

UNION		
EFF.	93	02 16
TERM.	95	12 31
No. OF EMPLOYEES	17	
NOMBRE D'EMPLOYÉS	<i>[Signature]</i>	

COLLECTIVE AGREEMENT

between

TIME AIR INC.,

doing business as

CANADIAN REGIONAL AIRLINES LTD.

Calgary, Alberta

(hereinafter referred to as "the Company")

AND

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS,
Locals 31 & 362**

(hereinafter referred to as the "Union")

MAR 21 1995

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ARTICLE 1 - SCOPE AND PURPOSE

- 1.01 This Agreement is made and entered into by and between TIME AIR INC., Lethbridge, Alberta, hereinafter referred to as the "Company" and the TEAMSTERS LOCALS 31 & 362, hereinafter referred to as the "Union".
- 1.02 The Company recognizes the Union as the sole certified bargaining agent for all employees of the Company, as described on Certificate No. 555-3411 dated June 5, 1992, Certificate No. 555-3342 dated January 6, 1992 and Certificate No. 555-3496 dated February 16, 1993.
- 1.03 This Agreement supersedes and cancels all previous agreements and practices between the parties, both oral and written.
- 1.04 In this agreement, unless otherwise specifically stated, the masculine shall include the feminine, and the singular shall include the plural.
- 1.05 During the life of this Agreement there shall be no lockout by the Company or any strike, sit-down, work stoppage or suspension of work either complete or partial for any reason by the Union.
- 1.06 Should any part or provision of this Collective Agreement be rendered invalid by reason of legislation, such shall not invalidate the remaining portions thereof, and they shall remain in full force and effect.

ARTICLE 2 - DEDUCTION OF DUES

- 2.01 The Company shall deduct on the payroll for each month from wages due and payable to each employee coming within the scope of this agreement, an amount equivalent to the regular dues of the Union, but exclusive of initiation fees, assessments or fines.
- 2.02 The amount of dues deducted shall be remitted by the Company to the Union not later than fifteen (15) calendar days following payment to the employee for the last pay period in the month in which the deductions were made.
- 2.03 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 other than to adjust the error in a subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions of this section shall terminate at the time it remits payment to the Union.
- 2.04 When an employee is receiving Long Term Disability or Workers Compensation Payments he will be required to provide the Company with payment for Union Dues on a monthly basis.
- 2.05 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.

ARTICLE 3 - DEFINITIONS

As used in this Agreement, the terms below shall have the following meaning unless otherwise specified.

- 3.01 "Agreement" means the Collective Agreement in effect.
- 3.02 "Date of Hire" means the first day worked as a Commissary Agent.
- 3.03 "Base" means a geographical location designated by the Company as a Base of operations.
- 3.04 "Employee" means any person in the employ of the Company who is covered by the certification under Article 1.02.
- 3.05 "Status" means whether an employee is a Full Time or Part Time employee.

ARTICLE 4 - MANAGEMENT RIGHTS

4.01 The Union recognizes that the Company shall have the sole and exclusive right, except as otherwise specifically limited by the express provisions of this Agreement, to determine all matters pertaining to the management of the Company and its affairs, and that the direction of employees is fixed exclusively with the Company.

ARTICLE 5 - RATES OF PAY

5.01 Rates of pay shall be determined by the employee's date of hire, provided the employee works the full progression period outlined below, or **unless** otherwise specified herein.

5.02 The following monthly (hourly) rates of pay are effective for the duration of this Agreement:

COMMISSARY AGENT

0-12 Months	1435.00 (8.83)
13-24 Months	1640.00 (10.09)
25-36 Months	1845.00 (11.35)
36 + Months	2050.00 (12.62)

Notwithstanding the preceding, existing employees who are at a rate other than the above will receive increments, at their normal increment date, of \$205.00 except for the amount of the final increment which will bring them to the top rate of \$2050.00.

