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COLLECTIVE AGREEMENT

between

AIR TRANSAT A.T. INC.

and

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

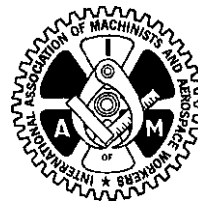
represented by

DISTRICT LODGE 140

on behalf of

THE MAINTENANCE AND STORES PERSONNEL

May 1, 2003 - April 30, 2006



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1. PREAMBLE

1.01 Certification

Air Transat A.T. Inc., hereinafter referred to as “the Company”, recognizes the International Association of Machinists and Aerospace Workers, hereinafter referred to as “the Union”, as the sole bargaining agent for:

“all maintenance employees and storekeepers working at Montreal, Toronto, Calgary and Vancouver bases, excluding supervisors and those above,”

in accordance with the certification document in effect with the Canada Industrial Relations.

Temporary or seasonal sub-bases within the boundaries of Canada will be included in this unit for the purpose of staffing. Should the Company establish such sub-base, the Company will inform the Union at least thirty (30) days where possible.

The Quebec City station is included in this unit as a seasonal base whose assignments originate from the Montreal base (Mirabel/Dorval).

1.02 Personnel Covered

Maintenance personnel includes lead hands, certified aircraft mechanics technicians, certified aircraft avionics technicians, aircraft mechanics technicians, aircraft avionics technicians, certified shop avionics technicians, certified shop aircraft mechanics technicians, aircraft shop avionics technicians,

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aircraft shop mechanics technicians, inspectors, interior mechanics, aircraft tow serviceman, servicemen, certified structural repair technicians, structural repair technicians, sheet metal workers, and ground equipment mechanics. The stores personnel includes lead hands, storekeepers / aircraft parts, drivers / stores and store clerk, hangar janitors, building attendants, instructors, data-entry clerk, fleet specialist, aircraft maintenance planner, technical records controller, technical librarian, reliability clerk, reliability analyst, buyer – consumables aircraft parts, aircraft parts buyer, expeditor and technical writer.

Except in cases where gender is specifically mentioned, the male gender is used in this text to represent both sexes, without discrimination against men or women.

1.03 French and English Versions

The English and French versions of the present document are both official. In the event there is a difference between the English and French versions, preference shall be given to the version in which the Collective Agreement was negotiated.

1.04 Translation and Printing Costs

The cost to translate and print the Collective Agreement shall be shared equally between the Company and the Union.

2. UNION RECOGNITION

2.01 The Company recognizes the Union as the sole bargaining agent for all employees in the maintenance and stores/aircraft parts of Air Transat, in accordance with the certification document issued by the Canada Industrial Relations Board, under the provisions of the Canada Labour Code, unless otherwise directed by the Canada Industrial Relations Board.

2.02 No employee covered by this Agreement shall be interfered with, restrained, coerced, or discriminated against by the Company, because of membership in or lawful activity on behalf of the Union.

3. RESERVATIONS OF MANAGEMENT

3.01 The control and direction of the working forces, including the right to hire, suspend or discharge, to terminate employment, to advance or set back in classification, to demote or lay off because of lack of work or for any other legitimate reason, is the exclusive jurisdiction of the Company.

3.02 The Company retains the rights and powers it had prior to the signing of this Collective Agreement, with the exception of those abridged, delegated, granted or modified by this Agreement.

3.03 None of the clauses herein shall infringe on an employee's rights to lodge a grievance, through the Union, in accordance with the provisions of the present Collective Agreement.

4. SCOPE OF AGREEMENT (or CLASSIFICATIONS COVERED)

The definitions of classifications listed in this article are for information purposes only and cannot be interpreted as a limit to the employer's right to assign an employee to carry out duties of a classification other than his own, on condition that the employee has the necessary qualifications, that this does not affect his working conditions and that it does not become a regular practice.

4.01.01 Aircraft Mechanics Technician

Comprising those employees with experience or an experience equivalence that is recognized by Transport Canada in aircraft mechanics. An experience credit may be granted to a Transport Canada licence holder.

4.01.02 Aircraft Avionics Technician

Comprising those employees with experience or an experience equivalence that is recognized by Transport Canada in aircraft avionics techniques. An experience credit may be granted to a Transport Canada licence holder.

4.02.01 Aircraft Shop Mechanics Technician

Comprising those employees with experience or an experience equivalence that is recognized by Transport Canada in aircraft mechanics.

4.02.02 Aircraft Shop Avionics Technician

Comprising those employees with experience or an experience equivalence that is recognized by Transport Canada in avionics techniques.

