed work schedule and alternate to ensure that the operational requirements of the Company are met, the interests of the employees are understood, with a view to jointly finding a satisfactory resolution.
 5. The parties further recognize a continuing obligation to work out the most acceptable arrangement to cover the work requirements. Any dispute will first be referred to the Union and the Company at the Headquarters level for resolution. If the issue remains unresolved, the Company's position will be considered to be its decision at Step 2 of the grievance procedure and the Union may immediately refer the matter to binding arbitration.

Dated this 24th day of May 2004

For Air Canada:

P. Cooley

For CAW and its Local 2002

Sari Sairanen

LETTER OF UNDERSTANDING NO. 22 - LEAD AGENTS

- L22.01** Except as otherwise provided for hereinafter, all provisions of the Collective Agreement shall apply to Customer Sales and Service Agents performing the Lead agent function.
- L22.02** Employees selected into the Lead agent function will bid and select vacation and Shifts Schedules in accordance with articles 6.02.04 and 14.03 and those bids shall be conducted, in seniority order, at each location separately from the other functions within the classification.
- L22.02.01** The Company will provide training material to employees in order to permit them to study and write an exam for a location in which the employees have never worked.
- L22.03** Lead and Relief Lead Agents must have a satisfactory record of employment including attendance, possess the qualifications of a Customer Sales and Service Agent, pass an appropriate qualifying examination and a structured interview for the appropriate work function. A formal selection process in support of the provisions contained herein will be as follows:
- L22.03.01** Employees must have passed the appropriate qualifying examination prior to the closing date of the Vacancy Notice which will be posted for a minimum of fourteen (14) days. Successful completion of this appropriate qualifying exam will be valid for a period of four (4) years at which time the employee must re-qualify in accordance with the foregoing.
- L22.03.02** In the event an employee fails to achieve the 80% passing mark on the appropriate qualifying examination, one (1) rewrite within sixty (60) days of the effective date of the initial results will be permitted. If unsuccessful, the employee will be ineligible to attempt to qualify again for a period of one (1) year.
- L22.03.03** Each eligible candidate will be given a structured interview conducted by People Services and one (1) Branch Manager and one (1) Union Representative. The candidate must achieve a 70% score assessed by the panel through a structured, established, point system. In the event the candidate fails to achieve the passing score, the following options are available to the candidate:
- (1) The candidate may be re-interviewed following six (6) calendar months from his/her interview.

OR

(2) On a one time basis only, the candidate may request a second interview within sixty (60) calendar days from the first interview. Should the candidate fail this second interview, a one year waiting period will be required prior to any further structured interview for the same work function.

Passing interview scores for interviews will be valid for a period of two (2) years from the effective date of the results of the interview.

L22.03.04 Qualifying examinations and the structured interview guide will be jointly developed and agreed to by the Company and Union.

L22.03.05 Candidates who successfully complete the appropriate Qualifying Examination and Structured Interview will be deemed as having equal ability, and accordingly the employee(s) possessing the greater seniority shall be awarded the position(s).

L22.03.06 The Company will fill the appropriate Lead work function vacancies within a location with qualified Agents within the same status. Should the Company be unable to fill a vacancy for the Lead Agent work function with a qualified agent within the same status and location, the Company may action the transfer list according to article 12 subject to the employee having indicated on their transfer request their desire to occupy the appropriate Lead Agent work function. Their ability to transfer under article 12 requires the employee to possess the required qualifications.

L22.04 An employee who enters the Lead Agent Function must serve at least twenty-four (24) months before leaving the Lead Agent Function.

L22.05 In accordance with Article 6.03, requests to transfer out of a Lead agent work function to other vacancies within the location will only be actioned in accordance with Article 6.03.01.01.

In order for an employee to transfer out of a Lead agent function due to a shift bid, the employee must provide the Company with thirty (30) days notice.

In the event of a staff reduction within the work function, such a reduction will be affected in accordance with the provisions of Article 6.03.02 after any requests for transfer out of the Lead agent work function have been actioned.

L22.06 Notwithstanding articles L22.04 and L22.05, the Company and the Union can by mutual agreement at the Headquarters level arrange reciprocals between qualified employees assigned to the "Lead Agent Function" and

- those assigned to a "Customer Sales and Service Agent Function".
- L22.07** The application of Article 6.06 will be amongst employees qualified to work the Lead work function for any shifts identified as Leads.
- L22.08** It is agreed that the parties will review any work performance issues of a Lead agent and this may result in removal from the position.
- L22.09** Any difficulties arising in the implementation of this Letter of Understanding will be discussed by the Company and the Union at the Headquarters level.

Dated this 01st day of June 2003 at Toronto, Ontario

For Air Canada:
P. Cooley

For CAW – Canada Local 2002
A. Davidson

LETTER OF UNDERSTANDING NO. 23 - ROUTE NETWORK EXPANSION

In order to provide the Company with the ability to expand into new markets and/or to strengthen its Route Network into bases where employees covered by this Collective Agreement are not employed, the application of L7.04 will be as follows:

- L23.01** Where the Company commences a route into a base where it does not operate, the Company will be exempt from the provisions of Article 2.03, note 4. However, following a period of continuous operation in excess of two (2) years, the Company will meet with the Union at the Headquarters level for the purpose of determining the economic feasibility of staffing such bases in accordance with Article 2.03, note 4.
- L23.02** Notwithstanding, the provisions of L23.01, where the route expansion is of a seasonal or temporary nature only, the Company will be exempt from the provisions of Article 2.03, note 4. Such route expansion will only be implemented following the discussions provided for in L7.04.
- L23.03** Where the Company utilizes the provisions of this Letter of Understanding, it will be exempt from the provisions of the Memorandum of Understanding No. 3 - Job Security - Alliances/ Connector Carriers.
- L23.04** This Letter of Understanding does not apply to any base with an airport location where employees covered by the Collective Agreement were employed as of April 1, 1999.
- L23.05** The Company agrees that a staff reduction will not take place as a result of the utilization of the exemptions provided for in this Letter of Understanding.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

LETTER OF UNDERSTANDING NO. 24 - CONCIERGE FUNCTION

The Company and the Union have agreed to the creation of the Concierge function at Airport locations.

The objective of this new function is to provide premium customers with personalized service that compliments the service these customers receive throughout their entire travel experience.

Separate functional requirements, including the development of shift schedules and sub-schedules for each location will be developed in accordance with Article 6.02 and may include full-time and/or part-time employees.

Except as otherwise provided for hereinafter, all provisions of the Collective Agreement shall apply to Customer Sales & Service Agents performing the Concierge function:

1. Vacancy notices will be posted in each location outlining the staff requirements and soliciting applications for positions in the Concierge function. Notwithstanding the provisions of Articles 6.03.01.01 and 6.03.01.02, the Company will have the right to select from applicants for all such vacancies. At the request of the local District Chairperson, the local District Chairperson or a designate may form part of the selection panel to provide input to the process.
2. Selected Customer Sales and Service Agents will bid work schedules and sub-schedules within the Concierge function in accordance with Article 6.03. Requests for transfer out of the Concierge function to other vacancies within the location will only be actioned in accordance with Article 6.03.01.01 when such vacancies result from a change to work schedules provided for in Article 6.02.01. In the event of a staff reduction within the function, such a reduction will be affected in accordance with the provisions of Article 6.03.02 after any requests for transfer out of the Concierge function have been actioned.
3. The application of Article 6.06 will be amongst employees qualified to work the Concierge function for any shifts identified as Concierge.
4. The uniform for Customer Sales & Service Agents selected in the Concierge function will be distinct, the first of which will be provided by the Company at no cost to the employee. Subsequent uniform components will be provided in accordance with Article 19.02.02.

Dated at Toronto, Ontario this 28th day of September 2000.

For: Air Canada

P. E. Cooley

For: CAW-Canada and ~~is~~ Local 2002

A. Davidson

LETTER OF UNDERSTANDING NO. 25 - AEROPLAN WORKFORCE STABILITY

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LETTER OF UNDERSTANDING NO. 26 - COST CUTTING MEASURES – SMALLER BASES

During negotiations under the CCAA process with Justice Winkler, the parties have recognized a need to change the way of doing business and reduce costs in the long term while protecting the interests of the employees that may be affected by the change in the following bases:

Thunder Bay, Quebec, Moncton, St. John's, Charlottetown, Saint John Airport, and Whitehorse

- a) Effective January 1, 2005 Air Canada employees will follow the terms and conditions of the Jazz collective agreement with the exception of wages, benefits, pension and part time scheduling of a minimum 20 hours per week as per the Air Canada collective agreement
- b) Effective January 1, 2005 all vacancies will be divided equally on a 50/50 ratio between Air Canada and Air Canada Jazz employees and filled by the process outlined in their respective collective agreements. The first vacancy will be filled by Air Canada and all future vacancies will then be alternately filled between Jazz and Air Canada on an equal ratio. Air Canada vacancies that cannot be filled in accordance with Article 12 of the Air Canada/CAW Collective Agreement may then be filled under the provisions of the Jazz/CAW Collective Agreement, or in the absence of candidates, as new hire Jazz employees.
- c) The right to displace/bump into these bases will be available to current and active AC employees to fill AC positions and current and active Jazz employees will have the right to displace/bump into these bases to fill Jazz positions. Newly hired Air Canada employees will not have bumping, recall, transfer or change of status/classification rights under Article 10 or 12 into these bases.
- d) The guidelines established in the June 2003 Memorandum of Understanding regarding Regina/Saskatoon Agreement will be used as the basis for discussion for all employees. However, the job security provisions outlined in the Memorandum will not be applicable in other bases.

On the long term, newly hired employees will not have displacement and transfer rights into these bases.

Affected Air Canada employees will continue to be eligible for the provisions of LOU 18 in the event Air Canada ceases to operate scheduled air service and closes the Base. The severance allowance options for payment in L18.02.03 will be amended for the employees covered by this Memorandum only to conform to the provisions of the VSP agreed to herein.

The Union and Company are committed to working together to resolve issues that may arise with the challenges of managing these changes.

Dated in Toronto, Ontario this 23rd day of May 2004.

For Air Canada:

For CAW and its Local 2002:

S. Smith

G. Fane

LETTER OF UNDERSTANDING NO. 27 – Educational Training Program

Per Paragraph 14 of the June 1, 2003 Memorandum of Understanding negotiated by the parties, the Company and the Union have agreed to offer an Educational/Retraining Program (the "Program") to Customer Sales and Service Agents who are interested in pursuing educational or retraining opportunities while employed at Air Canada. This program will allow Full-Time employees to change status to Part-time for a maximum continuous period of forty-eight (48) months while engaged in studies or retraining from a recognized educational institution to develop knowledge required in their present position or other positions within or outside the Company.

Accordingly, the parties agree to the following:

1. Full-Time employees who can attest that they have engaged in job-related or developmental courses at recognized educational institutions, colleges, universities are eligible to participate in this program.
2. Eligible Full-Time employees will change status to Part-time while covered by the terms and conditions of this Program. Once they have changed status to part-time, employees will be covered by the working conditions and benefits applicable to part-time employees.
3. This Memorandum shall become effective September 1, 2003 or with the beginning of the school year. Changes of status will be effective in September or in January of each year. Exception to these dates may be discussed between the parties. Employees will be permitted to change status for a minimum continuous period of six (6) months up to a maximum continuous period of forty-eight (48) months.
4. While working as part-time employees, employees covered by this Memorandum will be awarded a work schedule that meets the Company's operational requirements and does not interfere with their schooling or retraining. The work schedules awarded to employees will consist mostly of afternoon and week-end shifts up to twenty-four (24) hours a week, consistent with the part-time hours in the employees' location.
5. At the end of the selected period, employees will revert to Full-Time status and their working conditions and benefits will be those of a Full-Time employee unless an employee has accepted, while on this program, a part-time vacancy under the provisions of Article 12. Employees will not be eligible for the Educational/Retraining Program unless a minimum period of twenty-four (24) months has elapsed since the last change of status governed by this Memorandum. Exceptional circumstances to the eligibility may be discussed between the Company and the Union.
6. Participants may request to work Full-Time hours on a temporary basis during the summer months. Such requests will be accommodated subject to operational

requirements. Overtime/recall for employees working Full-Time hours on a temporary basis will be governed by the provisions of Articles 7.03 and 7.04 as if they were Full-Time employees.

7. Employees wishing to cancel their participation under this Memorandum must provide the Company with thirty (30) days notice prior to their intended date to revert back to full-time status.
8. The number of participants will be subject to the Company's operational requirements. Where the number of requests would be detrimental to the Company's staffing requirements, the parties will discuss alternative solutions to enable the granting of the requests including the application of Article 12 (including Article 12.07 – Temporary Vacancies) of the Collective Agreement.

Employees who wish to apply for this Program are to forward their application in writing to their local Resource Manager with a copy to the local CAW Chairperson. Such application must be received no later than twenty-one (21) days prior to the effective date of the change of status.

Signed this 22nd day of August 2003.

Air Canada:

M. Asselin
Manager, Labour Relations

CAW Canada:

C. Johnston
Bargaining Committee

LETTER OF UNDERSTANDING NO. 28 - Paid Education leave fund

The Company agrees to provide the Union with an annual amount of \$40,000 for the Paid Education leave fund.

Dated at Toronto, Ontario this 8th day of June 2009.

FOR: AIR CANADA

FOR: CAW – CANADA AND ITS
LOCAL 2002

COMPANY NEGOTIATING
COMMITTEE

UNION BARGAINING COMMITTEE

H. Clarke

M. Rondeau

N. Attardo

C. Chaplin

C. Gregory

P. Janssen

G. Cabral

S. Rothlin

E. Cere

S. Mcmanus

C. Scott

C. Levore

S. Morey

L. Dias

V. Goumakos

R. DiPasquale

D. Draeger

LETTER OF UNDERSTANDING NO. 29 – VACATION GUIDE CHARTS

CHART 1 – TIMECONVERSION OF PAID VACATION HOURS INTO EQUIVALENT PAID VACATION DAYS FOR ROTATIONAL SHIFTS (4x4, 5x3, 6x3, 4x2, 5x4)

All figures below must be rounded up to the nearest whole number of vacation days. The difference between the figures below and the round up whole number will be unpaid time.

Paid Hours	Shift Type	5x2	6x3	4x3	5x3	4x4	5x4
	Paid Shift Length	8	8.5	10	9.1	11.4	10.3
	Vacation weeks	Number of Paid Vacation Days					
80	2 weeks	10	9.4	8	8.8	7.0	7.8
120	3 weeks	15	14.1	12	13.2	10.5	11.7
160	4 weeks	20	18.8	16	17.6	14.0	15.6
200	5 weeks	25	23.5	20	22.0	17.5	19.5
240	6 weeks	30	28.2	24	26.4	21.0	23.4
280	7 weeks	35	32.9	28	30.8	24.5	27.3

CHART 2 – TIMEOFF ACCORDING TO VARIOUS ROTATIONAL SHIFT SCHEDULES (4x4, 5x3, 6x3, 4x2, 5x4)

The vacation for your scheduled working days below represents weekly increments of time **off** (with or without pay)

4/4 (COMPRESSED WORK WEEK) VACATION CHART

	FIVE WEEKS																												SIX WEEKS													
	THREE WEEKS																FOUR WEEKS																									
	ONE WEEK				TWO WEEKS																																					
CALENDAR DAYS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
WORKING DAYS	1	2	3	4	X	X	X	X	5	6	7	8	X	X	X	X	9	10	11	12	X	X	X	X	13	14	15	16	X	X	X	X	17	18	19	20	X	X	X	X	21	22

ENTITLEMENTS IN WORKING DAYS FOR VACATIONS AND/OR VPP SPLITS

- | | | |
|---------------------------------|------------------------------------|-----------------------------------|
| One week split – 4 working days | Three week split – 12 working days | Five week split – 19 working days |
| Two week split – 8 working days | Four week split – 16 working days | Six week split – 22 working days |

5/3 (COMPRESSED WORK WEEK) VACATION CHART

	FIVE WEEKS																												SIX WEEKS													
	FOUR WEEKS																																									
	ONE WEEK							TWO WEEKS							THREE WEEKS																											
CALENDAR DAYS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
WORKING DAYS	1	2	3	4	X	X	X	6	7	8	9	10	X	X	X	11	12	13	14	15	X	X	X	16	17	18	19	20	X	X	X	21	22	23	24	25	X	X	X	26	27	

ENTITLEMENTS IN WORKING DAYS FOR VACATIONS AND/OR VPP SPLITS

One week split – 5 working days

Three week split – 15 working days

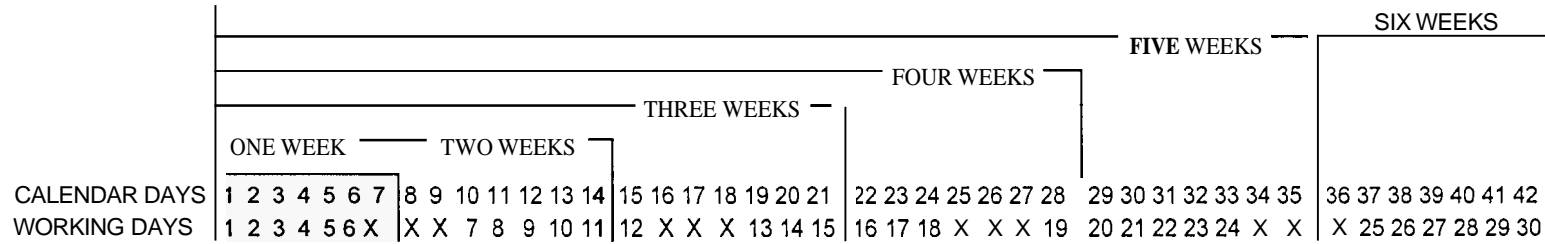
Five week split – 23 working days

Two week split – 10 working days

Four week split – 19 working days

Six week split – 27 working days

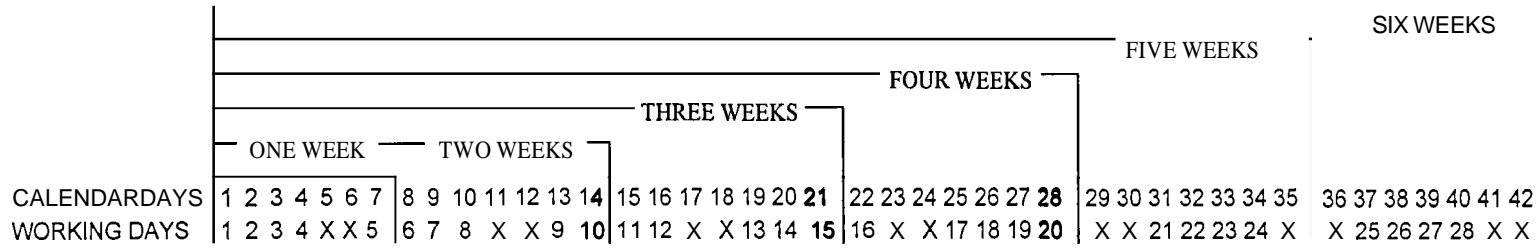
6/3 VACATION ENTITLEMENT – CYCLE COMMENCING AFTER AN RDO



ENTITLEMENTS IN WORKING DAYS FOR VACATIONS AND/OR VPP SPLITS

- One week split – 6 working days
- Two week split – 11 working days
- Three week split – 15 working days
- Four week split – 19 working days
- Five week split – 24 working days
- Six week split – 30 working days

4/2 VACATION ENTITLEMENT – CYCLE COMMENCING AFTER AN RDO



ENTITLEMENTS IN WORKING DAYS FOR VACATIONS AND/OR VPP SPLITS

One week split – 5 working days

Three week split – 15 working days

Five week split – 24 working days

Two week split – 10 working days

Four week split – 20 working days

Six week split – 28 working days

5/4 (COMPRESSED WORK WEEK) VACATION CHART

	FIVE WEEKS																												SIX WEEKS													
	FOUR WEEKS																																									
	THREE WEEKS																																									
	ONE WEEK					TWO WEEKS																																				
CALENDAR DAYS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
WORKING DAYS	1	2	3	4	5	X	X	X	X	6	7	8	9	10	X	X	X	X	11	12	13	14	15	X	X	X	X	16	17	18	19	20	X	X	X	X	21	22	23	24	25	X

ENTITLEMENTS IN WORKING DAYS FOR VACATIONS AND/OR VPP SPLITS

- One week split – 5 working days
- Two week split – 10 working days
- Three week split – 13 working days
- Four week split – 16 working days
- Five week split – 20 working days
- Six week split – 25 working days

LETTER OF UNDERSTANDING NO. 30 - Monthly review & Expedited Grievance Process

General dispositions

- L30.01** The parties agree that, unless modified hereinafter, the regular provisions of articles 15, 16 and 17 of the current Collective will continue to apply.
- L30.02** The parties agree to jointly select a Chief Arbitrator. The mandate of the Chief Arbitrator shall be for the duration of the current Collective Agreement.