5.03 Employees designated by the Company as Lead Agents shall receive a premium of \$75.00 per month in addition to their normal monthly rate. A Lead Agent shall not be required to hire or discipline another bargaining unit member.

5.04 The Company supports a philosophy of employees sharing in its profitability. The Union supports this philosophy and accepts the right of the Company in its sole discretion to determine the allocation of funds for this purpose.

5.05 An employee may be designated, by the Company, as an acting Lead Agent or a Lead Agent may be designated, by the Company, as an Acting Supervisor for a minimum of one (1) shift. He shall be compensated at a rate of \$.46 per hour in addition to his regular wages for the period of time he is so designated.

ARTICLE 6 - HOURS OF SERVICE AND OVERTIME

- 6.01 The hours of service in this Agreement do not constitute a guarantee of minimum hours of work per day, or per week, or per month.
- 6.02 Due to the continuous operation of the airline, the standard hours of service shall be based on an average of 37 1/2 hours per week, in accordance with the Canada Labour Code averaging provisions. Shift schedules will be developed by the Company, taking into consideration input of employees.
- The Union may request a meeting with the Company to review scheduling/staffing concerns. If required the Union Representative may request a second meeting which will include the Manager of Commissary and the Manager Labour Relations.
- 6.03 Shift schedules shall be offered by base seniority within the applicable status.
- 6.04 The Company may alter shift schedules or individual shifts within the applicable limitations of this Agreement. Employees will be advised as soon as possible of any changes.
- 6.05 "Full Time Employee" means an employee who has been so classified by the Company and who is working the standard hours of service.
- 6.06 "Part Time Employee" means an employee who has been so classified by the Company and who is working an average of less than the standard hours of service.
- 6.07 Employees who work in excess of the standard hours of service, as defined under Article 6.02, shall be paid overtime for any hours in excess of the standard hours at the rate of time and a half (1 1/2X) their hourly rate.
- 6.08 When the Company is able to assign overtime in advance, it shall be offered by base seniority. Local bases may implement an alternate procedure upon mutual agreement of the parties.
- 6.09 Full Time employees called to work on a scheduled day off, or called back for work following completion of their shift will receive payment for the greater of actual time worked at 1 1/2 X, or 4 hours straight time. Where the minimum is paid, the employee may be required to work the corresponding hours.
- 6.10 A Part Time employee who is called back for work following completion of their shift with less than 24 hours notice, will receive a minimum of 4 hours straight time and may be required to work the corresponding hours.

- o.11 a) The Company will continue the present practice of allowing employees the option to bank overtime for the purpose of taking paid time off.
- b) The scheduling of the paid time off will be subject to operational requirements
- c) Banking of overtime will be on the basis of 1 1/2 hours for each hour of overtime. For example, an employee who works **2** hours overtime will be able to bank 3 hours paid time off.

6.12 In the event that an employee is injured during the performance **of** his duties and as a result is unable to complete his shift, he shall receive compensation for the entire shift.

6.13 In the event that an employee is informed, prior to the commencement of his shift, that he will not be required to work he will not receive compensation for the scheduled shift.

In the event that an employee is not contacted prior to the commencement of his scheduled shift and reports for work he shall receive compensation for the entire shift.

6.14 The scheduling of split shifts shall be allowed upon mutual agreement between the employee and the Company. A split shift is defined as a scheduled shift which contains an unpaid break of greater than two (**2**) hours.

6.15 Supervisors may perform duties regularly performed by bargaining unit employees:

- (a) in order to meet peak staffing requirements;
- (b) for training or instruction purposes;
- (c) for unforeseen lateness, sickness or operational requirements

ARTICLE 7 - UNION SECURITY

- 7.01 In making this Agreement, the parties hereto recognize the objective of maintaining the safety of air transportation, the efficiency and economy of operations, and a **high** quality of customer service. The parties also recognize that compliance with the terms of this Agreement and the development of a spirit of cooperation are essential for the mutual benefit of the parties.
- 7.02 Membership in the Union shall be available to any employee eligible under the Constitution of the Union on payment of the Initiation or reinstatement fees uniformly required of all such applicants by the Union.
- 7.03 Employees shall make every effort to perform their assigned duties when they are required to cross a legal picket line. If the employee feels there is a reasonable possibility of injury/harassment, he will contact his immediate supervisor who will make every effort to identify a solution such as alternate access.
- 7.04 In the event that the Company changes ownership or merges with another company the successorship provisions of the Canada Labour Code will apply.