4.03.01 Certified Aircraft Mechanics Technician

Comprising those employees who are aircraft mechanics technicians having received certification recognized by Transport Canada for the type(s) of aircraft operated by Air Transat and whose services are retained to certify airworthiness.

4.03.02 Certified Aircraft Avionics Technician

Comprising those employees who are aircraft avionics technicians having received certification recognized by Transport Canada for the type(s) of aircraft operated by Air Transat and whose services are retained to certify airworthiness.

4.04.01 Certified Shop Aircraft Mechanics Technician

Comprising those employees who are aircraft mechanics technicians having received certification recognized by Transport Canada for the type(s) of aircraft operated by Air Transat and whose services are retained to certify aircraft parts.

4.04.02 Certified Shop Aircraft Avionics Technician

Comprising those employees who are aircraft avionics technicians having received certification recognized by Transport Canada for the type(s) of aircraft operated by Air

Transat and whose services are retained to certify aircraft parts.

4.05 Inspector

Comprising those employees engaged in the verification and application of standards and regulations of the Ministry of Transport as well as those of the organization concerning the quality and safety of the work performed on all aircraft and/or on all aircraft parts. These employees also certify the airworthiness of the aircraft.

4.06 Interior Mechanic

Comprising those employees who inspect, repair and maintain the aircraft's interior components, interior and exterior appearance, safety and emergency equipment and perform the paint work relative to the aircraft and equipment.

4.07 Serviceman

Comprising those employees who handle general maintenance work as well as the cleaning and polishing of aircraft.

4.07.01 Hangar Janitor

Comprising of those employees who are carrying out hangar general cleaning, fuelling of maintenance vehicles as well as other related duties. The work of hangar cleaning is not exclusive to this position.

4.08 Structural Repair Technician

Comprising those employees who carry out the evaluation, repairs, modification and welding of metal parts and/or of composite materials of the aircraft.

4.08.01 Certified Structural Repair Technician

Comprising those employees who are certified structural repair technicians holding an S licence from Transport Canada and whose services are retained to certify the repair work on aircraft and aircraft parts.

4.09 Sheet Metal Worker

Comprising those employees who assemble, repair and modify the various pieces of equipment used in transporting merchandise, baggage and food.

4.10 Ground Equipment Mechanic

Comprising those employees who handle the maintenance and mechanical repair tasks on ground equipment and automobile vehicles.

4.11 Storekeeper/ Aircraft Parts

Comprising those employees who maintain the inventory of aircraft parts updated and in order, by using a computerized inventory-control system.

These employees handle the requests for tools, parts and other supplies, as well as their distribution;

Prepare the shipping and/or receiving of parts and supplies, and handle dangerous goods.

Carry out any other task related to stores.

4.12 Driver / Stores

Comprising those employees who transport, by truck, parts and supplies received or to be shipped. These employees handle any other task related to delivery and courier services, and participate in general stores work.

4.12.01 Stores Clerk

Comprising of those employees who are carrying out handling of files and documents relating to aircraft parts, including data entry of repairs made to aircraft parts.

4.13 Building Attendants

Comprising those employees who perform all types of janitorial work, including the cleaning and general repair of facilities.

4.14 Aircraft Towing Serviceman

Comprising of those employees who are assigned to Tow Aircraft in Toronto and are responsible for hooking-up ground support equipment and the general cleanliness and fuelling of maintenance work vehicles as well as other related duties as assigned. Must be qualified by the Airport authority to tow aircraft and hold a valid D/AVOP permit. The work of Aircraft Towing is not exclusive to this position.

4.15 Data Entry Clerk

Comprising of those employees who are carrying out the updating of Maintenance manuals, data input into the system with regard to aircraft maintenance, coordinate aircraft related documentation and give support to technicians in compiling and grouping of job cards.

4.16 Fleet Specialist

Provides support to the fleet manager in the writing of technical documentation and the review of regulatory and manufacturer document issued. Assists in the troubleshooting of known or recurrent problems and supports line and hangar maintenance when needed. Involved to issue required documents to bring the Aircraft to Air Transat modification standards.

4.17 Aircraft Maintenance Planner

Prepares the aircraft's maintenance work schedule. Coordinates documentation and equipment required to carry out maintenance and makes sure that maintenance schedules are respected.

4.18 Technical Records Controller

Updates the computer system with respect to the time that aircraft parts have been in use and to aircraft inspection.