Expedited Grievance Process

- L30.03** Notwithstanding articles 15 and 16 and with respect to grievances which will be pursued under the expedited process, the parties agree to complete the grievance procedure set out in articles 15 and 16 within a 30 day period.

The Union will file its grievances in the following manner:

Level 1 grievances: individual grievances shall be sent to the Location/Base manager, or his/her designated representative.

Level 2 grievances: policy grievances and headquarter grievances shall be sent to the Director, Labour Relations, or his/her designate representative.

The party who files the grievance agrees to provide the Chief Arbitrator with a copy of the grievance.

- L30.04** Notwithstanding articles 15 and 16 and with respect to grievances which will be pursued under the expedited process, all grievances will be heard at only one level in the grievance procedure above.

Monthly review process

- L30.05** On a monthly basis, the parties will establish a list (monthly review list) of outstanding grievances that have gone through the expedited grievance process stipulated in article L30.03 & L30.04. This monthly review list will contain the following categories of grievances:
- a. Grievances to be heard in the next monthly review;
 - b. Grievances already resolved;
 - c. Following a previous monthly review, grievances returned to the parties for further discussion;
 - d. Grievances referred to another arbitrator.
- L30.06** The parties will exchange the above mentioned list and provide it to the Chief Arbitrator at least three (3) weeks prior to the next scheduled monthly review.
- L30.07** The parties will exchange briefs at least five (5) calendar days prior to the monthly review and provide the Chief Arbitrator with a copy of the brief.
- L30.08** The Chief Arbitrator will hold a monthly review to hear the grievances on the monthly review list.
- L30.09** The Chief Arbitrator will provide reasons for his decision in relation to each grievance heard during the monthly review.

Expedited arbitration process

- L30.10** During the course of the monthly review, either party can request, at any time prior to a decision being rendered, that the matter be referred to an expedited arbitration process or referred to a single arbitrator pursuant to article 17 of the Collective Agreement.
- L30.11** The expedited arbitration process will be conducted in a manner consistent with a conventional arbitration process (i.e. opening statements, examination in chief, cross examination, reply and closing statements). However, examinations in chief may be replaced by witness statements. A copy of the witness statements will be provided to the arbitrator and exchanged between the parties five (5) days prior to the hearing. Cross examination and reply will proceed as usual.

- L30.12** Five (5) days prior to the hearing, the parties will exchange briefs and provide the Arbitrator with a brief which will concisely set out the facts and submissions in support of parties' position.
- L30.13** The Arbitrator will provide brief reasons for his decisions.
- L30.14** The parties will share equally the costs of pre-hearings, mediations and arbitrations. If the arbitrator hears more than one case in a day involving different unions, costs will be appropriated between the Unions.

Dated at Toronto, Ontario this 8th day of June 2009.

FOR: AIR CANADA

FOR: CAW – CANADA AND ITS
LOCAL 2002

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D. Draeger

LETTER OF UNDERSTANDING NO. 31: Partial Shift Trades - Airports

The parties agree that partial shift trades will be implemented system-wide by March 31, 2010 but no later than June 30, 2010, by which time the company expects to have implemented a system that is capable of automating the administration of partial shift trades.

PARTIAL SHIFT TRADES – Airport Locations

Partial shift trades will be introduced in Airport Locations in accordance with Article 6.06, subject to the following:

- L31.01** Partial shift trades will be introduced in Airport Locations provided that no shift is split into more than two (2) parts. No more than two (2) employees may cover a single shift.
- L31.02** It will be the sole responsibility of the employees to ensure that the introduction of partial shift trades has absolutely no adverse operational and customer service impact.
- L31.03** Under no circumstances shall an employee be allowed to leave his/her assigned duties or work area until their task is completed. His/her “shift trade partner” must be present and ready to take over their next assignment. This transition needs to be seamless to the customer.
- L31.04** There will not be additional meal or rest periods assigned to a shift subject to a partial shift trade. Meal and rest periods will be taken as scheduled.
- L31.05** A minimum of one (1) hour must be worked by one of the employees involved with a partial shift trade.
- L31.06** Any violation of the terms set out herein will result in the immediate suspension of the “partial shift trade privileges” for the employee. Such a measure will be deemed to be of an administrative nature and will not be grievable under any circumstances except as provided below.
- L31.07** Notwithstanding the above, the Union may file a grievance only to allege that the violation for which the partial shift trade privileges were revoked did not occur. The Union will bear the onus of the burden of proof in such circumstances.
- L31.08** Rules governing such other matters as deadlines for, and approval of, partial shift trade requests will be adopted locally.

L31.09 The parties commit to meet on a regular basis with a view to a successful implementation and ongoing administration of the program. The parties will address such matters as: facilities managerial administration and time of year,

Dated at Toronto, Ontario this 8th day of June 2009.

FOR: AIR CANADA

FOR: CAW – CANADA AND ITS
LOCAL 2002

COMPANY NEGOTIATING
COMMITTEE

UNION BARGAINING COMMITTEE

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R. DiPasquale

D. Draeger

MEMORANDUMS OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING NO. 1 - AIR CANADA PENSION PLAN, FOR EMPLOYEES PREVIOUSLY REPRESENTED BY CAW LOCAL 2213

1. The Company will, upon request, provide full information on actuarial evaluations, costs and funding for CAW-Canada participants, in the existing Pension Plan. It is recognized that such information is normally only available to the Company tri-annually and that the Company will not be required to undertake any special actuarial evaluation in order to provide such information. In addition the Company will advise the Union of any changes to the existing Pension Plan as they pertain to CAW-Canada participants.

A Joint Committee with equal representation from both the Company and the Union will be established to evaluate the above data as well as any proposed amendments or improvements, including actuarial evaluations showing long term costs specifically for CAW-Canada participants. The Joint Committee will meet on a continuing basis at least annually during the life of this Agreement and its work will be conducted confidentially.

In addition, during the life of this Agreement, the Joint Committee will review and investigate improvements and/or changes to the pension plan, cost issues related to such improvements and/or changes, with a view to recommending to the parties, the basis of a long-term agreement that would address the pension issues and the continued viability of the Pension Plan.

2. Air Canada agrees to pay the cost of such studies in addition to the cost and expenses of any advisors consulted by the Joint Committee, or of any CAW-Canada members with respect to the conduct of any and all duties and/or for the Committee; time spent by CAW-Canada members of this Committee shall be absorbed by the Company.
3. Air Canada will provide a simplified booklet briefly describing the existing Pension Plan in easily understood terms with examples. CAW-Canada participants in the existing Air Canada Pension Plan shall be entitled to receive annually a statement reflecting:
 - a) Required contributions paid (latest year and total);
 - b) Accumulated required employee contributions with interest;
 - c) Same as a, and b, but for voluntary employee contributions, if any.

4. Air Canada will continue to complete its data files so as to put itself in a position to provide on the annual statement of benefits the following additional information:
 - 1) Monthly pension earned (latest year and total);
 - 2) Minimum monthly pension at a specified age;
 - 3) Estimated monthly pension at normal retirement.
5. CAW-Canada participants shall receive the benefit of any amendments or improvements effected in the provisions of the current Pension Plan during the life of the Collective Agreement provided that such benefit, in the opinion of the Joint Committee, is in the best interest of the CAW-Canada participants.
6. Air Canada undertakes that benefits with respect to service from January 1, 1966 to September 30, 1973 will be calculated on a basis to provide not less than \$18.00 of monthly benefit per year of service during such period, this minimum benefit applying in all circumstances with respect to such period for all participants (and those deriving an interest or an entitlement from such participants) and is subject only to qualification or adjustment within the regular provisions of the plan in the event of early retirement with actuarial reduction, or on termination where any cash-out option applicable to this period is elected.
7. These minimum monthly benefits are absolutely guaranteed by Air Canada who undertake to provide separate and proper funding with respect to them and to fully account to CAW-Canada with respect to such benefits their costs and funding annually throughout the period of the Collective Agreement.
8. The Company agrees that changes to the Pension Plan which affect CAW Canada participants will not be made except as agreed by the Union.
9. The provisions of this Memorandum shall be subject to the provisions of Articles 15 and 17.
10. The Pension Plan rules will be amended so that effective May 1, 1999 an employee covered by this Agreement may retire with an unreduced early pension provided they are at least 55 years of age, and so that for any employee retiring below age 55 on or after May 1, 1999 the denominator described in clause 2 of rule 30 of the Plan shall be "a figure representing the number of months of allowable service plus the number of months by which the participating employee is below age 55."

11. Pension Plan rules will provide for income protection for eligible retirees for the period ending December 31, 2002 based on the following formula:
- (A) The annual change in the Consumer Price Index will be calculated to a maximum of eight (8) percent.
 - (B) The income protection will be based on a percentage adjustment of fifty (50) percent of the calculation in (A) above.
 - (C) The application of (A) and (B) above will take place in each of the three (3) years and occur on the following dates:
 - January 1, 2000
 - January 1, 2001
 - January 1, 2002
 - January 1, 2003
 - January 1, 2004

To be eligible for this benefit, a retiree must have achieved the age of sixty (60) on the adjustment date. Furthermore, eligible employees who retire within twelve (12) months of the adjustment date will have the adjustment pro-rated in that year.

Notwithstanding the agreement to make the foregoing Pension Plan rules change for a period commencing January 1, 2000 and continuing for three (3) years, this in no way prevents the Union from re-negotiating this pension agreement at the termination of this Collective Agreement.

12. The Company agrees to amend the rules of the Air Canada Pension Plan-Canada to reduce from 48 to 36 the number of months used to determine a CAW employee's average annual compensation. This change only affects the benefits of those members who die or retire after January 1, 1994.
13. Effective January 1, 2001, the rules of the Air Canada Pension Plan will be amended to change the formula for eligible employees covered by this Collective Agreement from 1.75%/ 2.0% to 1.90%/2.0% in respect of allowable service after January 1, 1966. In respect of service between January 1, 1966 and December 31, 1995, the formula will remain at 1.75%/2%. All sections of the Plan text wherever reference is made to 1.75% will be amended by replacing the 1.75% with 1.90% in respect of service after January 1, 1996. These are sections 6.1 dealing with normal retirement pension, section 6.3 dealing with disability retirement pension and section 7.1 dealing with the higher pension to age 65 option. In section 7.1a), the reference to 1/4% should also be replaced by 0.10% in respect of seniority since January 1, 1996.

14. Employee contributions under section 4.1 of the rules of the Air Canada Pension Plan will be increased from 5.25% to 5.70% on pensionable earnings up to the employee's Yearly Maximum Pensionable Earnings and 6% on the part of the employee's compensation in excess thereof effective January 1, 2001. This contribution rate will be used as a basis for the recognition of any period of allowable service in respect of service after January 1, 1996 subsequently applied for by the employee on or after January 1, 2001.

In respect of allowable service prior to January 1, 2001 for which the pension formula is increased from 1.75%/2 to 1.90%/2, the member shall be required to pay a past service contribution. This contribution shall be calculated as the product of a), b) and c) below:

- a) The 2000 annualized pensionable earnings up to \$37,600
- b) The allowable service expressed in years and twelfths thereof prior to January 1, 2001 for which the pension rate is increased from 1.75%/2% to 1.90%/2%, and,
- c) 0.45%

Members will be required to contribute a minimum of 2% pensionable earnings to repay any past service contribution and any outstanding balance will be charged interest at the prevailing interest rate applicable on outstanding contribution deficiencies.

At death, termination or retirement, pension benefits will be reduced actuarially to reflect any outstanding contribution deficiencies.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

MEMORANDUM OF UNDERSTANDING NO. 2 - RETIREMENT PHASE-IN WITH PART-TIME EMPLOYMENT

It is agreed and understood that the provisions of the Collective Agreement shall apply to those employees who elect to participate in this retirement phase-in program, except as modified by the following:

1. Employees who are eligible to retire with pension in accordance with Section 5.2 of the Air Canada Pension Plan and who wish to participate in the program will request a change of status under the provisions of Article 12, and shall notify the Company of their intent to retire with pension at the same time.
2. Requests shall be actioned, subject to vacancies being available, in accordance with Article 12.
3. An employee accepting the change of status when it is made available and this having been confirmed per Article 12.04.02, shall retire with pension in accordance with Section 5.2 of the Pension Plan when the change of status is effected.
4. Employees shall continue in part-time employment and in receipt of pension benefits until such time as they reach normal retirement age as defined in the Pension Plan, or until they terminate their service with the Company, whichever is the earlier.
5. Notwithstanding anything to the contrary in the Air Canada Pension Plan Rules and Regulations, on receipt of pension benefits, employees shall cease to be active members of the Plan and shall cease to contribute to the Plan or accrue additional allowable service under the Plan. Pension benefits shall be those provided by the Plan at the time the employee retires from full-time status.
6. Employees participating in the Program shall not have the right to change status to full-time under any circumstances, whether that be through the provisions of Article 10, Article 12, or any other provision of the Collective Agreement. To effect this, the following provisions are modified:
 - (a) Article 10.10.01.01 - Employees shall not have the right to bump a junior employee in the other status (full-time).
 - (b) Article 10.11.01.01 - Employees shall not have the right to bump a junior employee in the other status (full-time).
 - (c) Article 10.12.01 - Employees may not select recall in the other status (full-time).

- (d) Article 12 (change of status to full-time) - not available.
- (e) Article 12.07 - Employees will not be offered positions in the other status (full-time).
- (9) Letter of Understanding No. 8 - Employees may not work temporarily in the other status (full-time).
- (g) L19.04.01.03 and L19.04.01.04 - Employees have no ability to change status (to full-time).
- (h) L19.05.01.02 - Employees may not select recall to the other status (full-time).

7. BENEFITS

- (a) Group Life Insurance: One fourth (1/4th) of active coverage at time of retirement, as set out in Item 3, up to a maximum of \$10,000.00. Additional coverage is available at employee cost.
- (b) Group Insurance Disability Income Plan: Employees shall be covered as part-time employees and disability benefits shall not be offset by pension benefits.
- (c) Supplementary Health Insurance: Employees will be covered by the basic Canadian Retired Health Plan - Plan I (no cost to employee), or may elect to participate in the Voluntary Supplementary Health Plan - Plan 2 (employee pays premium).
- (d) Group Dental Insurance Plan: Not available. However, some dental coverage is available under the Voluntary Supplementary Health Plan (Plan 2).
- (e) Vision Care Plan: Not available.

- 8.** Travel privileges entitlement will be in accordance with Company Regulations governing retired employees. Employees will continue to accrue service while a part-time employee for the sole purpose of establishing priority accrual for travel privileges.
- 9.** Notwithstanding Article 10.07.07, the employee will not be removed from the Seniority List nor will their seniority be affected until they reach normal retirement age or termination.
- 10.** Employees participating in this program will retain Company service at retirement and upon change of status. However, no further accrual of Company service may

be earned with the exception of priority accrual for travel privileges.

Notwithstanding the provisions of Item #10 of the Memorandum of Understanding, the parties have agreed to the following:

If those provisions of the Collective Agreement which are dependent on accrual of Company service levels, are changed in subsequent negotiations, such changes will apply to employees who are covered by the Memorandum of Understanding, provided they have attained the necessary level of Company service prior to retiring from full-time employment.

Example

An employee retired with 27 years' Company service and a vacation entitlement of 25 working days/100 hours.

Subsequently, Article 14.02.01 was changed "In Part", to read,

<u>Years of Service</u>	<u>Entitlement</u>
18 through 27 years	30 working days/120 hours
	or
26 years and over	30 working days/120 hours

The employee's vacation entitlement would change from 25 working days/100 hours to 30 working days/120 hours.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Ioia

MEMORANDUM OF UNDERSTANDING NO. 3 -Job Security Jazz Handling

For the life of the current Collective Agreement, the Company commits to retain passenger handling duties for Jazz flights at bases where employees are employed as of June 15, 1990 and where the Company continues to operate flights to those bases.

Dated at Toronto, Ontario this 8th day of June 2009.

FOR: AIR CANADA

FOR: CAW – CANADA AND ITS
LOCAL 2002

COMPANY NEGOTIATING
COMMITTEE

UNION BARGAINING COMMITTEE

H. Clarke

M. Rondeau

N. Attardo

C. Chaplin

C. Gregory

P. Janssen

G. Cabral

S. Rothlin

E. Cere

S. Mcmanus

C. Scott

C. Levore

S. Morey

L. Dias

V. Goumakos

R. DiPasquale

D. Draeger

MEMORANDUM OF UNDERSTANDING NO. 4 - REHABILITATION PROGRAM NON-WORK RELATED DISABILITIES

1. PURPOSE

This Program is intended to assist employees to return to work in their normal job and to work their normal hours of work.