ARTICLE 8 - VACATIONS AND GENERAL HOLIDAYS

8.01 The vacation year shall commence January 1st in any year and terminate on December 31st of the same year. Vacation entitlement accrued in the current Vacation Year will be taken in the subsequent Vacation Year.

8.02 a) A Full Time employee who has worked a full Vacation Year shall be entitled to take the following vacation periods:

COMPLETED LENGTH OF SERVICE WITH COMPANY	VACATION
Less Than 1 Year	Proration of 2 Weeks
1 Year Up to 3 Years	2 Weeks
3 Years Up to 10 Years	3 Weeks
10 Years or More	4 Weeks

In the calendar year in which an employee attains three (3) years of service and ten (10) years of service, vacation entitlement for that calendar year will be prorated based on his anniversary date from his date of hire. For example, if an employee hired on April 1, 1988 attains three (3) years of service on April 1, 1991, his 1991 vacation entitlement (accrued in 1990) would be based on 4/12 of two (2) weeks and 8/12 of three (3) weeks.

A Full-time employee shall receive their normal salary when vacation is taken. If the appropriate percentage of the previous years earnings is greater than the amount of vacation pay received the difference shall be paid to the employee within two (2) months of the end of the calendar year.

b) A week of vacation for Full Time employees shall be defined as 37 1/2 hours of time.

c) Part Time employees shall receive time off for vacation purposes according to the entitlement schedule under Article 8.02 (a); vacation pay shall be a percentage of their gross earnings in the previous calendar year, based on length of service with the Company:

-	up to 3 years	-	4%
-	up to 10 years	-	6%
-	10 years or more	-	8%

- 8.03 a) The Company will post a list of available vacation periods at each base **(2)** months prior to commencement of the calendar year so that employees may select their vacation period. Employees will be required to submit their choice of vacation period to the Company within two weeks of the posting of the vacation list. The Company will post an approved list of vacation awards at each base one (1) month prior to the commencement of the calendar year.
- b) Vacation awards at each base will be based on Company Seniority
- c) Changes to the employee's awarded vacation due to operating needs may be made by the Company and will, to the extent practicable, recognize the personal preference of the employee.

The Union may request a meeting with the Manager , Catering Services and the Manager, Labour Relations to discuss concerns and/or possible alternatives.

- 8.04 Employees who have been absent from work for greater than two months (**62** days) during a year in which vacation was earned will receive time off for vacation purposes according to the entitlement schedule. Vacation pay shall be a percentage of their gross earnings in the previous calendar year, based on length of service with the Company:

-	up to 3 years	4%
-	up to 10 years	6%
-	10 years or more	8%

For example, a two year full-time employee is off for six months leave in 1990. In 1991 this employee is entitled to two weeks vacation with a vacation pay equivalent to 4% of 1990 gross earnings. Therefore, the employee would be eligible to take two weeks vacation, but would only receive the equivalent of one weeks pay.