4.19 Technical Librarian

Organizes and updates all technical publications required by the Maintenance Department. Distributes revisions to all bases and ensures tight control over all documentation.

4.20 Reliability Analyst

Develops, checks, produces and analyses all technical data relating to the reliability of aircraft and their components.

4.21 Reliability Clerk

Inputs into the computer technical data on the reliability of aircraft and their components.

4.22 Buyer – Consumables Aircraft Parts

Purchases consumable aircraft parts and aircraft related services within the various maintenance programs and follows up on orders and on the supplier, ensuring total cost optimization.

4.23 Buyer – Aircraft Parts

Purchases any aircraft parts and aircraft related services within the various maintenance programs and follows up on orders and on the supplier, ensuring total cost optimization.

4.24 Expeditor

Follows up and tracks on aircraft part orders placed by buyers and managers in the purchasing department.

4.25 Technical Writer

Assists the fleet manager for the production of customized maintenance job cards when needed. Ensures the job cards are kept in line and current with new revisions of manufacturer's documents. Updates and rectifies job cards as required and actions feedback from line or hangar maintenance on job cards content.

4.26 Lead Hand

Comprising those employees who have the appropriate licence', the qualifications of their classification and the ability to direct a team of employees.

The lead hand is a working member within his team.

The employer may, at its discretion, name one or several permanent lead hands, according to the criteria of operational efficiency alone.

Each permanent lead hand shall direct a team comprised of a number of employees not exceeding the following ratio: 1 for 5, 2 for 15 and 3 for 25. For example:

Number of employees in the team	Number of lead hands
5	1
9	1
12	1
15	2
20	2
25	3

When replacing a lead hand (for example: prolonged absence, sickness) or when there is an increase in the workload, the employer shall resort to an acting lead hand whose qualifications correspond to the trade group. Acting lead hands shall be selected in the same way as permanent lead hands. The employer shall establish a bank of candidates for the position of acting lead hand in order to rapidly meet operational requirements.

- 1 A candidate whose name is retained as permanent or acting lead hand and who has not yet obtained his licence at the date on which he has been appointed shall have twelve (12) months as of the date of nomination to obtain it. Should he fail to obtain it within this twelve-month period, he shall return to his classification.

4.27 TRADE GROUPS AND CLASSIFICATIONS

Trade Groups	Classifications
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Group I	Instructor Inspector Inspector Crew Chief Lead Hand Certified Aircraft Mechanics Technician Certified Aircraft Avionics Technician Aircraft Mechanics Technician Aircraft Avionics Technician Certified Shop Avionics Technician Certified Shop Mechanics Technician Aircraft Shop Avionics Technician Aircraft Shop Mechanics Technician
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Group II	Lead Hand Interior Mechanic Interior Mechanic Serviceman
Group III	Lead Hand Certified Structural Repair Technician Structural Repair Technician Sheet Metal Worker
Group IV	Lead Hand Ground Equipment Mechanic
Group V	Lead Hand Storekeeper Driver Stores Clerk
Group VI	Building Attendant Hangar Janitor
Group VII	Aircraft Towing Serviceman
Group VIII	Data Entry Clerk
Group IX	Fleet Specialist
Group X	Aircraft Maintenance Planner Technical Records Controller Technical Librarian

Group XI Reliability Analyst
Reliability Clerk

Group XII Buyer – Aircraft Parts
Buyer – Consumables Aircraft Parts
Expeditor

Group XIII Technical Writer

The employer may create any new classification. It shall however negotiate all details with the Union.

4.28 Replacement

The Company shall not replace any position in a trade group or classification with a management position.

However, managers may carry out work under the Union's jurisdiction in an unforeseen situation or when circumstances require immediate attention.

4.29 Probationary Period

The probationary period provided for new employees or for employees who are promoted within the Maintenance, Technical Support Group, Stores and Janitorial departments is six (6) months of uninterrupted service.

This period may be extended upon agreement with the Union. During this probationary period, and its possible extension, the employer may demote, cancel the promotion, or terminate the employment of this new employee.

During this period, the employee has the right to file a grievance.

During the probationary period, the employer will provide an evaluation of the employee and will advise the Union as to the status of the assessment. During the probationary period, the employer may decide to terminate his employment or terminate the promotion for cause, providing such cause has been declared during the ongoing evaluation process the employee will not have access to a grievance.

In situations where the employee was promoted to a position and subsequently failed the probation, he may elect to return to the previous held position.