The Program will allow employees who are absent as a result of non-work related disabilities to return to work on a voluntary basis to a position covered by the collective agreement when such employees are temporarily unable to perform all of the duties of the job or to perform those duties for the length of their normal work day or work week.

2. IDENTIFICATION

Employees who are identified or who identify themselves as candidates for this Program will be required to advise both Management and Union, locally, and provide a medical opinion from their physician stating any restriction as to tasks/duties which may be performed, hours of work and expected term of rehabilitation.

3. PROCEDURES

- a) Medical requirements and suitability for this program shall be determined jointly by the Company Medical Officer and the employee's physician.
- b) Modifications to the workplace, creation of new functions or redevelopment of existing functions and development of new sub-schedules which are required to conform with Item 3 a), above, shall be established by local management and the Union District Chair and are subject to agreement between the Company, the Union and the employee.
- c) It shall be the responsibility of the employee to provide sufficient notice for the provisions of Items 3 a) and b) above and/or Item 5 g) to be implemented.
- d) An employee shall not return to work until the provisions of Items 3 a) and b) above and/or Item 5 g) have been finalized.

4. DURATION

- a) There shall be a minimum term of four **(4)** weeks and a maximum term of twenty-six (26) weeks for any period of rehabilitation.
- b) The term of rehabilitation shall be established prior to the commencement of the period by the Company Medical Officer and the employee's physician.
- c) Any extension of the period established in accordance with Item 4 b), above, shall be by agreement between the Company, the Union and the employee and as determined by the Company Medical Officer and the employee's physician.
- d) Any requests for an extension beyond twenty-six (26) weeks shall be subject to review by the Company Medical Officer and the employee's physician and where necessary by the insurance carrier.

5. APPLICATION OF THE COLLECTIVE AGREEMENT

The provisions of the Collective Agreement shall apply, except as modified by any of the following:

- a) A separate sub-schedule will be established for each employee which may provide for less than the standard working week and/or less than the standard working day. Where the separate sub-schedule provides for less than the standard working week or less than the standard working day, employees shall be prohibited from working additional hours.
- b) Where the scheduled shift is less than the standard working day, employees will be entitled to one fifteen (15) minute meal or rest period for each two (2) hours of the scheduled shift and any two (2) such breaks may be combined.
- c) Employees shall not be utilized for any assignments set out in Article 8.
- d) In the event of a staff reduction, employees shall exercise their rights in accordance with their seniority. If an employee is relocated, alternate arrangements at the new location shall be in accordance with Item 3 b) and/or 5 g).
- e) Normally, vacation scheduled to be taken during a rehabilitation period of sixteen (16) weeks or less will be displaced and taken immediately following conclusion of the established rehabilitation period. If the rehabilitation period is established to be for more than sixteen (16) weeks, the employee may

elect to discontinue the program and take the vacation as scheduled or may elect to take the vacation with pay or any part which is displaced immediately following conclusion of the established rehabilitation period. When an employee's displaced vacation has not been taken as of December 31st of each year, the employee may elect to receive pay in lieu of that vacation upon return to work. The employee shall advise the Company of their option prior to the commencement of the rehabilitation period.

- f) Employees who return to work on a partial basis shall not be subject to Article 20.
- g) Exceptions to the application of the collective agreement which may be required over and above those provided for in this Item 5 and/or Item 3 b) shall be subject to agreement between the Company and the Union at the Headquarters level.

6. BENEFITS

- a) Group Life Insurance - Full coverage will continue based on the employee's status and regular rate of pay, in accordance with Article 19.07 or L1.16, respectively.
- b) Group Insurance Disability Income Plan - Premiums will be deducted in accordance with the employee's regular rate of pay and refunded directly to the employee by the CAW-Canada Local 2002 Health and Welfare Trust.
- c) Supplementary Health Insurance, Dental Plan and Vision Care Plan - The Company shall pay the full cost of premiums.
- d) Pension Plan - Employees who return to work on a partial basis and who are receiving disability benefits will be governed by the provisions of the plan governing employees in receipt of disability benefits.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

**MEMORANDUM OF UNDERSTANDING NO. 5 - REHABILITATION PROGRAM
WORKERS COMPENSATION CLAIMANTS****1. PURPOSE**

This Program is intended to assist employees to return to work in their normal job and to work their normal hours of work.

The Program will allow for the re-employment of injured workers in positions covered by the Collective Agreement with any modification of duties and hours of work which may be required.

2. IDENTIFICATION

Employees who are identified or who identify themselves as candidates for this Program will be required to first obtain the approval of their personal physician, the Company Medical Officer and the Workers' Compensation Board.

3. PROCEDURES

- a) Medical requirements and suitability for participation in this Program shall be determined jointly by the employee's physician, the Company Medical Officer and, as required, by the Workers' Compensation Board.
- b) The employee shall advise both local management and the Union that they wish to participate in the Program and shall provide a medical opinion stating any restriction as to tasks/duties which may be performed, any modification to hours of work which may be required and the expected term of rehabilitation.
- c) Modifications to the workplace, creation of new functions or re-development of existing functions and the development of new sub-schedules which are required to conform with Item 3 b), above, shall be established by local management and the Union District Chair and are subject to agreement between the Company, the Union and the employee.
- d) It shall be the responsibility of the employee to provide for sufficient notice for the provisions of Items 3 a), b) and c) and Item 5 g) to be implemented.

4. DURATION

- a) The minimum term of any rehabilitation period shall be four **(4)** weeks, unless determined otherwise by the Workers' Compensation Board.

- b) The term of rehabilitation shall be established prior to the commencement of the period.
- c) Any extension of the period established in accordance with Item 4 b), above, shall be by agreement between the Company, the Union and the employee and as determined by the employee's physician, the Company Medical Officer and the Workers' Compensation Board.

5. APPLICATION OF THE COLLECTIVE AGREEMENT

The provisions of the Collective Agreement shall apply, except as modified by any of the following:

- a) A separate sub-schedule will be established for each employee which may provide for less than the standard working week and/or less than the standard working day. Where the separate sub-schedule provides for less than the standard working week or less than the standard working day, employees shall be prohibited from working additional hours.
- b) Where the scheduled shift is less than the standard working day, employees will be entitled to one fifteen (15) minute meal or rest period for each two (2) hours of the scheduled shift and any two (2) such breaks may be combined.
- c) Employees shall not be utilized for any assignments set out in Article 8.
- d) In the event of a staff reduction, employees shall exercise their rights in accordance with their seniority. If an employee is relocated, alternate arrangements at the new location shall be in accordance with Item 3 c) and/or 5 g).
- e) Normally, vacation scheduled to be taken during a rehabilitation period of sixteen (16) weeks or less will be displaced and taken immediately following conclusion of the established rehabilitation period. If the rehabilitation period is established to be for more than sixteen (16) weeks, the employee may elect to discontinue the program and take the vacation as scheduled or may elect to take the vacation with pay or any part which is displaced immediately following conclusion of the established rehabilitation period. When an employee's displaced vacation has not been taken as of December 31st of each year, the employee may elect to receive pay in lieu of that vacation upon return to work. The employee shall advise the Company of their option prior to the commencement of the rehabilitation period and any vacation taken during a rehabilitation period shall require the approval of the Workers'

Compensation Board.

- f) Employees who return to work on a partial basis shall not be subject to Article 20.
- g) Exceptions to the application of the Collective Agreement which may be required over and above those provided for in this Item 5 and/or Item 3 c) shall be subject to agreement between the Company and the Union at the Headquarters level.

6. BENEFITS

- a) Group Life Insurance - Full coverage will continue based on the employee's status and regular rate of pay, in accordance with Article 19.07 or L1.16, respectively.
- b) Group Insurance Disability Income Plan - Premiums will be deducted in accordance with the employee's regular rate of pay and employees will be covered in accordance with the provisions of the Plan.
- c) Supplementary Health Insurance, Dental Plan and Vision Care Plan - The Company shall pay the full cost of premiums.
- d) Pension Plan - Employees who return to work on a partial basis and who are receiving Workers' Compensation benefits will be governed by the provisions of the plan governing employees in receipt of such benefits.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iorio

MEMORANDUM OF UNDERSTANDING NO. 6 - RESERVATIONS OFFICES

The Company commits that employees with a seniority date of April 1, 1999 or earlier located in Vancouver, Calgary, Winnipeg, Toronto, Montreal and Saint John, will not be laid off or relocated from their base due to a closure of a Reservations Office. The Company further commits that any reduction in staff from these bases will be accomplished by attrition and/or voluntary severance programs agreed to by the Company and the Union in accordance with the following:

If staff reductions occur at a base, all employees at the affected base shall have the option of terminating their employment with the Company and will be entitled to a severance allowance of two (2) weeks' pay at their current rate of pay for each full calendar year of service, or part thereof, up to a maximum of fifty-two (52) weeks' pay.

Employees shall be offered the severance allowance in order of seniority to the extent necessary to eliminate layoffs.

SEVERANCE ALLOWANCE OPTIONS

Options for Pensionable Employees

- a) Employees under age 55 at time of retirement may elect to receive "age make up" at a rate of fifty percent (50%) of the months between their retirement age and 55 to a maximum of sixty (60) months. Eight (8) weeks of the allowance shall be converted for each year of "age make up" required for pension reduction purposes under age 55.
- b) Lump sum cash payment.
- c) Time on payroll at full salary.
- d) Time on payroll at half salary.
- e) Any combination of the above, except that options (c) and (d) in total may not exceed twenty-four (24) months or normal retirement age, whichever is earlier.

Options for Non-Pensionable Employees

- a) Lump sum cash payment.
- b) Time on payroll at full salary.
- c) Time on payroll at half salary.

- d) Any combination of the above, except that options (b) and (c) in total may not exceed twenty-four (24) months or normal retirement age, whichever is earlier.

Additional Provisions for Non-Pensionable Employees

- a) Continuation of Supplementary Health Insurance, Dental Plan, Group Life Insurance and Vision Care Plan for twelve (12) months beyond separation or re-employment with another company, whichever is the earlier.
- b) Two (2) Air Canada/Connector passes for the employee and eligible dependents for each year after separation for a period equal to the number of completed years of service at date of termination from the active payroll.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iola

MEMORANDUM OF UNDERSTANDING NO. 7 - SELF SERVICE KIOSK AND RELATED LASER BAR-CODE SCANNERS

The Company agrees that work related to Self Service Kiosks and Laser Bar-Code Scanners, with the exception of technical support and maintenance (but including restocking of supplies and the retrieval of lost identification cards), falls within the scope of a Customer Sales & Service Agent classification and is covered by the provisions of Article 2.03, where Customer Sales & Service Agents are employed in the location.

The Company commits that employees will not be laid off or relocated from their location as a result of the implementation and use of Self-Serve Kiosks and Laser Bar-Code Scanners, regardless of where the Kiosks/Scanners are located in the base, including off-site locales.

Therefore, it is agreed that the number of Customer Sales & Service Agents which are classified as surplus to requirements as a result of the implementation and use of Self-Serve Kiosks/ Scanners will be carried at their respective location pending normal attrition. In the event the Company elects to reduce the surplus of employees, all employees at the affected base will be offered voluntary severance in order of seniority to the extent necessary to eliminate the surplus. In such a case, employees may be relocated utilizing the provisions of Article 10 to replace employees electing severance with employees from locations where the surplus has been identified.

The number of employees classified as surplus will be twenty-five percent (25%) of the full-time employees and twenty-five percent (25%) of the part-time employees in the Check-In and Gate functions at the applicable Airport location immediately prior to the implementation of the Kiosks/Scanners. The resulting numbers classified as surplus will be communicated in writing to the Union District Chairperson, with a copy to the Union at the Headquarters level, together with a breakdown of the calculation.

The number classified as surplus will be reduced each time the attrition of an employee occurs. The Company will inform the Union District Chairperson in writing, with a copy to Union Headquarters, no later than fourteen (**14**) calendar days after a permanent mitigation action occurs together with the details of the action. When the number of employees classified as surplus has been totally eliminated as a result of such permanent mitigation action, the Company commitment will be deemed to have been satisfied and it will no longer apply to the affected base. The Union District Chairperson will be **so** advised in writing with a copy to the Union at the Headquarters level.

This Memorandum is intended to deal solely with the implementation and use of Self Service Kiosks and Laser Bar-Code Scanners. It is understood that any surplus or reduction of staff brought about by other operational reasons such as location or base closures, reductions in the flight schedule, loss of third party handling contracts, or

alterations to work schedules, will be handled in accordance with the relevant provisions of the Collective Agreement and will not reduce the Company's commitments under this Memorandum.

The voluntary severance referred to above will include a severance allowance of two (2) weeks pay at the employees' current rate of pay for each full calendar year of service, or part thereof, up to a maximum of fifty-two (52) weeks pay.

SEVERANCE ALLOWANCE OPTIONS

Options for Pensionable Employees

- a) Employees under age 55 at time of retirement may elect to receive "age make-up" at a rate of fifty percent (50%) of the months between their retirement age and 55 to a maximum of sixty (60) months. Eight (8) weeks of the allowance shall be converted for each year of "age make-up" required for pension reduction purposes under age 55.
- b) Lump sum cash payment.
- c) Time on payroll at full salary.
- d) Time on payroll at half salary.
- e) Any combination of the above, except that options (c) and (d) in total may not exceed twenty-four (24) months or normal retirement age, whichever is earlier.

Options for Non-Pensionable Employees

- a) Lump sum cash payment.
- b) Time on payroll at full salary.
- c) Time on payroll at half salary.
- d) Any combination of the above, except that options (b) and (c) in total may not exceed twenty-four (24) months or normal retirement age, whichever is earlier.

Additional Provisions for Non-Pensionable Employees

- a) Continuation of Supplementary Health Insurance, Dental Plan, Group Life Insurance and Vision Care Plan for twelve (12) months beyond separation or re-employment with another company, whichever is the earlier.

- b) Two (2) Air Canada/Connector passes for the employee and eligible dependents for each year after separation for a period equal to the number of completed years of service at date of termination from the active payroll.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Ioia

MEMORANDUM OF UNDERSTANDING NO. 8 - PROGRAM TO ACCOMMODATE EMPLOYEES WITH PERMANENT RESTRICTIONS/DISABILITIES – IN SCOPE FUNCTIONS

1. PURPOSE

This program is intended to provide, where possible, the accommodation of employees with permanent disabilities which would enable them to return to work or continue to work by making available suitable work which is consistent with the restrictions required as a result of their disability.

The Company agrees to make every reasonable effort to assist employees who develop a permanent disability which limits their ability to fully perform all of the tasks/duties of their classification by making modifications to the workplace or by providing them with alternate tasks/duties within their classifications.

2. IDENTIFICATION

Employees who are identified or who identify themselves as candidates for this Program will be required to advise both Management and Union, locally, and provide a medical opinion from their physician stating any restrictions as to the hours of work and/or tasks/duties which may be performed.

3. PROCEDURES

- a) Medical requirements and suitability for this Program shall be determined jointly by the Company Medical Officer, the employee's physician, and subject to Workers' Compensation Board regulations if applicable.
- b) Modifications to the workplace, creation of new functions or redevelopment of existing functions and development of new sub-schedules which are required to conform with 3a) above, shall be established by local management and the Union District Chairperson and are subject to agreement between the Company, the Union and the employee.
- c) It shall be the responsibility of the employee to provide sufficient notice for the provisions of Items 3a) and b) above and/or Item 5h) to be implemented.
- d) An employee shall not return to work or commence the program until the provisions of Items 3a) and b) above and/or Item 5h) have been finalized.

4. DURATION

- a) The employee will continue on this program until determined jointly by their physician and the Company Medical Officer as being fit to return to the full duties of their classification without restriction.
- b) In the event a change occurs to the work and/or the employee's medical condition which permits or requires a change to the restrictions, a review of the restrictions together with the medical condition of the employee will take place with the involvement of the Company Medical Officer and the employee's physician. This review may take place at any time but no less than annually or as directed by a Worker's Compensation Board.

5. APPLICATION OF THE COLLECTIVE AGREEMENT

The provisions of the Collective Agreement shall apply, except as modified by any of the following:

- a) In the application of Article 6.02, a separate sub-schedule will be established for each modified work function which accommodates similar restrictions. These sub-schedules will only be available for bid by employees covered by this Program.
- b) In the application of Article 6.03, the following shall apply:
 - i) Employees covered by this Program will be entitled to exercise their seniority in bidding on a sub-schedule in a function which is suited to their restrictions.
 - ii) Once an employee is assigned to a sub-schedule, they shall remain on that sub-schedule until a vacancy occurs in another sub-schedule or there is a general shift bid in the location, or as provided for in Item 4 above.
- c) A separate sub-schedule will be established for each employee which may provide for less than the standard working week and/or less than the standard working day. Where the separate sub-schedule provides for less than the standard working week or less than the standard working day, employees shall be prohibited from working additional hours which are inconsistent with the restriction on their hours.
- d) Where the scheduled shift is less than the standard working day, employees will be entitled to one fifteen (15) minute meal or rest period in each two (2) hours of the scheduled shift and any two (2) such breaks may be combined.

- e) In the event of a staff reduction, employees shall exercise their rights in accordance with their seniority. If an employee is relocated, alternate arrangements in the new location shall be in accordance with Items 3b), 5b), 5g) and/or 5h).
- f) Prior to applying the provisions of Article 12 related to physical requirements, the Company will discuss the matter with the Regional Bargaining Committee member for the employee's base and the base involved in the transfer.
- g) Exceptions to the application of the Collective Agreement which may be required over and above those provided for in this Memorandum shall be subject to agreement between the Company and the Union at Headquarters level.
- h) The specific working conditions applicable to the functions/duties together with the associated benefits applicable to the employee will be confirmed in writing prior to the commencement of the assignment and copied to the Union District Chairperson.

Dated at Toronto, Ontario this 24th day of November 1999.