- 8.05 The following 10 days are recognized by the Company as General Holidays:

New Year's Day - January
 Good Friday - March or April
 Victoria Day - May
 Canada Day - July
 Heritage Day - August
 Labour Day - September
 Thanksgiving Day - October
 Remembrance Day - November
 Christmas Day - December
 Boxing Day - December

- 8.06 A Full Time employee who is scheduled to and works on a General Holiday, will be entitled to receive either:
- a) his regular wages for the hours worked and credit for an amount of hours equivalent to one half (1/2) his hours worked plus the equivalent of a regular day, as defined under Article 8.08, which shall be banked and taken at a mutually agreed upon date; or.
 - b) time and a half (1 1/2~~X~~) his hourly rate for the hours worked, and a regular day's wages, as defined under Article 8.08.
- 8.07 In the event a General Holiday falls on a Full Time employee's scheduled day off, he shall be entitled to receive a regular day off in lieu of the General Holiday, defined under Article 8.08, which shall be banked and taken at a mutually agreed upon date.
- 8.08 A General Holiday will be equivalent to 7 1/2 hours for Full Time employees.
- 8.09 Part Time employees who work on a general holiday will receive 1 1/2~~X~~ their regular rate for all hours worked on the holiday, and will receive the average dollar value of their last 20 days worked, excluding overtime.
- Part Time employees who do not work on the general holiday will receive 1/20th of gross wages earned in the 30 days preceding the general holiday.
- 8.10 All employees must complete 30 calendar days of employment in order to be eligible for the provisions outlined in this Article.

ARTICLE 9 - PROBATION

9.01 All new employees shall be required to serve a probationary period of:

(a) Full-time - six (**6**) months

(b) Part-time - six (**6**) months and 120 shifts worked.

An employee will not acquire seniority rights until successful completion of the probationary period. Seniority shall then be calculated from the Date of Hire and the employee's name shall be added to the Seniority List.

9.02 During any probationary period, the Company reserves the sole right to make any decision regarding the retention or termination of the probationary employee. The Union will be advised of the reasons for a probationary termination.

ARTICLE 10 - SENIORITY

- 10.01 The initial seniority for each employee upon the signing of this Agreement will be in accordance with Appendix A attached to this Agreement. Thereafter, an employee's position on the Seniority List shall be based on Date of Hire. Seniority shall accumulate based on the length of time actually worked except as otherwise specified in this agreement.
- 10.02 If two (2) or more employees have the same Date of Hire their seniority shall be determined by a lottery system agreed to by the parties.
- 10.03 The seniority list shall be posted at each Base on January 1st and July 1st of each year by the Company, with a copy to the Union.
- 10.04 An employee shall lose his seniority and his employment shall be considered terminated if he:
- a) resigns
 - b) is discharged, providing there is just cause
 - c) overstays his leave of absence
 - d) is absent without authorized leave
 - e) fails to return from layoff under the recall procedure as set forth in Article 11
 - f) is laid off for a continuous period of one (1) year
 - g) retires
- 10.05 Where an employee transfers to a supervisory position he shall, for a period of six (6) months retain but not accrue seniority and have the right to return to his previous position. If this right is not exercised within the six (6) month period the employee shall lose his seniority. The Union will be advised of the applicable dates in writing of any such transfer. During this period the employee shall not have the sole discretion to discipline or discharge. Dues deductions shall be maintained during this period.

ARTICLE 11 - FILLING OF VACANCIES AND REDUCTIONS IN STAFF

- 11.01 Selection of employees for vacancies shall be made by the Company, considering seniority, ability and aptitude. When ability and aptitude are deemed equivalent, seniority shall prevail.
- 11.02 When the Company determines that there is to be a reduction in staff of greater than fourteen (14) days, such shall be at a Base, within a particular Status, in reverse order of seniority.
- 11.03 An employee who is affected by a reduction of staff will have the following options:
- i) Elect to fill any available vacancies within the system; or
 - ii) A full-time employee may elect to displace the most junior employee in the other status at the base; or
 - iii) Elect to displace the most junior employee in the system in the same status; or
 - iv) Accept layoff status.
- 11.04 An employee who is displaced by the above procedure shall have all of the above options, subject to their seniority.
- 11.05 a) An employee who has received notice of a reduction of staff must advise the Company with respect to his choice of options provided in Article 11.03 within seven (7) calendar days.
- b) If an employee who has received notice of a reduction of staff does not advise the Company of his choice of options under Article 11.03 within seven (7) calendar days, he shall be deemed to have accepted layoff status.
- 11.06 If an employee does not elect to exercise his displacement privileges in accordance with Articles 11.03 and 11.05, he will forfeit such displacement privileges.
- 11.07 An employee on layoff shall file, in writing, his address and telephone number with the Company, **and** shall be responsible for keeping the Company informed of any changes.
- 11.08 Notwithstanding Article 11.01:
- (a) employees who have been displaced for up to one (1) year, or who are on layoff, from the base where a vacancy occurs will be given priority for the vacancy based on seniority.
 - (b) if the vacancy remains, employees from other bases who have been displaced for up to one (1) year or who are on layoff shall be given priority for the vacancy based on seniority.