4.30 The parties agree to engage in meaningful discussion where the Company has identified a need to enhance the competencies of categories and/or positions identified within the Collective Agreement. Future postings for a position may identify different qualifications than those mentioned on previous postings for the same function. It is not the intent of this clause to displace or lay off those employees who currently hold a position.

5. SENIORITY

Company seniority:

The length of service while employed by the Company.

Trade group seniority:

The length of service in the trade group calculated from the date the employee enters the trade group.

Classification seniority:

The length of service in the classification calculated from the date the employee enters the classification.

5.00.01 Seniority Assignment

Where there is more than one employee hired into the same classification on the same day, a Human Resource Representative and the Union Designate will conduct a random draw with the new hires present wherever possible to determine the seniority ranking of the new employees.

5.01 Recognition

Seniority shall be recognized as applicable within trade groups and classifications.

5.02 Privileges

Unless otherwise provided for under specific conditions of the Collective Agreement, seniority shall be a deciding factor in:

- promotions within the scope of this Collective Agreement
- lay-offs
- bumping
- recalls
- training
- choice of work schedule
- transfers

5.03 Seniority List

Seniority lists shall be posted by the Company twice a year, on

May 1 and October 1 of each year, by trade group and by classification, in accordance with Article 4, in areas that are accessible to all employees, with a copy supplied to the Union.

Seniority lists shall be revised and posted once again during these same months. These lists indicate the employee's rank, name and status.

Within thirty (30) days following the posting date, or in the case of an absent employee, within thirty (30) days of his return, an employee may contest in writing any error or omission made concerning him. This letter shall be addressed to the Human Resources department, with a copy to the Union.

All corrections to the seniority list shall be approved by the Union.

5.04 Loss of Seniority

An employee forfeits his seniority and corresponding privileges when:

- a) he voluntarily resigns from the Company;
- b) he is discharged for just cause;
- c) he is laid off and is not recalled to work within 36 (thirty-six) months following his lay-off;
- d) following his lay-off, he is recalled to a permanent position and, having been given seven (7) days to submit his answer, fails to report to work within fourteen (14) days following his answer;

- e) he fails to return to work at the end of a leave of absence without pay, without a valid reason.
- f) he has a permanent position with the Company outside the bargaining unit, for a period of six (6) months and more within the same year. The employee does not lose seniority if he is temporarily replacing the incumbent of a job outside the bargaining unit who is temporarily absent for more than six (6) months. In such a case, an agreement shall be reached with the Union beforehand.

5.05 Employees promoted or transferred to positions covered by this Agreement shall continue to accumulate seniority in the preceding classification or classification in their trade group. This accumulation shall cease if these employees change trade groups when changing classifications, six (6) months after such a change.

5.06 All employees covered by the present Collective Agreement who carry out the duties of their trade (classification) outside the bargaining unit shall:

- a) continue to accrue seniority if such an assignment is temporary;
- b) retain their seniority but shall cease accruing seniority after the first six (6) months of such an assignment should this assignment become permanent;
- c) enjoy, during their assignment, the same working conditions as those governing employees of their trade who are not covered by the present Collective Agreement, subject to the agreement defining the conditions for assignments outside

the base, provided for under Article 7.02.01.

- d) The provisions of the present article cannot be interpreted as recognition of union jurisdiction on work outside the bargaining unit.

5.06.01 An employee covered under Articles 5.06 and 5.06.01 who decides to return to a position within the bargaining unit or who is involuntarily laid off may be reinstated within the bargaining unit as long as this is done within the six-month period.

5.06.02 It is understood that flight engineers who come under the Operations branch may have previously worked as mechanics or avionics at Air Transat.

However, in a context of reductions in flight engineer personnel, which could result in lay-offs, the flight engineers affected by lay-offs have no bumping rights within the Maintenance branch.

5.06.03 For the purposes of salary progression and/or vacation rights, the calculation of seniority does not take into consideration the periods during which the employee has not worked (i.e., leaves of absence, lay-offs).

6. PROMOTIONS

6.01 When choosing between two equally qualified candidates, the employer shall grant the position to the employee with the highest seniority in his trade group. The requirements of the position must be relevant and correspond to the position's functions and duties. If the candidate with the highest seniority is not chosen, management must provide him with a written

explanation as to why he was not chosen, with a copy to the Union.

Note: Promotional postings will be awarded firstly to the qualified employee on the base where the requirement exists. In the event that the position is not filled from the affected base, the Company will post the promotional bulletin system wide.