For: Air Canada

P. E. Cooley

M. Asselin

For: CAW-Canada and its Local 2002

P. Nash

E. Di Iola

MEMORANDUM OF UNDERSTANDING No. 9 - CANADIAN PENSION PLAN FOR EMPLOYEES PREVIOUSLY REPRESENTED BY CAW LOCAL 1990

The Canadian Pension Plan for employees previously represented by CAW Local 1990 is amended as follows:

1. Effective January 1, 2001, the rules of the Air Canada Pension Plan will be amended to change the formula for eligible employees covered by this Collective Agreement from 1.75%/2% to 1.90%/2% in respect of allowable service after January 1, 2001. In respect of service between January 1, 1966 and June 30, 2000, the formula will remain at 1.4%/2%; for service between July 1, 2000 and December 31, 2000, the formula will remain at 1.75%/2%. All sections of the Plan text wherever reference is made to 1.75% will be amended by replacing 1.75% with 1.90% in respect of service after January 1, 2001. These are sections 6.1 dealing with normal retirement pension, section 6.3 dealing with disability retirement pension and section 7.1 dealing with the higher pension to age 65 option. In section 7.1a), the reference to ¼% should also be replaced by 0.10% in respect of service after January 1, 2001.
2. Employee contributions under section 4.1 of the rules of the Air Canada Pension Plan will be increased from 5.25% to 5.70% on pensionable earnings up to the employee's Yearly Maximum Pensionable Earnings and remain at 6% on the part of the employee's compensation in excess thereof effective January 1, 2001. This contribution rate will be used as a basis for the recognition of any period of allowable service in respect of service after January 1, 2001.
3. Effective November 1, 2000, the Pension Plan rules will be amended so that the provisions for the Maximum Pensionable Earnings are increased to \$68,000.00.

Dated this 18th day of October 2000.

For: Air Canada

P. Cooley

For: CAW-Canada and its Local 2002

A. Davidson

MEMORANDUM OF UNDERSTANDING NO. 10- SASKATOON AND REGINA

WHEREAS, the Parties are desirous of providing seamless customer service at Saskatoon (YXE) and Regina (YQR) to the passengers of both Air Canada and Jazz, the following terms have been agreed upon.

1. A list will be established that integrates employees of Air Canada and Jazz according to their bargaining unit seniority for purposes of shift bidding, vacation selection, overtime, and time off.
2. Employees of Air Canada will remain employees of Air Canada for purposes of wages, benefits and all other bargaining rights afforded under the Air Canada/CAW collective agreement with the following exceptions:
 - (a) **Shift Scheduling:** Shifts schedules will be developed and implemented in accordance with the relevant provisions of the Jazz collective agreement. Bidding of shifts will be in seniority order however the functions of Jazz Baggage Services and Operations will be limited to those employees in Jazz.
 - (b) **Part Time Employees:** Will be scheduled twenty (20) hours of work per week. If an employee elects the option of bidding in the Jazz preferential bid system, the following rules will apply:
 - in the first (1ST) round of shift bidding, part time AC employees will build a twenty (20) hour shift in seniority order amongst all part time employees
 - upon completion of the 2nd round of shift bidding by Jazz employees, AC part time employees may elect to bid on any remaining hours
 - any remaining hours not selected would then be assigned in reverse order of seniority amongst Jazz and Air Canada employees
 - both Jazz and Air Canada employees will be offered any ad hoc hours in seniority order
3. As a result of efficiencies achieved through intermingling a SUB program will be offered to Air Canada employees in both YXE and YQR. A joint application for a SUB program will be submitted by the CAW Union and Jazz to HRDC and upon approval, will then be offered equally on a 50/50 basis to surplus employees in Air Canada and Jazz in each location.
4. Vacations: The parties at the headquarters level commit to meet to determine a fair and equitable distribution of available vacation slots.

5. Overtime/Bank Time Off: The parties at the headquarters level agree to meet and discuss the implementation of an overtime agreement. As per the Jazz collective agreement or local agreement.
6. As a result of intermingling, there will be no reductions of permanent staff in either Air Canada or Jazz, however, should there be a potential loss of employment as a result of the introduction of technological change, the parties agree to address the matter prior to the implementation of any potential staff reductions.
7. The parties at the Headquarters level agree to meet promptly to discuss any issues or unforeseen circumstances in the application of this agreement.
8. Neither the Union nor its members will initiate any grievances related to this agreement.
9. Implementation of this agreement will be jointly determined by all parties.
10. This agreement is for a specific and unique situation and as such, will not in any way prejudice the Company's or Union's rights or position(s) in any other situation including a common employer application.

Dated this 1st day of June 2003

Air Canada

Jazz

CAW Canada

LETTERS OF INTENT

Letter of INTENT 2009 - No. 1

The Company agrees to amend LOU 26, to delete YYT as a small base and include it as a mainline base. The parties agree that a transition period is required with the objective being the implementation to take effect for the Winter 2009 schedule.

The Company agrees to the Union request to amend the language of LOU 26 within 60 days of the ratification of the collective agreement for the following:

- 1) Add recall and reciprocal language
- 2) Air Canada members in small bases will continue to be governed by the Teplitsky award as per current practice including full seniority rights with the exception of the "50/50 rule".

Note:

The Company will provide a written notice to the Union post ratification outlining its wish to open discussions around solutions to the current operational and employee relations issues associated with Air Canada and Jazz employees working at the Small Bases.

Dated at Toronto, Ontario this 8th day of June 2009.

FOR: AIR CANADA

COMPANY NEGOTIATING COMMITTEE

H. Clarke

N. Attardo

C. Gregory

G. Cabral

E. Céré

C. Scott

S. Morey

FOR: CAW – CANADA AND ITS LOCAL 2002

UNION BARGAINING COMMITTEE

M. Rondeau

C. Chaplin

P. Janssen

S. Rothlin

S. Mcmanus

C. Levore

L. Dias

V. Goumakos

R. DiPasquale

D. Draeger

Letter of INTENT 2009 - No. 2

The parties have agreed that current time off arrangements and values provided for in article 18.04 will not be altered during the life of the Current Collective Agreement.

Dated at Toronto, Ontario this 8th day of June 2009.

FOR: AIR CANADA

FOR: CAW – CANADA AND ITS LOCAL 2002

COMPANY NEGOTIATING COMMITTEE

UNION BARGAINING COMMITTEE

H. Clarke

M. Rondeau

N. Attardo

C. Chaplin

C. Gregory

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G. Cabral

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E. Céré

S. Mcmanus

C. Scott

C. Levore

S. Morey

L. Dias

V. Goumakos

R. DiPasquale

D. Draeger

Letter of INTENT 2009 - No. 3

Air Canada agrees to discuss the Union's request to include non-unionized positions in the bargaining unit. The discussion will include an assessment of the functions of each position, of the Union's rationale for each position and of the implications of bringing them into the bargaining unit.

Dated at Toronto, Ontario this 8th day of June 2009.

FOR: AIR CANADA

COMPANY NEGOTIATING COMMITTEE

H. Clarke

N. Attardo

C. Gregory

G. Cabral

E. Céré

C. Scott

S. Morey

FOR: CAW – CANADA AND ITS LOCAL 2002

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M. Rondeau

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S. Rothlin

S. Mcmanus

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L. Dias

V. Goumakos

R. DiPasquale

D. Draeger

APPENDICES

APPENDIX A**MEMORANDUM OF SETTLEMENT****DATED MARCH 30, 1999**

1. The provisions of this negotiated agreement are subject to ratification by the Union membership which shall be completed as soon as possible. Once ratified, the Collective Agreement shall be effective April 1, 1999 except as specified herein.
2. In the application of Article 2.03, the Union commits that it will not initiate or support a grievance where, in unusual circumstances, In-Flight personnel perform tasks/duties related to pre-boarding passengers at gate locations.
3. In the application of Letter of Understanding No. 16, the Company agrees that the exercise of its rights to assign the expanded tasks/duties to persons not covered by the Collective Agreement will not be the cause of a staff reduction in the location.
4. It is agreed that, in the application of Article 19.04, copies of the Agreement, the Company and the Union will jointly review the disposition of the contents, the title, logos and colour of the cover and the format of the pages with respect to the booklets containing the Agreement.
5. Editorial changes to the Collective Agreement are subject to mutual agreement.
6. The provisions of L1.04.03 relative to the minimum twenty (20) hours per week became effective January 1, 1989. Employees working less than twenty (20) hours per week prior to September 19, 1988 were given the option of continuing to work less than twenty (20) hours; however, once such employee has elected to accept the twenty (20) hours per week, this option is no longer available.
7. During the term of this Collective Agreement, it is agreed that the Level 1, Workers Health & Safety Centre Program conducted by the Union will be provided to Health & Safety Committee Members and Representatives provided for in Article 18.09. The Company will bear the cost of all time off for the union committee members and representatives.

8. It is agreed that the provisions of Article 10.11.01.02, 10.11.14, 10.12.08, 10.12.09 and all of the provisions of Article 12.10 from Agreement No. 27 will continue to apply to those employees who had those rights prior to the effective date of Agreement No. 28 for the remainder of the time period for which those rights would be applicable.
9. An employee, when on business, as per Article 8 and LOU 16 of the Collective Agreement, shall be reimbursed for all reasonable and necessary out-of-pocket expenses upon presentation of receipts as per Company regulations.
10. It is agreed that all Lead Agent and Relief Lead Agent positions will be declared vacant as of the introduction of the 1999 winter schedule, or November 1, 1999, whichever is earlier, and will be filled pursuant to the provisions of L22.05. Lead Agent vacancies may be filled in the interim to satisfy requirements where there is a shortage of Lead Agents.
11. The provisions of Articles 19.09.01, 19.09.02, 19.09.03, 19.09.04 and Article 19.10.02 will become effective with services provided on or after the first of the month following advice of ratification.
12. The Pension Plan rules will be amended so that in the first month following advice of ratification, eligible employees may retire with an unreduced early pension provided they are at least 55 years of age. Applicable editorial changes will be made to the Collective Agreement where required, including the Memorandum of Understanding- Pension Plan.
13. The Pension Plan rules will be amended so that in May 1999, provisions for the Maximum Pensionable Earnings will be increased to \$65,000.00.

Effective November 2001, the Maximum Pensionable Earnings will be increased to \$68,000.00
14. A three (3) month window will be provided to enable employees who were on maternity and/or child care leave, eligible Special Leaves of Absence, and for eligible Part-time service, the opportunity to buy back pension credits. The dates of the three (3) month period will be determined at the first meeting of the Joint Pension Committee held after ratification.
15. Effective with the month following advice of ratification, the Pension Plan portability option for the eligible transfer value will remain at age 47 for eligible employees for a further period of two (2) calendar years.

16. The current structure for the "Super Elite Desk" will remain in effect for the term of the Collective Agreement. Effective March 27, 2004, the Super Elite Desk will become a function of the Aeroplan location. Any vacancies which occur during the term of the Collective Agreement will be filled from the Aeroplan location in accordance with Article 6.03. During the above transitional period, those Customer Sales and Service Agents in the Montreal Reservations location who are working in the Super Elite function as of April 1, 1999, and who transfer into the Aeroplan location under the provisions of Article 12, will retain their position in the Super Elite function.
17. The application of Article 12.01 will apply to the merged classification of Customer Sales and Service Agent/Direct Marketing Sales and Service Agent with vacancies declared by the Company effective on or after June 15, 1999.
18. The revised provisions of Articles 6.04.01 and 6.04.03 for Reservations and Aeroplan Office locations will be effective May 16, 1999.
19. Within sixty (60) days of advice of ratification, a Joint Lead Customer Sales & Service Committee will be formed. The Joint committee will be Co-chaired by a representative of the Union Bargaining Committee and a representative of Labour Relations with two (2) employee representatives appointed by the Union and two (2) Line Management representatives appointed by the Company. Under the guidance of the UMHQ, the Joint committee will have as its mandate to:
 - review and recommend changes to the Lead Agent qualification examination and testing process;
 - review and recommend changes to the content and structure of the Lead Agent Training course;
 - review and recommend changes to the administration of the Lead Agent program in general, consistent with the provisions of the Collective Agreement.
20. In the event the Company is unable to fill its requirements for Lead Agents during the period of eighteen (18) months following advice of ratification, the parties agree to re-open discussions on LOU 22 for the purpose of agreeing those modifications necessary to meet the Company's requirements.
21. The Lead Agent premium provided for in L22.11 will be applied retroactive to March 21, 1999.

22. It is agreed by the parties in the application of Article 2.03, Note 3, the positions of Aeroplan Compliance Manager and Analyst will be considered as within the Aeroplan location, notwithstanding their reporting relationship to the Finance Branch.
23. It is agreed that the application of L7.06 will apply to work being performed in Maple Leaf Lounges in general and is not to be interpreted as location specific.
24. The provisions of Article 18.04.01.02, Note, will be effective with the first day of the month following advice of ratification.
25. The provisions of the Memorandum of Understanding No. 6 - Irregular Shift Premium, Overtime and Recall Credits from Agreement No. 28, will continue through December 31, 1999.

Dated at Montreal, Quebec this 30th day of March, 1999.

FOR: AIR CANADA

FOR: CAW - CANADA AND ITS LOCAL 2213

P.E. Cooley

E. Diloia

Labour Relations Director,
Customer Service/Europe

Bargaining Committee
Chairperson

J. McWilliams

G. Spencer

Labour Relations Manager

National Representative

J. Daughney

D. Fougère

Customer Service Manager

Bargaining Committee Member

R. Dos Santos

F. Galambosy

Customer Service Manager
- Aeroplan

Bargaining Committee Member

C. Corbett

D. Duperron

Manager, Customer Service

Bargaining Committee Member

M. Asselin

Manager, Labour Relations

B. MacDonald

Manager, Financial
Services

B. Guest

Bargaining Committee Member

T. Freeman

President, Local 2213

**APPENDIX B
MEMORANDUM OF UNDERSTANDING**

AIR CANADA / CANADIAN AIRLINES INTERNATIONAL LTD.

-AND-

CAW - CANADA, LOCAL 1990

The management of Air Canada and Canadian Airlines have requested that the CAW - Canada Bargaining Committee from Local 1990, agrees to the application of the terms and conditions of the Air Canada Collective Agreement to all CAW members working at Canadian. The purpose of the Companies' request is to establish a long-term stable relationship based on mutual interests and to achieve synergies in the context of a fully integrated flight schedule.

Accordingly, the parties agree as follows:

- I. Effective June 3, 2000, all provisions of the Collective Agreement No.3 between Canadian Airlines and the CAW-Canada, Local 1990 will be repealed with the exception of the following provisions:
 - Preamble and Article 1: Union recognition clause
 - Articles 8.20, 8.21 and 8.22: Seniority Lists
 - And all other specifications set out in paragraph 3 below.
2. Effective June 3, 2000, all provisions of the Collective Agreement between Air Canada and the CAW- Canada, Local 2213 (including any negotiated amendments) will apply to CAW members working at Canadian with the exception of the following provisions:
 - Article 2.0 1: Union recognition clause
 - Article 10: Seniority List
 - And all other specifications set out in paragraph 3 below.

3. More particularly, the parties agree to the following transition measures to facilitate the application of the Air Canada Collective Agreement as stated above:

- (a) **Wages:** Effective June 3, 2000, Canadian Airline employees will be placed at the applicable hourly pay rates as outlined in Article 5 which is closest to but not less than the employees current hourly wage rate, and will be paid the weekly rate consistent with Article 6.01, Hours of Work. Scheduled advancement in pay will be as provided for in Article 5.03, based on the employee's date of progression into their current level on the scale. In addition, the Wage Reduction Program as described in LOU 29 of the Canadian Airlines/CAW Collective Agreement No.3 will be discontinued consistent with the cost savings and productivity improvements associated with the transition to the terms and conditions of the Air Canada/CAW Collective Agreement
- (b) **Employment Security:** Air Canada and Canadian Airlines commit that no employee covered by this Memorandum will be subject to involuntary layoff from their Base, or involuntary relocation from their Base, until March 27, 2004.
- (c) **Scope:** It is understood that upon advice of ratification of this Memorandum of Understanding the employees represented by Local 2213 will be exempt from the restrictions contained in the "Scope" provisions of the amended Local 1990 Collective Agreement in order to permit the utilization of the other carrier's employees to serve CAIL customers and support the operational requirements of the integrated flight schedule.

It is agreed to incorporate Canadian Airlines employees identified as JVCDC, PSR, CSA, Groups, into the Customer Sales and Service Agent Classification in accordance with Article 4.02. Employees in JVCDC, PSR, and Groups may remain in these functions/classifications subject to operational and/or information technology requirements. Remaining surplus employees will be re-deployed within their current base.

Those Canadian Airlines employees in the functions/classifications of:

- Operations Agents (Turn Coordinators)
- Central Cargo Loadplan
- Cargo Services
- Baggage Services

will remain in these functions/classifications until union jurisdictional issues are resolved. The Companies are encouraging the affected bargaining agents to resolve the related issues as soon as possible. If not resolved in a timely manner the issue will be referred to a third party for resolution.

- (d) **Work Schedules:** The development of work schedules, in accordance with Article 6.03, will begin immediately following advice of ratification, of this Memorandum for those work schedules to be bid and implemented effective June 3, 2000.

Canadian Airlines employees in the Concierge function may bid the VIP function in accordance with the above at those bases where such operational requirements are identified by the Company.

Canadian Airlines employees in the Lead function who wish to remain in that function will be considered qualified to stand for election in accordance with LOU No.22 of the Agreement.

Reduced time and retirement phase-in employees at Canadian Airlines who are working more than twenty (20) hours per week will have the ability to elect to reduce their hours to twenty (20) hours per week in accordance with the Air Canada/CAW Collective Agreement. Otherwise, and in recognition of the potential loss of income which would result from an immediate decrease in hours, employees will have their hours grandfathered at the average of the reduced time hours scheduled in the location over the previous year for the life of the Agreement. However, once an employee has elected to select less than the grandfathered hours, this option is no longer available.

- (e) **Vacations:** Bid vacations for the year 2000 will be taken as awarded. Vacations for the year 2001 will be bid separately in accordance with the provisions of Article 14.
- (9) **Sabbatical Leave:** Canadian Airlines employees who have commenced a Sabbatical Leave program in accordance with Article 16.11 of the Canadian Airlines/CAW Collective Agreement will have the option of terminating their participation in the Program or & grandfathered until their leave has been taken. No new such leaves will be permitted.
- (g) **Grievances, Discipline and Arbitration:** Immediately following advice of ratification the parties will convene at the Headquarters level to discuss a methodology in the resolution of all outstanding issues and the application of Articles 15, 16, and 17. Until agreement is reached on the outstanding cases, the provisions of Articles 23 and 24 of the Canadian Airlines/CAW Collective Agreement will continue to apply to such grievances. Disciplinary correspondence on an employee's records as of the date of ratification of this Memorandum will be handled according to Article 22.10 of the CAW Local 1990/Canadian Airlines Collective Agreement No.3.
- (h) **Union Business:** Immediately following advice of ratification, the parties will convene at the Headquarters level to discuss the application of Article 18.
- (i) **Insurance Plans, Benefits and Pension Plan:** Immediately following advice of ratification, the parties will convene at the Headquarters level to discuss a methodology to provide for an orderly transition to the Air Canada Insurance, Benefit and Pension Plans. Canadian Airlines employees currently working on retirement phase-in will be grandfathered at their current terms, conditions and benefits to the extent they exceed those for Air Canada employees on retirement phase-in.