- 11.09 A recalled employee shall be allowed a maximum of three (3) days to report to work from the date of verbal notice to him or five (5) days from the posting of registered letter to his last known address. Failure to respond to a recall notice shall result in termination of employment. The Company shall have the right to fill any vacancy in an emergency.

ARTICLE 12 - LEAVES OF ABSENCE

- 12.01 Upon written request, the Company may, at its sole discretion, grant an employee a leave of absence, without pay. The request and response shall be copied to the Union who may request a meeting with the Company to discuss the response. An employee shall retain and accrue seniority for a leave of less than two (2) months. An employee shall only retain seniority for a leave of two (2) months or more.
- 12.02 Unpaid leaves of absence for maternity leave and child care will be in accordance with the Canada Labour Code.
- 12.03 Employees who serve on jury duty, or who are subpoenaed to appear as a Witness, shall be granted time off, and will have their current salary maintained by the Company, less any compensation received. Employees shall be required to provide proof of attendance.
- 12.04 Employees with three months or more service shall be granted, in the event of the death of a member of his immediate family, bereavement leave with pay on any scheduled working days that occur during the first three days immediately following the date of death. Immediate family is defined as spouse, children of employee and spouse, parents of employee or spouse, grandparents of employee or spouse and brothers and sisters of employee or spouse.

ARTICLE 13 - GENERAL

13.01 Each employee shall be covered by the Company's Benefit Plans, as may be amended by the Company, providing comparable benefits are maintained. The Union shall be informed of amendments prior to implementation.

13.02 All employees shall conform with the dress code established by the Company. The Company and the employee will each pay 50% of the cost of all uniform items. Buttons, badges and insignia will be supplied by the Company.

Upon provision of a sales receipt for safety footwear, employees are eligible to receive a \$40.00 reimbursement on a yearly basis.

One employee may be selected by the bargaining unit to provide input into decisions regarding cost, style, or changes to the uniform.

13.03 The Union agrees to provide the Company with the name of the employee designated as Shop Steward for each base. A Shop Steward shall obtain the permission of his immediate supervisor before leaving his work to perform his duties. The duties of a Shop Steward shall include, the investigation of grievances, and assisting any employee in preparing and presenting a grievance in accordance with the grievance procedure.

13.04 Upon request, the Union Business Representative may have access to the Company premises during working hours for the purpose of union business or the investigation of grievances. Such permission shall not be unreasonably withheld. This shall in no way adversely affect the Company's operation.

13.05 The Company shall grant an unpaid leave, subject to operating requirements, for an employee to serve as a Union Delegate or to participate in collective bargaining meetings. No more than one (1) employee from each base may be granted such leave at any one time. The employee shall remain on payroll and the Union shall be billed for the cost of the time away from work.

13.06 The company shall provide bulletin boards at its bases on which the union may post notices related to business affairs of the Union. Such notices shall be signed by a business representative.

13.07 An employee and the Union shall receive a copy of any written disciplinary action placed on the employee's file. Such discipline shall become a permanent part of the employee's personal work history. Any discipline on file for a period greater than 24 months will not be used to compound other disciplinary action against the employee.