With respect to the Air Canada Pension Plan, Canadian employees upon membership will participate for future service; however, their combined Canadian and Air Canada service will be utilized to determine service eligibility for retirement

- (j) Language: Immediately following advice of ratification, the parties will convene at the Headquarters level to discuss a methodology for the application of the Official Languages Act and the application of LOU No. 6 with respect to route languages for Canadian Airlines employees.
 - (k) **Memorandum of Understanding No.6 -Reservations/Aeroplan Offices:** The provisions of this MOU will apply to the Canadian Airlines Call Centre in Calgary.
 - (l) **Crew Scheduling:** Canadian Airlines employees covered by the CA W Supplement Agreement Number 3 (Crew Schedulers and Assistant Crew Schedulers) will continue to be governed by Agreement No.3 between the CAW and Canadian Airlines. Every effort will be made to enter into and complete discussions with the CAW concerning their status prior to the expiration of the current Agreement, i.e. before December 31, 2000.
 - (m) **Saving Clause:** Any other issues not specifically covered within this transition document will be addressed as required amongst the parties at the Headquarters level.
4. With respect to the Voluntary Separation Program, Canadian Airlines employees who participate in the Program and who are eligible for pension benefits in accordance with the Plan rules upon retirement will have their final average earnings adjusted at the date of retirement to maintain 1992 ratio of earnings to the YMPE. The Union agrees that the necessary funding will come from the CAW Pension Plan without jeopardizing the surplus of solvency test of the Plan. In no event will such ratio exceed that of an Air Canada employee in a comparable job.

The Company and the Union at the Headquarters level will discuss the .distribution of the Voluntary Severance Program (VSP). It is understood by the parties that employees applying for the Program will indicate their preference for a last day at work and in some cases may wish an expeditious departure. Every effort will be made by the Company to honor the employee's requested date, however, the Company reserves the right, subject to business and operational requirements, to determine the employee's last day of work.

The Companies and CAW -Canada, Local 1990 agree and commit, subject to the requirements of the Canada Labour Code, that the attached Letter of Intent will constitute the renewal of the Collective Agreement between Canadian Airlines and CAW Canada Local 1990 expiring on December 31, 2000. The new Collective Agreement shall become effective January 1, 2001 and shall continue as expressed in the Letter of Intent.

It is understood that this Memorandum of Understanding is subject to the ratification of the bargaining committee of CAW-Canada Local 1990, the process of which will be completed by May 31, 2000.

Dated in Montreal, this 4th day of May 2000.

For Air Canada

P. Heinke

For CA W - Canada, Local 1990:

G. Fane

For Canadian Airlines:

K. Howlett

APPENDIX C**MEMORANDUM OF UNDERSTANDING****DATED SEPTEMBER 28, 2000****AIR CANADA
- AND -
CAW – CANADA AND ITS LOCAL 2213**

Air Canada has confirmed to the CAW – Canada, Local 2213 that Air Canada and Canadian Airlines International are being merged into one airline. The purpose of this Memorandum is to provide seamless customer service to the passengers of both carriers and to achieve the synergies of an intermingled workforce supporting a fully integrated flight schedule.

Accordingly, the parties agree as follows:

- 1. Employment Security:** Air Canada commits that no employee covered by this Memorandum who was employed by Air Canada as of the date of advice of ratification will be subject to involuntary lay-off from their Base, or involuntary relocation from their Base, until March 27, 2004.
- 2. It is agreed to amend the provisions of the Collective Agreement as follows:**

a) *Amend Article 6.01.01 as follows:*

6.01.01 The standard working week shall be forty (40) hours. The standard working day shall be eight (8) consecutive hours, including meal and rest periods. Where the standard working day is not practicable, the employee may be scheduled for more than eight (8) hours but not in excess of nine (9) consecutive hours, inclusive of meal and rest periods. Where it is not practical to relieve employees two (2) days in seven (7), the number of days off in a complete shift cycle shall be no less than two-sevenths (2/7) of the total number of days in the cycle. In the development of such schedules, no less than two (2) consecutive days off will be scheduled together, unless otherwise agreed by the Company and the Union at the District level.

Note 1: The provision of allowing a shift to extend up to nine (9) hours is to achieve the equivalent of the forty (40) hour working week at locations where the 6 days on, 3 days off Work Schedule is in effect. Such 6/3 type work schedules will apply to address staff requirements which are constant over the seven (7) calendar day week and will be based on the requirements for the lowest calendar day of the week.

b) *Amend Article 10.07.04 as follows:*

10.07.04 When laid off for a period of more than sixty (60) consecutive months, or the number of consecutive months equivalent to the number of completed months of the employee's seniority as of the date of layoff, whichever is greater.

c) *Amend Article 12.03 as follows:*

12.03.01.01 When an employee and their employee spouse (including common-law spouse) desire a joint transfer to the same location or base they shall so indicate at the time of submission of their transfer requests.

12.03.01.02 When two (2) such employees have indicated their preference for joint transfers, as provided for in Article 12.03.01.01, such transfers will be actioned in accordance with Article 12.01.02 or Article 12.02.02 using the seniority date of the junior employee and provided two (2) vacancies are being confirmed.

d) *Amend Article 14.02 as follows:*

14.02.01 Employees shall be entitled to vacation leave with pay. Such time away from work shall be granted in calendar days, exclusive of holidays, as provided in Article 13, which may occur during the vacation period in accordance with:

Less than one (1) year of continuous service by December 31st of each year – one (1) day of vacation leave with pay for each full month of continuous service up to December 31st.

More than one (1) year of continuous service by December 31st of each year based on years of service in accordance with the following:

Years of Service	Entitlement
1 through 3 years	14 calendar days
4 through 9 years	21 calendar days
10 through 14 years	28 calendar days
15 through 27 years	35 calendar days
28 years and over	42 calendar days

These changes will be effective for vacation to be taken in year 2002.

e) *Amend Article 18.04.01.02 as follows:*

18.04.01.02 Time off for the Union Bargaining Committee (5) members will be forty (40) hours per week to be absorbed by the Company.

Time off for the Union Health and Safety Coordinator will be forty (40) hours per week to be absorbed by the Company.

Time off for Union District Chairs as outlined below will be absorbed by the Company:

NUMBERS OF EMPLOYEES	TIME OFF
51 - 100	8 hours per week
101 - 200	20 hours per week
201 - 600	40 hours per week
601 - 1000	80 hours per week
1001 - +	120 hours per week

These changes are to be effective in the month following advice of ratification.

f) *Amend Article 18.06 as follows:*

18.06 The Union shall have the privilege of posting appropriate notices and related Union material on Company notice boards and the applicable internal electronic communication system (CIC).

g) *Benefits - Amend Articles, 19.07, 19.09, 19.10, 19.11.02 and LOU4.10 as follows:*

19.07.01 The Company will pay the full cost of the Group Life Insurance Plan up to a maximum coverage of \$70,000.00. Coverage in excess of \$70,000.00 will continue to be shared on a 50/50 basis. The level of coverage will be two and one-half (2%) times the basic annual salary up to a maximum of \$80,000.00. The maximum level of paid-up life insurance for retired employees will remain at one-fourth ($\frac{1}{4}$) of coverage at time of retirement up to a maximum of \$10,000.00.

L4.10 GROUP LIFE INSURANCE

The level of coverage will be two and one-half (2%) times the basic annual earnings up to a maximum of \$40,000.00

19.09.01 The Company will pay the full cost of Plan II. The maximum aggregate under the Supplementary Health Plan will be fifty thousand dollars (\$50,000.00), with an annual reinstatement of two thousand dollars (\$2,000.00).

L4.10 Supplementary Health Insurance

The Company will pay the full cost of Plan II. The maximum aggregate under the Supplementary Health Plan will be fifty thousand dollars (\$50,000.00), with an annual reinstatement of two thousand dollars (\$2,000.00).

19.09.02 The Company will extend coverage to include psychologists at a benefit level of fifty percent (50%) of the cost per visit to a maximum of seven hundred and fifty dollars (\$750.00) per person and one thousand five hundred dollars (\$1,500.00) per family per year.

19.09.03 The Company will provide coverage for hearing aids and tests to a maximum of seven hundred and fifty dollars (\$750.00) per five year period.

- 19.09.04 Expenses incurred for paramedical services of Chiropractors, Osteopaths, Naturopaths, and Podiatrists will be covered to a maximum of fifty dollars (\$50.00) per visit to a maximum of one thousand dollars (\$1,000.00) per person per year or two thousand dollars (\$2,000.00) per family per year, less any amount paid to the employee for such services under the employee's provincial medical plan.
- 19.10.02 The annual maximum of covered expenses is two (2) thousand dollars (\$2,000.00) per calendar year per person. The basic dental services coverage is payable at ninety (90%). The maximum orthodontic coverage for dependent children will be two thousand five hundred dollars (\$2,500.00).
- 19.11.02 The benefits for each employee and each eligible dependent to be not more than two hundred and twenty-five dollars (\$225.00) reimbursement for eyeglasses or contact lenses in each period of twenty-four (24) consecutive calendar months, except for contact lenses prescribed for severe corneal situations, as set out in Company Publications 711, Chapter 8, 9, 10, the maximum amount payable shall be three hundred and sixty dollars (\$360.00), payable once during the entire period the person is insured.

These changes are to be effective for services provided in the month following advice of ratification.

h) Introduce new Letter of Understanding No. 24 – Concierge as follows:

Letter of Understanding No. 24
Concierge Function

The Company and the Union have agreed to the creation of the Concierge function at Airport locations.

The objective of this new function is to provide premium customers with personalized service that compliments the service these customers receive throughout their entire travel experience.

Separate functional requirements, including the development of shift schedules and sub-schedules for each location will be developed in accordance with Article 6.02 and may include full-time and/or part-time employees.

Except as otherwise provided for hereinafter, all provisions of the Collective Agreement shall apply to Customer Sales & Service Agents performing the Concierge function:

1. Vacancy notices will be posted in each location outlining the staff requirements and soliciting applications for positions in the Concierge function. Notwithstanding the provisions of Articles 6.03.01.01 and 6.03.01.02, the Company will have the right to select from applicants for all such vacancies. At the request of the local District Chairperson, the local District Chairperson or a designate may form part of the selection panel to provide input to the process.
2. Selected Customer Sales and Service agents will bid work schedules and sub-schedules within the Concierge function in accordance with Article 6.03. Requests for transfer out of the Concierge function to other vacancies within the location will only be actioned in accordance with Article 6.03.01.01 when such vacancies result from a change to work schedules provided for in Article 6.02.01. In the event of a staff reduction within the function, such a reduction will be affected in accordance with the provisions of Article 6.03.02 after any requests for transfer out of the Concierge function have been actioned.
3. The application of Article 6.06 will be amongst employees qualified to work the Concierge function for any shifts identified as Concierge.
4. The uniform for Customer Sales & Service Agents selected in the Concierge function will be distinct, the first of which will be provided by the Company at no cost to the employee. Subsequent uniform components will be provided in accordance with Article 19.02.02.

Dated in Toronto this 28th day of September, 2000.

FOR: AIR CANADA

FOR: CAW-CANADA AND
ITS LOCAL 2213

With the introduction of the foregoing Letter of Understanding it is agreed that employees working in permanent or relief V.I.P. functions as of the date of the ratification of this Memorandum of Understanding will be grandfathered, at their request, into the Concierge function.

j) Amend the Memorandum of Understanding No.1 – Pension Plan, items 13 and 14 and the Pension Plan rules as follows:

13. Effective January 1, 2001, the rules of the Air Canada Pension Plan will be amended to change the formula for eligible employees covered by this Collective Agreement from 1.75%/2% to 1.90%/2% in respect of allowable service after January 1, 1996. In respect of service between January 1, 1966 and December 31, 1995, the formula will remain at 1.75%/2%. All sections of the Plan text wherever reference is made to 1.75% will be amended by replacing 1.75% with 1.90% in respect of service after January 1, 1996. These are sections 6.1 dealing with normal retirement pension, section 6.3 dealing with disability retirement pension and section 7.1 dealing with the higher pension to age 65 option. In section 7.1a), the reference to ¼% should also be replaced by 0.10% in respect of service since January 1, 1996.
14. Employee contributions under section 4.1 of the rules of the Air Canada Pension Plan will be increased from 5.25% to 5.70% on pensionable earnings up to the employee's Yearly Maximum Pensionable Earnings and remain at 6% on the part of the employee's compensation in excess thereof effective January 1, 2001. This contribution rate will be used as a basis for the recognition of any period of allowable service in respect of service after January 1, 1996 subsequently applied for by the employee on or after January 1, 2001.

In respect of allowable service prior to January 1, 2001 for which the pension formula is increased from 1.75%/2% to 1.90%/2%, the member shall be required to pay a past service contribution. This contribution shall be calculated as the product of a), b) and c) below:

- a) The 2000 annualized pensionable earnings up to \$37,600.00
- b) The allowable service expressed in years and twelfths thereof prior to January 1, 2001 for which the pension rate is increased from 1.75%/2% to 1.90%/2%, and,
- c) 0.45%

Members will be required to contribute a minimum of 2% pensionable earnings to repay any past service contribution and any outstanding balance will be charged interest at the prevailing interest rate applicable on outstanding contribution deficiencies.

At death, termination or retirement, pension benefits will be reduced actuarially to reflect any outstanding contribution deficiencies.

The Pension Plan rules will be amended so that in the first month following advice of ratification, provisions for the Maximum Pensionable Earnings will be increased to \$68,000.00.

j) Amend Memorandum No. 6 – Reservations/Aeroplan Offices to include the Saint John Call Centre.

3. Within thirty (30) days following the closure of the application period for the Voluntary Separation Program, eligible Customer Sales and Service Agents at Air Canada with an Air Canada service date prior to March 25, 2000, and who are represented by CAW-Canada, Local 2213, will receive a one time award. The award will be a minimum of \$3,400.00. The Company and the Union will mutually agree on the distribution formula where employees would be eligible for an award in excess of the minimum and which would not provide an individual award in excess of \$12,000.00.

This one time award will not be paid to those employees who retire/terminate their employment under the Voluntary Severance Program provided for herein.

4. **Voluntary Severance Program (VSP):** A minimum of four hundred (400) employees will be allowed to take the Voluntary Severance Program during the life of the Agreement. System seniority will apply in the granting of VSP's. It is understood by the parties that employees applying for the Program will indicate their preference for a last day at work and in some cases may wish an expeditious departure. Every effort will be made by the Company to honor the employee's requested date, however, the Company reserves the right, subject to business and operational requirements, to determine the employee's last day of work. However, in any event those employees confirmed for acceptance in this program will be guaranteed a last day of work no later than October 31st of the applicable year. The minimum commitment will be distributed as follows:

Minimum of 300 VSP – January 31, 2001 – October 31, 2001

Minimum of 100 VSP – January 31, 2003 – December 31, 2004

For the above two periods the Company will solicit the required number of employees prior to December 31, 2000.

The Voluntary Severance Program will be amended as follows:

Eligibility :

Permanent active employees who have completed a minimum of one (1) year of continuous company service are eligible to volunteer under this program if:

- they have been in receipt of wages from Air Canada (not a wage replacement benefit) for ninety (90) days (excluding vacation leave) prior to December 31, 2000.
- they are presently participating in a voluntary mitigation program agreed to between Air Canada and CAW-Canada, Local 2213.
- they are presently on an approved maternity or child care leave of an absence and have indicated their intention to return to work for Air Canada.
- they are presently on a leave of absence due to illness (GIDIP).

To determine their eligibility, employees should consult their local Personnel & Employee Relations representative.

5. **Seniority:** The seniority issue is of great concern to employees and needs to be resolved. This issue will be resolved either pursuant to an arbitration protocol between Local 2213 and Local 1990, or failing such a protocol, by the CIRB pursuant to Section 18.1 (4) of the Code.
8. **Scope:** It is agreed that the employees represented by Local 2213 and those employees represented by Local 1990 are exempt from the restrictions contained in the "Scope" provisions of their respective Collective Agreements in order to permit the Carriers to utilize employees to serve each others customers and support the operational requirements of the integrated flight schedule.
7. **Work Schedules:** The work schedules, in accordance with Article 6.03, for the Winter 2000/2001 Flight Schedule will be developed and allocated for the new requirements respecting the relative ratio of each employee groups' access to available functions, and available shift start times. Such functions/shifts will be bid utilizing the separate seniority lists. Where there is a disagreement on the allocation of shifts within the application of Article 6.03 at the local level, the matter will be referred to the parties at the Headquarters level for expedited resolution.

8. **Transfers and Change of Status:** In the event vacancies are declared and pending resolution of the seniority issue such vacancies will be filled following discussion with Local 2213 and Local 1990 at the Headquarters level.
9. **Vacations:** Bid vacations for the year 2000 will be taken as awarded. In the event there is no decision from the arbitrator in time for the annual vacation bid process, vacations for the year 2001 will be bid separately in accordance with the provisions of Article 14.
10. **Health and Safety Committees:** In recognition of the additional health and safety issues that have been raised as a result of construction projects in certain locations (i.e. Toronto, Vancouver and Edmonton), the Company agrees that additional Health and Safety Committee members will be added, as agreed locally based upon the local requirements. It is understood that these additional positions would be temporary and cease to exist when the local construction projects are completed.
11. **Saving Clause:** Any other issues not specifically covered within this transition document will be addressed as required amongst the parties at the Headquarters level.

Air Canada and CAW-Canada, Local 2213 agree and commit, subject to the requirements of the Canada Labour Code, that the attached Letter of Intent will constitute the renewal of the Collective Agreement between Air Canada and CAW-Canada, Local 2213 expiring on March 30, 2002. The new Collective Agreement shall become effective March 31, 2002 and shall continue as expressed in the Letter of Intent.

This Memorandum of Understanding is subject to the ratification of the membership of CAW-Canada Local 2213, the process of which will be completed as soon as possible. All terms and conditions of this Memorandum will take effect immediately upon advice of ratification unless otherwise specified.

This Memorandum of Understanding is also conditional upon agreement and ratification of the attached Letter of Intent.

This Memorandum of Understanding is without prejudice to any position the CAW-Canada, Local 2213 or CAW-Canada, Local 1990 may take in the seniority arbitration process.

Dated in Toronto, this 28th day of September 2000.

For **the** Air Canada:

P.J. Heinke

P.E. Cooley

M. Asselin

K. Smale

C. Corbett

For **the** CAW-Canada, Local **2213**:

E. Di Ionia

G. Spencer

Gary Fane

J. Dias

R. Colvin

D. Fougere

B. Guest

F. Galambosy

APPENDIX D

LETTER OF INTENT

DATED SEPTEMBER 28, 2000

**AIR CANADA
AND
CAW-CANADA, LOCAL 2213**

Consistent with the parties' mutual interest in a long stable relationship, the parties agree as follows:

1. The parties agree to extend the current Air Canada Collective Agreement No. 29, as per the modifications set out in the attached Memorandum of Understanding, until March 27, 2004.
2. For the period of the extension stated above, the wage increases under Article 5.03 will be:

2.5% effective March 31, 2002
2.5% effective March 30, 2003
3. In the event that another bargaining agent (IAMAW, ACPA, ALPA, CALDA, or CUPE) at Air Canada or Canadian Airlines negotiates a higher wage increase during the foregoing duration of the agreement, the higher wage increase will automatically apply under this Letter of Intent.
4. In conjunction with the effective date of this annualized wage increase identified above wage increases will be subject to further negotiations if:
 - a) other bargaining agents (IAMAW, ACPA, ALPA, CALDA, or CUPE) at Air Canada or Canadian Airlines have negotiated higher percentage wage uplifts, and / or:
 - b) the consumer price index of the previous year exceeds the above wage increase by more than one (1.0%) percent for any of the two (2) calendar years referenced above.

Should the above conditions trigger additional discussions with respect to wages, and given the extended duration of the Collective Agreement, the Union will not resort to strike action over the issue of such wage negotiations.

5. For the period of the extension stated above, amend Memorandum of Understanding No. 1 – Pension Plan as follows:

11. (C) The application of (A) and (B) above will take place in each of the ~~two~~ (2) years and occur on the following dates:

January 1, 2003

January 1, 2004

This Letter of Intent is subject to the ratification of the membership of CAW-Canada, Local 2213, the process of which will be completed as soon as possible.

Dated in Toronto, this 28th day of September 2000.

For Air Canada:

For CAW-Canada, Local 2213:

APPENDIX E

MEMORANDUM OF UNDERSTANDING

DATED SEPTEMBER 28, 2000

**AIR CANADA/CANADIAN AIRLINES
- AND -
CAW – CANADA AND ITS LOCAL 1990**

Air Canada and Canadian Airlines have confirmed to the CAW – Canada Bargaining Committees from Local 2213 and Local 1990 that Air Canada and Canadian Airlines International are being merged into one airline. On May 4, 2000 the parties agreed to apply the terms and conditions of the Air Canada Collective Agreement to all applicable CAW members at Canadian Airlines. The purpose of this Memorandum is to amend the provisions of the Collective Agreement with the changes recently brought to the Air Canada Collective Agreement, to the extent agreed, as a result of its discussions with CAW-Canada, Local 2213.

This Memorandum further gives reciprocal effect to waive the scope restrictions between members of CAW-Canada, Local 2213 and of CAW-Canada, Local 1990 as agreed on May 4, 2000 for the purpose of providing seamless customer service to the passengers of both carriers and to achieve the synergies of an intermingled workforce supporting a fully integrated flight schedule.

Subject to the coming into effect of the Memorandum of Understanding entered into between Air Canada and CAW-Canada and its Local 2213 on September 28, 2000 the following is agreed:

I - Amend the provisions of the Collective Agreement as follows:

a) *Amend Article 6.01.01 as follows:*

6.01.02 The standard working week shall be forty (40) hours. The standard working day shall be eight (8) consecutive hours, including meal and rest periods. Where the standard working day is not practicable, the employee may be scheduled for more than eight (8) hours but not in excess of nine (9) consecutive hours, inclusive of meal and rest periods. Where it is not practical to relieve employees two (2) days in seven (7), the number of days off in a complete shift cycle shall be no less than two-sevenths (2/7) of the total number of days in the cycle. In the development of such schedules, no less than two (2) consecutive days off will be scheduled together, unless otherwise agreed by the Company and the Union at the District level.

Note 1: The provision of allowing a shift to extend up to nine (9) hours is to achieve the equivalent of the forty (40) hour working week at locations where the 6 days on, 3 days off Work Schedule is in effect. Such 6/3 type work schedules will apply to address staff requirements which are constant over the seven (7) calendar day week and will be based on the requirements for the lowest calendar day of the week.

b) Amend Article 10.07.04 as follows:

10.07.04 When laid off for a period of more than sixty (60) consecutive months, or the number of consecutive months equivalent to the number of completed months of the employee's seniority as of the date of layoff, whichever is greater.

c) Amend Article 12.03 as follows:

12.03.01.03 When an employee and their employee spouse (including common-law spouse) desire a joint transfer to the same location or base they shall so indicate at the time of submission of their transfer requests.

12.03.01.04 When two (2) such employees have indicated their preference for joint transfers, as provided for in Article 12.03.01.01, such transfers will be actioned in accordance with Article 12.01.02 or Article 12.02.02 using the seniority date of the junior employee and provided two (2) vacancies are being confirmed.

d) Amend Article 14.02 as follows:

14.02.02 Employees shall be entitled to vacation leave with pay. Such time away from work shall be granted in calendar days, exclusive of holidays, as provided in Article 13, which may occur during the vacation period in accordance with:

Less than one (1) year of continuous service by December 31st of each year – one (1) day of vacation leave with pay for each full month of continuous service up to December 31st.

More than one (1) year of continuous service by December 31st of each year based on years of service in accordance with the following:

Years service	Entitlement
1 through 3 years	14 calendar days
4 through 9 years	21 calendar days
10 through 14 years	28 calendar days
15 through 27 years	35 calendar days
28 years and over	42 calendar days

These changes will be effective for vacation to be taken in year 2002.

e) *Amend Article 18.04.01.02 as follows:*

18.04.01.02 Time off for the Union Bargaining Committee (5) members will be forty (40) hours per week to be absorbed by the Company.

Time off for the Union Health and Safety Coordinator will be forty (40) hours per week to be absorbed by the Company.

Time off for Union District Chairs as outlined below will be absorbed by the Company:

NUMBERS OF EMPLOYEES	TIME OFF
51 - 100	8 hours per week
101 - 200	20 hours per week
201 - 600	40 hours per week
601 - 1000	80 hours per week
1001 - +	120 hours per week

These changes are to be effective in the month following advice of ratification.

f) *Amend Article 18.06 as follows:*

18.06 The Union shall have the privilege of posting appropriate notices and related Union material on Company notice boards and the internal electronic communication system (CIC).

g) *Benefits - Amend Articles, 19.07, 19.09, 19.10, 19.11.02 and LOU4.10 as follows:*

19.07.02 The Company will pay the full cost of the Group Life Insurance Plan up to a maximum coverage of \$70,000.00. Coverage in excess of \$70,000.00 will continue to be shared on a 50/50 basis. The level of coverage will be two and one-half (2%) times the basic annual salary up to a maximum of \$80,000.00. The maximum level of paid-up life insurance for retired employees will remain at one-fourth (%) of coverage at time of retirement up to a maximum of \$10,000.00.

L4.10 GROUP LIFE INSURANCE

The level of coverage will be two and one-half (2%) times the basic annual earnings up to a maximum of \$40,000.00.

19.09.01 The Company will pay the full cost of Plan II. The maximum aggregate under the Supplementary Health Plan will be fifty thousand dollars (\$50,000.00), with an annual reinstatement of two thousand dollars (\$2,000.00).

L4.10 Supplementary Health Insurance

The Company will pay the full cost of Plan II. The maximum aggregate under the Supplementary Health Plan will be fifty thousand dollars (\$50,000.00), with an annual reinstatement of two thousand dollars (\$2,000.00).

19.09.02 The Company will extend coverage to include psychologists at a benefit level of fifty percent (50%) of the cost per visit to a maximum of seven hundred and fifty dollars (\$750.00) per person and one thousand five hundred dollars (\$1,500.00) per family per year.

19.09.05 The Company will provide coverage for hearing aids and tests to a maximum of seven hundred and fifty dollars (\$750.00) per five year period.

- 19.09.06 Expenses incurred for paramedical services of Chiropractors, Osteopaths, Naturopaths, and Podiatrists will be covered to a maximum of fifty dollars (\$50.00) per visit to a maximum of one thousand dollars (\$1,000.00) per person per year or two thousand dollars (\$2,000.00) per family per year, less any amount paid to the employee for such services under the employee's provincial medical plan.
- 19.10.02 The annual maximum of covered expenses is two (2) thousand dollars (\$2,000.00) per calendar year per person. The basic dental services coverage is payable at ninety (90%). The maximum orthodontic coverage for dependent children will be two thousand five hundred dollars (\$2,500.00).
- 19.11.03 The benefits for each employee and each eligible dependent to be not more than two hundred and twenty-five dollars (\$225.00) reimbursement for eyeglasses or contact lenses in each period of twenty-four (24) consecutive calendar months, except that the contact lenses prescribed for severe corneal situations, as set out in Company Publications 711, Chapter 8, 9, 10, the maximum amount payable shall be three hundred and sixty dollars (\$360.00), payable once during the entire period the person is insured.

These changes are to be effective for services provided in the month following advice of ratification.

- h) Introduce new Letter of Understanding No. 24 – Concierge function as follows:*

Letter of Understanding No. 24
Concierge Function

The Company and the Union have agreed to the creation of the Concierge function at airport locations.

The objective of this new function is to provide premium customers with personalized service that compliments the service these customers receive throughout their entire travel experience.

Separate functional requirements, including the development of shift schedules and sub-schedules for each location will be developed in accordance with Article 6.02 and may include full-time and/or part-time employees.

Except as otherwise provided for hereinafter, all provisions of the Collective Agreement

shall apply to Customer Sales & Service Agents performing the Concierge function:

1. Vacancy notices will be posted in each location outlining the staff requirements and soliciting applications for positions in the Concierge function. Notwithstanding the provisions of Articles 6.03.01.01 and 6.03.01.02, the Company will have the right to select from applicants for all such vacancies. At the request of the local District Chairperson, the local District Chairperson or a designate may form part of the selection panel to provide input to the process.
2. Selected Customer Sales and Service agents will bid work schedules and sub-schedules within the Concierge function in accordance with Article 6.03. Requests for transfer out of the Concierge function to other vacancies within the location will only be actioned in accordance with Article 6.03.01.01 when such vacancies result from a change to work schedules provided for in Article 6.02.01. In the event of a staff reduction within the function, such a reduction will be affected in accordance with the provisions of Article 6.03.02 after any requests for transfer out of the Concierge function have been actioned.
3. The application of Article 6.06 will be amongst employees qualified to work the Concierge function for any shifts identified as Concierge.
4. The uniform for Customer Sales & Service Agents selected in the Concierge function will be distinct, the first of which will be provided by the Company at no cost to the employee. Subsequent uniform components will be provided in accordance with Article 19.02.02.

Dated in Toronto this 28th day of September, 2000.

FOR: AIR CANADA

FOR: CAW-CANADA AND
ITS LOCAL 1990

With the introduction of the foregoing Letter of Understanding it is agreed that employees working in permanent or relief Concierge functions as of the date of the ratification of this Memorandum of Understanding will be grandfathered, at their request, into the Concierge function.

j) Amend the Memorandum of Understanding No.1 – Pension Plan, items 13 and 14 and the Pension Plan rules as follows:

13. Effective January 1, 2001, the rules of the Air Canada Pension Plan will be amended to change the formula for eligible employees covered by this Collective Agreement from 1.75%/2% to 1.90%/2% in respect of allowable service after January 1, 2001. In respect of service between January 1, 1966 and June 30, 2000, the formula will remain at 1.4%/2%; for service between July 1, 2000 and December 31, 2000, the formula will remain at 1.75%/2%. All sections of the Plan text wherever reference is made to 1.75% will be amended by replacing 1.75% with 1.90% in respect of service after January 1, 2001. These are sections 6.1 dealing with normal retirement pension, section 6.3 dealing with disability retirement pension and section 7.1 dealing with the higher pension to age 65 option. In section 7.1a), the reference to ¼% should also be replaced by 0.10% in respect of service after January 1, 2001.
14. Employee contributions under section 4.1 of the rules of the Air Canada Pension Plan will be increased from 5.25% to 5.70% on pensionable earnings up to the employee's Yearly Maximum Pensionable Earnings and remain at 6% on the part of the employee's compensation in excess thereof effective January 1, 2001. This contribution rate will be used as a basis for the recognition of any period of allowable service in respect of service after January 1, 2001.

The Pension Plan rules will be amended so that in the first month following advice of ratification, provisions for the Maximum Pensionable Earnings will be increased to \$68,000.00.

2. **Voluntary Severance Program (VSP):** A minimum of three hundred (300) employees will be allowed to take the Voluntary Severance Program during the life of the Agreement. System seniority will apply in the granting of VSP's. It is understood by the parties that employees applying for the Program will indicate their preference for a last day at work and in some cases may wish an expeditious departure. Every effort will be made by the Company to honor the employee's requested date, however, the Company reserves the right, subject to business and operational requirements, to determine the employee's last day of work. However, in any event those employees confirmed for acceptance in this program will be guaranteed a last day of work no later than October 31st of the applicable year. The minimum commitment will be distributed as follows:

Minimum of 200 VSP – January 31, 2001 – October 31, 2001
Minimum of 100 VSP – January 31, 2003 – December 31, 2004

For the above two periods the Company will solicit the required number of employees prior to December 31, 2000.

The Voluntary Severance Program will be amended as follows:

Eligibility:

Permanent active employees who have completed a minimum of one (1) year of continuous company service are eligible to volunteer under this program if:

- they have been in receipt of wages from Air Canada (not a wage replacement benefit) for ninety (90) days (excluding vacation leave) prior to December 31, 2000.
- they are presently participating in a voluntary mitigation program agreed to between Air Canada and CAW-Canada, Local 1990.
- they are presently on an approved maternity or child care leave of absence and have indicated their intention to return to work for Air Canada.
- they are presently on a leave of absence due to illness (GIDIP).

To determine their eligibility, employees should consult their local Personnel & Employee Relations representative.

3. Seniority: The seniority issue is of great concern to employees and needs to be resolved. This issue will be resolved either pursuant to an arbitration protocol between Local 2213 and Local 1990, or failing such a protocol, by the CIRB pursuant to Section 18.1 **(4)** of the Code.

4. Scope: In accordance with the parties agreement contained in Article 3c) of the Memorandum of Understanding dated May 4, 2000 to refer the jurisdictional issues to a third party for resolution, it has been subsequently agreed to defer to the CIRB to determine in which bargaining unit (IAMAW – main bargaining unit or CAW-Sales and Service Unit) the following functions/classifications should be included:

- Operations Agents (Turn Coordinators)
- Central Cargo Loadplan
- Cargo Services
- Baggage Services

5. **Work Schedules:** The work schedules, in accordance with Article 6.03, for the Winter 2000/2001 Flight Schedule will be developed and allocated for the new requirements respecting the relative ratio of each employee groups' access to available functions, and available shift start times. Such functions/shifts will be bid utilizing the separate seniority lists. Where there is a disagreement on the allocation of shifts within the application of Article 6.03 at the local level, the matter will be referred to the parties at the Headquarters level for expedited resolution.
6. **Transfers and Change of Status:** In the event vacancies are declared and pending resolution of the seniority issue such vacancies will be filled following discussion with Local 2213 and Local 1990 at the Headquarters level.
7. **Vacations:** Bid vacations for the year 2000 will be taken as awarded. In the event there is no decision from the arbitrator in time for the annual vacation bid process, vacations for the year 2001 will be bid separately in accordance with the provisions of Article 14.
8. **Health and Safety Committees:** In recognition of the additional health and safety issues that have been raised as a result of construction projects in certain locations (i.e. Toronto, Vancouver and Edmonton), the Company agrees that additional Health and Safety Committee members will be added, as agreed locally based upon the local requirements. It is understood that these additional positions would be temporary and cease to exist when the local construction projects are completed.
9. **Saving Clause:** Any other issues not specifically covered within this transition document will be addressed as required amongst the parties at the Headquarters level.

This Memorandum of Understanding is without prejudice to any position the CAW-Canada, Local 2213 or CAW-Canada, Local 1990 may take in the seniority arbitration process.

This Memorandum of Understanding also formalizes the agreement reached between Air Canada and CAW-Canada Local 1990 already ratified by the membership of Local 1990.

Dated in Vancouver this 27th day of October 2000.

For Air Canada:

K. Smale _____

For CAW-Canada, Local 1990:

A. Davidson _____
A. Watkins _____
M. Leduc _____
G. Ferns _____
R. Funaro _____
N. Philpott _____
C. Levore _____

APPENDIX F

LETTER OF INTENT NO. 2

DATED OCTOBER 27, 2000

**AIR CANADA / CANADIAN AIRLINES INTERNATIONAL LTD.
AND
CAW-CANADA, LOCAL 1990**

Consistent with the parties' mutual interest in a long stable relationship, the parties agree as follows:

1. The parties agree to extend the current Canadian Airlines Collective Agreement No. 3, as per the modifications set out in the attached Memorandum of Understanding, until March 27, 2004.
2. For the period of the extension stated above, the wage increases under Article 5.03 will be:

2.5% effective March 31, 2002
2.5% effective March 30, 2003
3. In the event that another bargaining agent (IAMAW, ACPA, ALPA, CALDA, or CUPE) at Air Canada or Canadian Airlines negotiates a higher wage increase during the foregoing duration of the agreement, the higher wage increase will automatically apply under this Letter of Intent.
4. In conjunction with the effective date of this annualized wage increase identified above wage increases will be subject to further negotiations if:
 - a) other bargaining agents (IAMAW, ACPA, ALPA, CALDA, or CUPE) at Air Canada or Canadian Airlines have negotiated higher percentage wage uplifts, and / or:
 - c) the consumer price index of the previous year exceeds the above wage increase by more than one (1.0%) percent for any of the two (2) calendar years referenced above.

Should the above conditions trigger additional discussions with respect to wages, and given the extended duration of the Collective Agreement, the Union will not resort to strike action over the issue of such wage negotiations.

5. For the period of the extension stated above, amend Memorandum of Understanding – Pension Plan as follows:

11.(C) The application of (A) and (B) above will take place in each of the two (2) years and occur on the following dates:

January 1, 2003

January 1, 2004

This Letter of Intent is subject to the ratification of the membership of CAW-Canada, Local 1990, the process of which will be completed as soon as possible.

Dated in Vancouver the 27th day of October 2000.

For the Air Canada:

For the CAW-Canada, Local 1990:

P. J. Heinke _____

A. Davidson _____

For Canadian Airlines:

K. Smale _____

APPENDIX G

MEMORANDUM OF UNDERSTANDING

DATED SEPTEMBER 9, 2002

BETWEEN

**AIR CANADA
&
CAW-CANADA
&**

IAMAW TRANSPORTATION DISTRICT 140

The parties recognize that the Customer Relations functions (CR 5;s) and the Administrative Support Level 3 (AS 3s) which were formally within the scope of the Air Canada/IAMAW Clerical Collective Agreement No. 3, are now being consolidated into new classifications, and into the duties performed by Air Canada employees on behalf of the Customer Relations division, and;

Such functions will now be part of the bargaining unit currently represented by the CAW-Canada in accordance with the Canada Industrial Relations Board and;

The employees performing former Customer Relations 5 functions will be reclassified into the Customer Solutions Representative classification and former Administrative Support 3 functions will be reclassified into the Administrative Clerk classification and will, therefore, be covered by the Air Canada/CAW-Canada Collective Agreement.