13.08 The Company shall only discipline, discharge or demote an employee for just cause.

- 13.09 (a) In the event that contracting out results in the termination of an employee, such employee shall be entitled to severance equivalent to 1 week of pay per year of service to a maximum of 16 weeks.
- (b) In the event that contracting out results in a Full-time employee being reduced to Part-time status, the employee may exercise his rights under either Article 11 or 13.09 (a).

ARTICLE 14 - GRIEVANCE AND ARBITRATION PROCEDURE

14.01 A Grievance is defined as a difference between the Company, the Union or an employee concerning the meaning or application of a specific provision of this Agreement and shall be settled as set forth in this article:

14.02 STEP I - Any grievance of an employee shall first be taken up between the employee and his Supervisor as soon as possible and within 10 days of reasonable awareness of the occurrence. A Shop Steward or Union Representative may be present upon request of the employee.

14.03 STEP II - Failing settlement under Step I, the grievance shall be put in writing within 10 days of the company's response to Step I and a hearing shall be held between the Company and the Union.

Grievances of a Policy nature shall be initiated at this step within 10 days of reasonable awareness of the occurrence.

14.04 STEP III - Failing settlement under Step II, a grievance appeal shall be lodged within 10 days of the company's response and a hearing shall be held between two Union representatives and two Company representatives, including the Director, Inflight Service.

14.05 STEP IV - Failing settlement under Step III, notice of intention to proceed to arbitration shall be made in writing within 15 days of the Company's response. An arbitrator shall be selected jointly by the Parties. If the parties are unable to agree on an Arbitrator, either party may request the Minister of Labour appoint an Arbitrator.

The Arbitrator's decision shall be final and binding upon all Parties.

The cost of the Arbitrator shall be borne equally by the Union and the Company.

14.06 Any grievance not submitted within the prescribed time limits shall be considered abandoned and without recourse.

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ARTICLE 15 - DURATION AND RENEWAL

15.01 This agreement shall be in effect from the date of ratification and continue in full force and effect until December 31, 1995.

15.02 This Agreement shall remain binding until its expiry date and from year to year thereafter, unless notification in writing to reopen this Agreement is served by either of the parties hereto, such notification to be served not earlier than one hundred and twenty (120) calendar days and no later than sixty (60) calendar days prior to the expiration date in any year. In the event such notice is given of intended changes, this Agreement shall remain in full force and effect while negotiations are being carried and until seven (7) days after the completion of conciliation proceedings under the Canada Labour Code.

IN WITNESS WHEREOF the parties hereto have executed this Agreement, on this 28th day of February at Calgary, Alberta.

FOR TIME AIR INC
doing business as
CANADIAN REGIONAL AIRLINES LTD.

FOR TEAMSTERS, LOCALS 31 & 362

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

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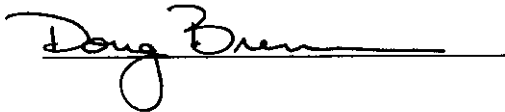
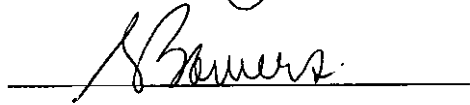
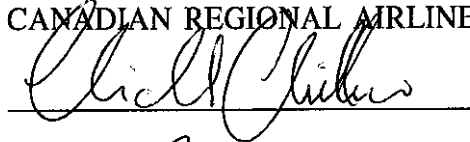
LETTER OF INTENT

This Letter of Intent is between Time Air Inc. and the Teamsters, Locals 31 & 362.

It is the parties intent that notwithstanding Section 1.03 of the current Collective Agreement, no employee shall experience a direct monetary reduction simply because the collective agreement failed to address a previously recognized practice.

This letter shall be in effect for the term of the Collective Agreement.

FOR TIME AIR INC.
doing business as
CANADIAN REGIONAL AIRLINES LTD.



FOR TEAMSTERS, LOCALS 31 & 362