1. Seniority: The employee's current seniority date as published on the IAMAW Seniority List will be recognized for all purposes in the Collective Agreement.
2. Leave of Absence/Sick Leave: Any leaves of absence currently enjoyed by the employee will continue as originally confirmed by the Company. Any new leaves of absence will be handled in accordance with the provisions of the Collective Agreement. The employee's sick leave bank balance as of date of signing will be transferred into the sick leave bank which will be administered in accordance with the sick leave provisions contained in Article 11.10. Employees currently on long term disability will continue to be covered consistent with their current Plan rules.

3. Transfers: Employees will be required to submit requests for transfer in accordance with the provisions of Article 12 to be considered for any vacancies occurring after October 2002.
4. Vacations: Employees will take their earned 2002 vacation as scheduled including the Leave of Absence Week as per Article 19 of the IAMAW Collective Agreement. Vacation for 2003 will be handled in accordance with the Collective Agreement.
5. Grievances, Discipline, Union Time Off: For the purpose of Article 15 through 18, employees will be represented by the CAW-Canada officers. Deduction for Union Dues will be in accordance with the formula applicable to CAW members represented by Local 2002 and will be effective from the first complete pay period in October 2002.
6. Group Life, Supplementary health, Dental and Vision Care: Benefits coverage under the plans contained in Article 19 will commence effective November 1, 2002 or with services provided from November 1, 2002 as applicable.
7. Pension Plan: Employees will be deemed to be members of, and will be governed by the rules of the Pension Plan currently in effect for CAW-Canada Local 2002 members, effective October 1, 2002. Employee contributions to the Plan will commence effective the first full pay period in November 1, 2002.
8. Savings Clause: Any other items which may arise during the transition of this employee group to the Air Canada/CAW-Canada Collective Agreement will be dealt with by the parties at the Headquarters level.

Signed this 9th day of September 2002.

For the Company:

Eleonor Marynuik

For the IAMAW Transportation District 140

For the CAW-Canada

APPENDIX H

MEMORANDUM OF UNDERSTANDING

DATED JUNE 11, 2003

BETWEEN

**AIR CANADA
("Air Canada")**

AND

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL
WORKERS UNION OF CANADA (CAW – CANADA) AND ITS LOCAL 2002**

("The Union")

Whereas the current collective agreement between the Company and the Union remains in force and effect until March 27, 2004;

AND Whereas the parties are desirous of modifying the current collective agreement in order to provide the Company with the ability to restructure, and thereby successfully exit the CCAA process;

Accordingly, the parties agree as follows:

1. The employment security provisions of the May 04, 2000 Memorandum of Understanding and the September 28, 2000 Memorandum of Understanding are repealed.
2. The Union agrees to forego the 2.5% wage increase for all employees in the bargaining unit which was to be effective March 30, 2003.
3. All rates of pay in Article 5 will be reduced by ten percent (10%) effective June 8, 2003 for a period of sixty (60) days.
4. Effective August 7, 2003, the reduction in pay rates will be returned to their pre-June 8, 2003 levels.
5. Effective August 7, 2003, the following will also apply:
 - i. Delete the provisions of Article 5.05 Shift Premiums and all other related references to shift premium. Shift premiums will be paid for applicable time worked for shifts up to and including August 6, 2003.

- ii. Delete the provisions of Article 5.08 Longevity Pay and all other related references to Longevity Pay.
- iii. Delete all references to double time (2.0 X) in Article 7.03 Overtime, Article 7.04 Recall, and all references to double time and one-half (2.5 X) in Article 13.03 and all other related references to double time overtime. Double time rates will apply for all applicable overtime worked up to and including August 6, 2003.
- iv. Delete Article 6.04.04 to eliminate the overtime meal period and corresponding credit.
- v. Delete all references to “minus twenty-four (-24) hours” in Article 7.06 Time Bank. Negative balances remaining in employee time banks will be cleared commencing on the first pay date following August 7, 2003 in eight (8) hour instalments until cleared.
- vi. Revise Article 13.01 Statutory Holidays to delete the reference to “Remembrance Day” and the “NOTE: An additional holiday shall be granted and taken at a time to be determined by the Union at the Headquarters level.” The parties agree herein to substitute Remembrance Day with a statutory holiday identified as “Other* Natal Day – Halifax, St. John the Baptist’s Day – Province of Quebec, August Civic Holiday – Other Provinces to be deemed as a general holiday for the purposes of the Code.
- vii. Delete Article 19.02.03 provisions for the cleaning allowance. Employees eligible for the cleaning allowance will receive the allowance up to and including the month of August, 2003.
- viii. Modify the November 28, 2000 Memorandum of Understanding (Protocol) dealing with the revision to work schedules and sub-schedules under the provisions of Article 6.02. Appendix 10.

Accordingly, the provisions of Article 6.01.01 Note 1 ...Such 6/3 type work schedules will apply to address staff requirements which are constant over the seven (7) calendar day week and will be based on the requirements for the lowest calendar day of the week is deleted from the Collective Agreement.

The provisions of LOU 20 will be suspended for the work schedules implemented on or about August 7, 2003 and will be re-introduced at the request of the Union consistent with the MOU for subsequent work schedules.

The parties agree that due to the compressed time frame for implementing revised shift schedules on or about August 7, 2003, the time for the Union to review, develop and propose alternate shift schedules will be abbreviated in order to achieve the deadline for implementation.

The foregoing changes are implemented pending the Company's ability to implement a Preferential Bidding System that will be introduced through a joint process and with mutual agreement.

- ix. Part-time employees who had the ability to elect to work more than twenty (20) hours per week consistent with the May 04, 2000 Memorandum of Understanding will have their hours reduced consistent with the provisions of the Collective Agreement effective August 7, 2003 or with the introduction of revised work schedules on or about August 7, 2003.
 - x. Amalgamate Letters of Understanding Numbers 1, 4, and 21 into one Letter of Understanding and increase the ratio of Part-time to Full-time employees at a Base to forty (40%) and eliminate the restrictions to the scheduling of Part-time employees. Appendix 1.
 - xi. Amend Article 14 Vacation to reduce the entitlement to vacation with pay and to change the accrual of vacation entitlement to the current year. See Appendix 2.
 - xii. Amend Article 11.10, Sick Leave to allow employees up to the hourly equivalent of six (6) paid days (forty-eight, 48 hours) for the purposes of sick leave and / or family care. Appendix 3.
6. The following measures to mitigate surplus employees:
- a. A one-time Voluntary Resignation Travel Card Privilege. See Appendix 4.
 - b. An alternative Incentive Severance Program (ISP) consisting of a maximum incentive of fifty-two (52) weeks of salary continuance for those eligible employees who had been confirmed for participation in the agreed September 28, 2000 Voluntary Separation Program (VSP), who had confirmed dates of departure during 2003 and 2004, and who had been advised that their VSP package would not be processed due to the Company's application for CCAA. See Appendix 5.

- c. Where agreed between the Company and the Union at the Headquarters level, requests for change of status from Full-time to Part-time within the same location will be actioned in those locations where there is a requirement declared for Part-time employees and a surplus of Full-time employees.
7. For the life of the agreement, in the application of Letter of Understanding No. 14, Reciprocal Transfers and Changes of Status, vacancies will be declared wherever there is a matching request between employees in like locations (e.g. Reservations to Reservations). The Union agrees that it will not entertain any Article 12 grievances from other employees affected by this item.
8. A Lead Customer Sales & Service Agent classification will be created with a selection process similar to that found in the Air Canada / IAMAW Collective Agreement with modifications thereto subject to mutual agreement. Appendix 6.
9. Modify the provisions of Article 10 Seniority, Staff Reduction, Recall from Layoff, and Article 12 Transfers, Change of Status, Change of Classification, Vacancies, exclusively as they relate to the Aeroplan Office locations to provide Aeroplan with necessary workforce stability, and particularly during the period of the staff reductions in the bargaining unit. See Appendix 7.
10. To provide for the passenger handling work for the Air Canada operation at the Regina and Saskatoon airport locations to be handled by Jazz. The parties will also discuss similar opportunities at other Bases. See Appendix 8.
11. The Union will have the opportunity to bid on work at Destina.ca on a competitive basis, benchmarked against available outsourcing opportunities. Any other expansion of scope opportunities will be discussed on a case by case basis in accordance with the existing provisions of the Collective Agreement.
12. The Company commits that no changes to the existing rules of the Air Canada Pension Plan will be made arising out of this process and the Union commits to cooperate with the Company in representations to the OSFI and the federal government regarding appropriate policy decisions respecting funding of the Plan deficit.

13. For the purposes of the staff reduction resulting from the restructuring of the airline under CCAA which have been the subject of full discussions and negotiations between the parties and which forms part of the agreement reached under this Memorandum of Understanding, the following is agreed:
 1. Employees who are relocated from their location; or who bump into the other status to remain at their location; or who are laid off from their base; or who bump from their base, will be red circled on the transfer list for the purpose of filling vacancies back to their original position (classification, base, location, and status).
 2. For the life of the collective agreement, Lead Agents and Customer Sales & Service Agents will be treated as one classification.
 3. Representatives of the Bargaining Committee and the Company will meet immediately following advice of ratification to initiate the process provided for in Article 10.
 4. Sections 214 and 226 of the Canada Labour Code do not apply.
14. The Company and the Union will agree to a program whereby Full-time employees may request a temporary change of status to Part-time for the purpose of pursuing educational or retraining opportunities. The program will be discussed and agreed to prior to July 31, 2003 in order to entertain any requests for the school term starting in September.

The Company and the Union agree and commit, subject to the requirements of the Canada Labour Code, that the attached Letter of Intent (Appendix 9) will constitute the renewal of the Collective Agreement between Air Canada and CAW Canada, Local 2002 expiring on March 27, 2004. The new Collective Agreement shall become effective March 28, 2004 and shall continue as expressed in the Letter of Intent.

This Memorandum of Understanding is subject to the ratification of the membership of CAW Canada Local 2002, the process of which will be completed as soon as possible. All terms and conditions of this Memorandum will take effect immediately upon advice of ratification unless otherwise specified.

This Memorandum of Understanding does not affect any rights the Union may have to file claims in the context of the restructuring process under the CCAA.

This Memorandum of Understanding is also conditional upon agreement and ratification of the attached Letter of Intent. Appendix 9.

Agreed in Toronto this 01st day of June, 2003.

For Air Canada

K. Howlett
Vice President, Labour Relations

C. Baril
Senior Director, Airport Operations

E. Cabral
Manager, Resource Planning

P. Cooley
Director, Labour Relations – CAW
& Int'l.

M. Asselin
Manager, Labour Relations

M. Gray
Manager, Labour Relations

E. Marynuik
Manager, Labour Relations

For the CAW Canada and its Local 2002

G. Fane
Director Transportation, CAW-Canada

A. Davidson
President, CAW-Canada Local 2002

G. Spencer
National Representative

J. Amato
National Representative

A. Watkins
Bargaining Committee

S. Sairanen
Bargaining Committee

G. Iammatteo
Bargaining Committee

C. Johnston
Bargaining Committee

T. Lindsay
Bargaining Committee

APPENDIX I

LETTER OF INTENT

'DATED JUNE 1, 2003

AIR CANADA / CAW CANADA and its Local 2002

Consistent with the parties' mutual interest in a long stable relationship, the parties agree as follows:

1. The current Air Canada / CAW Canada Collective Agreement, including all Memorandums of Understanding and Letters of Understanding, will be amended as per the modifications set out in the attached Memorandum of Understanding, until March 27, 2004.
2. The parties agree to extend the modified Air Canada / CAW Canada Agreement as provided for in Item 1, until June 04, 2006.
3. On the June 04, 2006 renewal, the parties further agree to extend the Air Canada / CAW Canada Collective Agreement, as provided for in Item 1, consistent with the modifications set out in the Memorandum for an additional three (3) year period, until May 31, 2009, except as provided for in Item 4, below.
4. For the extended collective agreement from June 04, 2006 to May 31, 2009 the parties will only be able to negotiate the provisions of Article 5.03, Wages. The negotiation on this issue may commence four (4) months prior to June 04, 2006. Any unresolved differences in the bargaining will be resolved, as necessary, through mediation and binding arbitration, with such arbitrator being selected through mutual agreement of the parties. The parties agree that there will be no lockout and the Union will not resort to strike action over the issue of such wage negotiations.
5. This Letter of Intent is subject to the ratification of the membership of CAW Canada, Local 2002, the process of which will be completed as soon as possible.

Agreed in Toronto this 01st day of June, 2003.

For: Air Canada

For: CAW Canada

For: CAW Canada, Local 2002

APPENDIX J

MEMORANDUM OF AGREEMENT

DATED MAY 23, 2004

BETWEEN

AIR CANADA

("The Company")

AND

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA (CAW – CANADA) AND ITS
LOCAL 2002**

("The Union")

Whereas the parties have agreed to extend the current collective agreement between the Company and the Union until May 31, 2009 consistent with the provisions of Appendix 9 of the June 01, 2003 Memorandum of Agreement;

AND Whereas the parties are desirous of modifying the current collective agreement in order to provide the Company with the ability to restructure, and thereby successfully exit the CCAA process;

Accordingly, the parties agree as follows:

1. Introduce a Voluntary Separation Program for eligible Customer Sales & Service Agents and Customer Solutions Representatives with an incentive payment of three (3) weeks per year of service up to and including nine years of service, (and four (4) weeks per year of service for ten (10) or more completed years of service, to a maximum of fifty-two (52) weeks of salary continuance paid over thirty-six (36) months.

The deadline for applications will be September 30, 2004 with a latest termination date of December 31, 2005. The Union and the Company will discuss an orderly timetable for departures. The Union commits to working cooperatively with the Company in an effort to achieve a VSP participation rate of one thousand, three hundred (1,300) full time equivalent employees for the purpose of generating the labour savings. (VSP attached)

2. Introduce an incentive for employees on laid off status as of September 30, 2004, who are offered a vacancy and decline the recall, who will have their name removed from the seniority list and be considered as having resigned from the service of the Company with consequential loss of all rights and privileges. Such employees will be eligible for a lifetime allotment of three (3) C3/Y10 travel passes for the employee, spouse and eligible dependents for each completed year of continuous service at the time of layoff up to fifteen (15) years of service and an unlimited travel privilege for those employees who have completed fifteen (15) or more years of service. These space available travel privileges are valid on Air Canada and its wholly owned subsidiaries and are not eligible for interline travel on other carriers or code-share flights. The travel priority and use of these travel privileges is governed by Company regulations as defined under the Air Canada Employee Travel Policy. The Company and the Union will jointly develop the Plan and communication to laid off employees for distribution concurrent with the VSP.
3. In order to reflect the change in business, implement cost cutting measures at smaller airports. (Appendix 1)
4. Shift Schedules (Appendix 2 and 3):
 - (a) At airport locations and DCC, work schedules provided by the Company will have its staffing requirements based on six days on, three days off (6x3) / or four days on, two days off (4x2) patterns with nine (9.0) hours duration inclusive of a thirty (30) minute unpaid meal period and to continue to attract the statutory holiday premiums provided for in Article 13.
 - (b) In "Pure Telephone" functions in the Reservations and Aeroplan Call Centre locations, the optimal shift schedule and staffing requirements will be based on a combination of the standard 5x2, eight and one-half (8.5) hour day shift, and the 4x3, ten and one-half (10.5) hour day inclusive of a forty (40) minute (thirty (30) minutes unpaid) meal period and to continue to attract the statutory holiday premiums provided for in Article 13. Such shifts will include a minimum guaranteed number of 4x3 shift types based on the lesser of the level of employee interest or thirty percent (30%). In all other functions, the optimal shift schedule will be based on the 5x2, eight and one-half (8.5) duration and the alternate presented by the Union in accordance with Appendix 1 will have access to all shifts in Letter of Understanding 20 with the exception of the 4x4, eleven hour and fifty-five minute duration.

5. Employees recalled into the Customer Sales & Service Agent and Customer Solutions Representative classifications will be placed on the revised salary scales and progress through the scale to a new maximum of \$19.91 (the eighth (8th) 52 week period) based on service from their date of recall as follows:

Completed Years of Service	Step on Scale
0 – 5	1 st 52 week period
6 – 10	2 nd 52 week period
11 – 15	4 th 52 week period
16 – 20	6 th 52 week period
21 +	8 th 52 week period

New employees will be hired at the entry rate of the scale.

The number of employees in this scale shall not exceed thirty percent (30%) of the total number of employees (Full-time and Part-time) in each year as of December 31st of the previous year. When the thirty percent (30%) of employees capped at the eighth (8th) 52 week period is exceeded, an equivalent number of employees will be identified in order of system seniority and allowed to progress to the ninth (9th) and tenth (10th) 52 week periods of the rates of pay, effective January 1. Once an employee has begun progression through the scale, or progressed from the eighth (8th) 52 week period to the ninth (9th) 52 week period, they will not be set back in their pay rate. (Appendix 4)

The "best 36 months" used for calculating pension benefits will not be negatively affected by the foregoing rates of pay for recalled employees.

When recruiting new employees into the foregoing classifications, Air Canada will give first consideration to those applicants who are employees of Air Canada Jazz.

6. Current time off arrangements and value provided for in Article 18.04 will not be altered during the life of the current Collective Agreement.
7. Amend Article 12.07.03 to provide the parties with flexibility to allow greater vacation and time off at certain times of the year. The parties agree that surplus employees affected by this provision will be subject only to mitigation accomplished with the VSP provisions of this Memorandum. (Appendix 5)

8. The September 13, 2002 Memorandum of Understanding on Zip is repealed.
9. With respect to Aeroplan stability, the Company agrees that the interpretation of the June 1, 2003 agreement will not include restricting employees' seniority rights for those employees subject to relocation under Article 10.10. This provision is applicable to all employees, including those who were relocated in or out of an Aeroplan location prior to the date of signing. The Union agrees to withdraw their grievance on the matter.
10. The Company and the Union will discuss and agree to a process for expedited arbitration on a programmed basis to clear outstanding grievances.
11. With respect to Destina, and in addition to the opportunities provided for in point 11 of the June 01, 2003 Memorandum of Agreement, the CAW will conduct a review of the work being performed at Destina, which they believe to be within the scope of the Collective Agreement and enter into discussions with the Company with the view to finding a resolution. If no resolution can be found, the parties agree to a mediation / arbitration process with arbitrator Michel Piche.
12. Air Canada re-confirms its commitment regarding Aeroplan with respect to the letter of September 28, 2000. (Appendix 6)
13. Air Canada agrees to discuss the Union's request to include non-unionized positions in the bargaining unit. The discussion will include an assessment of the functions of each position, of the Union's rationale for each position and of the implications of bringing them into the bargaining unit.
14. The Company agrees to pay, subject to the Monitor's approval, all legal, actuarial and benefits advisor fees and expenses incurred by the Union in connection with the CCAA restructuring process begun April 1, 2003.
15. Should the Company introduce a profit sharing program for unionized employees, the Union agrees that its members may participate subject to the Union's agreement with the Program.
16. In all work locations, shifts for Full-time employees will be extended by thirty (30) minutes to reflect that portion of an unpaid meal period. Shifts for Part-time employees will be extended by the duration of the applicable meal period for the shift duration in effect.

- 17. All rates of pay in Article 5 will be reduced by 2.5% which will remain in effect for a period of two (2) years from the date of the reduction. This reduction will not apply to employees recalled/hired consistent with Item 5 of this Memorandum.
- 18. With respect to the current layoff/route language grievance, the parties agree that the mediation/arbitration presently under way with Martin Teplitsky will continue to its conclusion. The parties will attempt to resolve the matter by continuing with mediation, and failing resolution by July 31, 2004, Arbitrator Teplitsky shall issue his award.
- 19. This agreement is subject to ratification by the membership of the CAW Canada Local 2002, the process of which will be completed as soon as possible. All terms and conditions of this Agreement will take effect upon a date to be determined by the monitor unless specifically provided for herein.
- 20. Justice Warren Winkler shall be seized of any disputes arising from the interpretation or application of this Memorandum of Agreement and its Appendices.

Agreed in Toronto this 23rd day of May, 2004.

For Air Canada

For the CAW Canada and its Local 2002

APPENDIX K

May 23, 2004

S. Sairanen
President, Local 2002
CAW Canada

T. Lindsay
Bargaining Committee Representative
Pacific Region, CAW Canada

Gilda Iammatteo
Bargaining Committee Representative
Eastern Region

In the event of a sale of all or part of the Aeroplan business or operations to one or more third party(ies) [the "Successor(s)], and pursuant to Air Canada's intention to retain majority ownership over the Successor entity, Air Canada agrees and guarantees that:

1. The Collective Agreement between Air Canada and the CAW-Canada and its Local 2213 [the "Collective Agreement"] will remain in full force and effect and will continue to apply to the Successor(s). Should the Successor(s) be governed by provincial law, all terms and conditions of the Collective Agreement will continue to be honoured by the Successor(s) under provincial law.
2. The Union's bargaining rights will continue to be recognized by the Successor(s). Should the Successor(s) be governed by provincial law, the Successor(s) shall voluntarily recognize the Union's representation rights and / or not oppose the establishment of representation rights through provincial certification.
3. Notwithstanding paragraphs 1 and 2 above, until the expiry of the Collective Agreement, work at the Successor entity performed by Customer Sales and Service Agents covered by the Collective Agreement will continue to be performed by employees at Air Canada represented by the CAW-Canada.
4. In the event that the Successor entity does not remain a wholly owned subsidiary of Air Canada, and / or in the event that Aeroplan moves to provincial jurisdiction, the parties agree that all of the protection afforded above will continue until the expiry of the Collective Agreement.

For the purpose of the above guarantees, the term “sale” shall be interpreted as it is contemplated by the *Canada Labour Code*.

Yours truly,

Kevin P. Smith
Director Labour Relations –
Technical / Customer Services & International

APPENDIX L

May 23, 2004

Mr. Kevin Howlett
Vice President, Labour Relations
Air Canada

Dear Mr. Howlett

This will confirm our understanding that the Union is prepared to discuss with the Company moving the thirty percent (30%) cap provided for in Item 5 of the May 23, 2004 Memorandum of Agreement, to thirty-five percent (35%) when the parties meet to discuss wages pursuant to Item 3, Appendix 9 of the June 01, 2003 Memorandum of Agreement.

It is further understood, that should the parties agree to increase the cap, its application would be limited to new hires into classifications covered by the Agreement.

Yours Truly,

Gary Fane
Director, Transportation
CAW-Canada

APPENDIX M

WHEELCHAIR HANDLING AT TORONTO AIRPORT

This agreement confirms an understanding between the Company and the Union with respect to wheelchair handling at Toronto Airport.

Wheelchair handling is covered under the scope of the present collective agreement. The June 2004 action whereby Toronto Airport Authority assumed wheelchair handling was without the concurrence of Air Canada. The Toronto Airport Authority has utilized the need for quality service as the main reason for their attempt to assume wheelchair handling.

The Company and the Union have worked cooperatively to return the scope duties to the CAW employees and commit to work together to ensure quality customer service to Air Canada passengers.

As a result of the foregoing, the following is agreed to:

1. All Air Canada wheelchair handling will be returned to the CAW and Air Canada on September 12, 2004.
2. All shift schedules and start times for employees affected by the above will be changed to the original shifts previously worked. Toronto Airport management will ensure employees have their previous shifts and start times.
3. Ten (10) to twelve (12) additional vacation slots will be made available this summer for each week (June 28 -September 11, 2004) which will be awarded in seniority order.

Agreed in Montreal on this 29th day of June 2004

For Air Canada:

For the CAW and its Local 2002

Stephen Smith

Gary Fane

APPENDIX N**Red Circling Agreement**

Whereas consistent with the May 23, 2004 agreement wherein the Company and the Union are desirous of modifying the current Collective Agreement with respect to the red circling provisions, more specifically the provisions of the June 1, 2003 Memorandum, item 13, point 1.

Accordingly, the parties agree as follow:

- 1) Employees who, under the provisions of Article 10.10 of the Collective Agreement, are relocated from their location or who bump into the other status to remain at their location will be red circled on the transfer list for the purpose of filling vacancies to their original location and/or status.
- 2) Employees who, under the provisions of Article 10.11 of the Collective Agreement, are laid off from their base; or who bump from their base; or who bump into the other status to remain at their base, will be red circled on the transfer list for the purpose of filling vacancies at any location in their original base in either status. Part-time employees working under the terms of the Memorandum of Understanding No.2 – Retirement phase-in with part-time employment, will only have red circling rights to part-time positions.
 - i) Laid off employees who are offered recall and decline permanent vacancies at their original base in the same status held at time of layoff will have their name removed from the seniority list and the employees will be considered as having resigned from the service of the Company with consequent loss of all rights and privileges consistent with the provisions of Article 10.12.07. However, employees on laid off status who are offered and decline vacancies in the other status will not have their name removed from the seniority list and will retain red circling rights to their original base in the status held at time of layoff.
 - ii) Active employees who elected to bump into the other status or who bump from their base to avoid layoff and who decline vacancies at their original base in the other status will retain their red circling rights at their base in their original status. However, should employees decline vacancies in the status held when subject to layoff such employees will have their name removed from the transfer list and will forfeit their red circle rights.

- iii) Employees subject to layoff who elected to bump into the other status and who were subsequently laid off and who are offered and decline permanent vacancies in either status will have their name removed from the seniority list and the employees will be considered as having resigned from the service of the Company with consequent loss of all rights and privileges. Employees who accept recall in the status other than the one held at time of layoff will retain their red circling rights at their base in their original status held when affected by the staff reduction.
- 3) Employees bumped on a sequential basis will be red circled from the bases from which they were bumped in accordance with item 2 above. Employees, who decline confirmation to the original base or withdraw their name for the original base, will have all requests with red-circle protection removed from the list and employees will be subject to the normal provisions of Article 12.
- 4) The Company may elect to offer recall, confirm transfers, changes of status or changes of classification in excess of the number of positions to be filled. Such offers/confirmation shall first be communicated as conditional, based on the acceptance or declination of offers/confirmation made to employees first to be considered for the vacancies and will subsequently be confirmed consistent with the foregoing.
- 5) Nothing in this Memorandum will detract from the provisions of L1.04.01. Accordingly, full-time employees with a seniority date of May 19, 1985 or earlier who are laid off from their base will be recalled to a full-time vacancy in their base prior to a part-time employee being recalled or offered a change of status in that base.
- 6) The Union agrees that it will not entertain any Articles 10 and 12 grievances from any employees that may be affected by this Memorandum.
- 7) The provisions of this Memorandum pertain to the red circling provisions only and do not supercede other provisions of Article 10 and 12 that are not related or impacted by the red circling provisions.
- 8) The provisions of this Memorandum will remain in effect until December 31, 2005 after which the provisions of Articles 10 and 12 will return to full force and effect.

The Memorandum will take effect immediately upon advice of ratification of the May 23, 2004 Memorandum of Agreement.

Agreed this 15th day of July 2004.

For Air Canada:

For CAW Local 2002:

M. Asselin

A. Watkins

APPENDIX O

ADVICE OF TEMPORARY ASSIGNMENT OUTSIDE SCOPE

**ADVICE OF TEMPORARY ASSIGNMENT
OUTSIDE SCOPE**

**AVIS D'AFFECTATION TEMPORAIRE
FONCTIONS NON RÉGIES PAR LA CONVENTION**

TO DEST. _____ AT _____
NAME NOM LOCATION/BASE LIEU DE TRAVAILBASE EMPLOYEE NO, MATRICULE

Pursuant to Article 8.02 of the Air Canada/CAW – Canada Collective Agreement, this is to: *(Complete one only for each item)*
 Conformément au paragraphe 8.02 de la Convention collective Air Canada/TCA – Canada, et avis : *(Cocher une seule case sur chaque formule)*

CONFIRM CONFIRMÉ ALTER MODIFIÉ CANCEL ANNULÉ

the following temporary assignment: EFFECTIVE TO INCLUSIVE
l'affectation temporaire suivante : **DU** _____ **AU** _____ **INCLUSIVEMENT**
DATE DATE DATE DATE

WORKING HOURS

HEURES DE TRAVAIL

DATE LE _____	FROM DE _____	TO À _____
DATE LE _____	FROM DE _____	TO À _____
DATE LE _____	FROM DE _____	TO À _____
DATE LE _____	FROM DE _____	TO À _____
DATE LE _____	FROM DE _____	TO À _____
DATE LE _____	FROM DE _____	TO À _____
DATE LE _____	FROM DE _____	TO À _____

NATURE OF TEMPORARY ASSIGNMENT
 (To be completed in all cases)

GENRE D'AFFECTATION TEMPORAIRE
 (Doit être rempli dans tous les cas)

MANAGERS SIGNATURE SIGNATURE DU/DE LA CHEF DE SERVICE LOCATION LIEU DE TRAVAIL DATE DATE

EMPLOYEES SIGNATURE SIGNATURE DE L'EMPLOYÉ/E LOCATION LIEU DE TRAVAIL DATE DATE

ORIGINAL: EMPLOYEE COPY 1: EMPLOYEE SERVICES COPY 2: UNION DISTRICT CHAIRPERSON
 ORIGINAL : À L'EMPLOYÉ/E EXEMPLAIRE 1 : SERVICES AUX EMPLOYÉS EXEMPLAIRE 2 : AU PRÉSIDENT DU DISTRICT

APPENDIX PSequence No.
(for Company use only)**Air Canada/CAW-Canada Questionnaire**
Staff Reduction at a Base

Please fill out *the* following questionnaire and *return* by fax to Labour Relations, YUL1263; Fax No. (514) **422-5669**

Employee No.: _____ Name: _____

Base: _____ Location: _____

status: _____ Seniority: _____

Section 1: Alternatives available:

There are employees in your status junior to you for bumping purposes, therefore you may choose from the following alternatives in order of preference. i.e. 1st choice- #1, 2nd choice- #2, etc.:

_____ A. If applicable, fill a vacancy or bump a junior employee in the other status, in your base, as per Article **10.11.01.01**. I would prefer to bump in the following location:

Airport _____ Reservations _____ Aeroplan _____

or

_____ B. Accept layoff at your base with recall rights as per Article 10.11; OR_____ C. Terminate your employment with Air Canada as per Article 10.13; OR

_____ D. Bump into one of the following bases:

NOTE: Please take note that should you select Montreal or Quebec City and your option has been accepted and that you are not bilingual, you will have **12** months from your date of moving to acquire the necessary language proficiency. Should you fail to reach a level **3** in French within that time frame you will be subject to relocation.

NOTE: Employees selecting alternative "A" MUST also select another alternative, (B, C or D) in case alternative "A" is not available.

Employees selecting alternative "A" or "D" will be accommodated in order of seniority as per Article **10.11.06**.

Section 2 If you have selected alternative "B", complete the following portion.

Having accepted Alternative "B", Layoff Status, in addition to recall to the Base, status and classification from which you were laid off, you may also select recall in the other status at your base and as per Article **10.12.01** you may select another three (3) bases/locations for recall. Status and base should be listed in order of preference

Having accepted alternative "B", Layoff Status, I will accept recall as follows:

I will accept recall in the other status at my base/location _____

List in order of preference

	<i>Full Time Status</i>	<i>Part Time Status</i>
1. _____ (Base/Location)	_____	_____
_____	_____	_____
_____	_____	_____
4. _____ (Base/Location)	_____	_____
5. _____ (Base/Location)	_____	_____
6. _____ (Base/Location)	_____	_____

NOTE: Should you refuse when recalled to a position you have listed, your name will be removed from the seniority list.

Section 3: If you have selected alternative "D" complete the following portion:

List in order of preference the following bases you are willing to bump into:

Additionally, if I cannot be accommodated under Alternative "D": as a result of a more senior employee displacing me under the provisions of Article 10.11.06, I would then accept Alternative ____ (indicate either "B" or "C" and, if you select Alternative "B" complete Section 2.

Section 4: Verification of employee contact information.

My correct mailing address is: _____

(Postal Code)

Phone No: () _____

Section 5: Employee acknowledgement.

Signature

Date

Sequence No.

(for Company use only)

Air Canada/CAW-Canada Questionnaire
Staff Reduction at a Base

Please fill out the following questionnaire and return by fax to Labour Relations, YUL1263; Fax No. (514)422-5669

Employee No.: _____ Name: _____

Base: _____ Location: _____

status: _____ Seniority: _____

Section 1: Alternatives available:

There are employees in your status junior to you for bumping purposes, therefore you may choose from the following alternatives in order of preference, i.e. 1st choice- #1, 2nd choice- #2, etc.:

_____ A. If applicable, fill a vacancy or bump a junior employee in the other status, in your base, as per Article 10.11.01.01. I would prefer to bump in the following location:

Airport _____ Reservations _____ Aeroplan _____

or

_____ B. Accept layoff at your base with recall rights as per Article 10.11; OR

_____ C. Terminate your employment with Air Canada as per Article 10.13.

NOTE: Employees selecting alternative "A" MUST also select another alternative, (B or C) in case alternative "A" is not available.

Employees selecting alternative "A" will be accommodated in order of seniority as per Article 10.11.06.

Section 2: If you have selected alternative "B", complete the following portion.

Having accepted Alternative "B", Layoff Status, in addition to recall to the Base, status and classification from which you were laid off, you may also select recall in the other status at your base and as per Article 10.12.01 you may select another three (3) bases/locations for recall. Status and base should be listed in order of preference

I will accept recall in the other status at my base/location _____

List in order of preference

	Full Time Status	Part Time Status
1. _____ (Base/Location)	_____	_____
2. _____ (Base/Location)	_____	_____
3. _____ (Base/Location)	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

NOTE: Should you refuse when recalled to a position you have listed, your name will be removed from the seniority list.

Section 3: Verification of employee contact information.

My correct mailing address is: _____

(Postal Code)

Phone No: () _____

Section 4: Employee acknowledgement.

Signature

Date

Sequence No.
[for Company use *only*)]

Air Canada/CAW-Canada Questionnaire
Staff Reduction at a Base

Please *fill* out the following questionnaire and *return* by fax to Labour Relations, YUL1263; Fax No. (514) 422-5669

Employee No.: _____ Name: _____

Base: _____ Location: _____

status: _____ Seniority: _____

Section 1: Alternatives available:

There are employees in your status junior to you for bumping purposes, therefore you may choose from the following alternatives in order of preference, i.e. 1st choice- #1, 2nd choice- #2, etc.:

_____ A. If applicable, fill a vacancy or bump a junior employee in the other status, **in your base**, as per Article **10.11.01.01**. I would prefer to bump in the following location:

Airport _____ Reservations _____ Aeroplan _____

or

_____ B. Accept layoff at your base with recall rights as per Article 10.11; **OR**

_____ C. Terminate your employment with Air Canada as per Article 10.13; **OR**

_____ D1. Bump into one of the following Bases:

_____ D2. Fill a vacancy at one of the following Bases:

NOTE: Please take note that should you select Montreal or Quebec City and your option has been accepted and that you are not bilingual, you will have **12** months from your date of moving to acquire the necessary language proficiency. Should you fail to reach a level **3** in French within that time frame you will be subject to relocation.

NOTE: If you select alternative "D", you may have the option of selecting either **d1** or **D2**, or you may select both, in which case you may indicate which is your first choice and which is your second choice. Employees selecting alternative "D" will be accommodated in order of seniority as per Article **10.11.06**. Employees selecting alternative "A" **MUST** also select another alternative, (**B, C, D1** or **D2**) in case alternative "A" is not available.

Section 2: If you have selected alternative "B", complete the following portion.

Having accepted Alternative "B", Layoff Status, in addition to recall to the Base, status and classification from which you were laid off, you may also select recall in the other status at your base and as per Article 10.12.01 you may select another three (3) bases/locations for recall. Status and base should be listed in order of preference

Having accepted alternative "B", Layoff Status, I will accept recall as follows:

I will accept recall in the other status at my base/location _____

List in order of preference

	Full Time Status	Part Time Status
1. _____ (Base/Location)	_____	_____
2. _____ (Base/Location)	_____	_____
3. _____ (Base/Location)	_____	_____
4. _____ (Base/Location)	_____	_____
5. _____ (Base/Location)	_____	_____
6. _____ (Base/Location)	_____	_____

NOTE: Should you refuse when recalled to a position you have listed, your name will be removed from the seniority list.

Section 3: If you have selected alternative "D1" and/or "D2" complete the following portion:

My first (and only) choice is "D1", and in order of preference, I will accept to bump at any of the following Bases:

My second choice is "D2", and, in order of preference, I will accept to fill a vacancy at any of the following Bases:

Additionally, if I cannot be accommodated under Alternative "D1" or "D2": as a result of a more senior employee displacing me under the provisions of Article 10.11.06, I would then accept Alternative _____ (indicate either "B", "C" or "D" and, if you select Alternative "B" complete Section 2.

Section 4: Verification of employee contact information.

My correct mailing address is: _____