6.02 Posting of Positions

- 1- Definition of position to be filled
- 2- Work location
- 3- Effective date
- 4- Required qualifications and abilities

The posting and the application period is ten (10) calendar days. Any employee who believes himself qualified for a posted position shall present his application in writing. At the end of the posting period, a list of employees having applied shall be prepared. A copy of this list shall be forwarded to the Union (local Union Committee).

6.03 Publication of Names of Selected Candidates

Within ten (10) days following the expiry date of the posting, the Company shall post the name of the candidate or candidates chosen, after having informed the Union.

6.04 When an absent employee has notified the Company of the address and telephone number where he can be reached during his absence, the Company shall attempt to inform him of a current posting, namely by means of the telephone line dedicated to the posting of positions or by other means of

communication.

6.05 Interim Appointments

When a position becomes vacant, the Company may fill said position through an interim appointment. This procedure shall enable the Company to recruit and hire a permanent employee for the position or function while meeting its own operational requirements. Any interim appointment shall have a maximum term of sixty (60) days, except where otherwise agreed to with the Union (Union Committee).

6.06 An employee may request a demotion to a classification in which he/she holds seniority, providing they are the successful bidder for the posted vacancy.

In the event he/she is awarded the posted position, he/she shall retain seniority in previously established classification but will not accrue seniority in the vacated position from the date of the award.

In such circumstances where a demotion has occurred, the employee will not be allowed to bid on the position he/she was vacated for a period of three years.

7. OUT-BASE ASSIGNMENTS

7.01 General

- a. An Out-Base Assignment is when an employee of the bargaining unit is requested to perform work away from his home base.
- b. In certain situations, a management employee may be assigned and the Union shall be advised accordingly.

- c. Some assignments may require an individual with specific skills (e.g. Boroscope work). In such situations, the company will select the individual required from the Local Out-Base Assignment List. In the event no qualified employee is active on the list, the Company will offer the assignment to most senior person qualified. In the event no qualified employee accepts the assignment, the Company will assign the junior qualified employee with specific skills required.
- d. Employees required for an unscheduled assignment will be taken from the local Out-Base Assignment List. If the Out Base Assignment is declared and the employee who would be assigned from the list is currently working on shift, he will be awarded the assignment if the assignment is not expected to exceed four hours beyond his current active shift. Where the assignment is expected to exceed four hours beyond the employee's active shift, employees on days off will be selected first. In extenuating circumstances (e.g. short notice and emergency situations) employees may be selected from an active shift.
- e. For the purpose of this article, the following bases will be defined as Main Bases:
 - a. Montreal
 - b. Toronto
 - c. Vancouver
 - d. Calgary

All other bases will be referred to as sub-bases.

7.02 Definitions

- a. Scheduled work assignments are assignments that have been

planned by the Company. The Company will declare the assignment by posting an information bulletin system wide.

Scheduled work assignments are divided into two categories:

- I. Assignments within Canada
- II. Assignments outside Canada

- b. Unscheduled work assignments where the work has not been planned by the Company or posted.
- c. Engine changes, for the purposes of this paragraph, are those engine changes performed outside the Montreal base for which the Company has determined that employees need to be selected from the engine change crew list.

7.03 Conditions

- a) When an employee returns from an out of base assignment, he will return to the position vacated prior to the assignment.
- b) Prior to each scheduled out-base assignment, the employer will provide a document to the employee that will outline the conditions related to his/her assignment, in as much as these conditions are known:

These conditions may include, but may not necessarily be limited to

- 1- Length of the assignment;
- 2- City
- 3- Country
- 4- Cash advance, if applicable

- 5- Insurance coverage
- 6- Reimbursable fees
- 7- Lodge conditions
- 8- Time spend travelling
- 9- Per diem, if applicable
- 10- Working conditions – work schedule, holidays, application of overtime, etc.

c) The assignment shall begin on the day of the employee's departure and shall include all time travelling, accompanying the aircraft to destination and the waiting period. The assignment shall end the day of the employee's return to the base.

When on duty during an assignment, the employee must keep a record of his hours of work and the work he has performed in a register for this purpose supplied by the Company and he must keep a copy for himself.

Notwithstanding application of Articles 22.05 and 22.06, all days off that the employee was entitled to prior to his departure must be taken consecutively upon returning to his home base. This period begins the day following his return or at any other time agreed to between the employee and the Company.

Once the employee is back in his home base following an Out Base assignment of 30 consecutive days, he is entitled to one day off; if the employee works between 30 and 60 consecutive days, he is entitled to two (2) days off; if the employee works between 60 and 90 consecutive, he is entitled to three (3) days off; if an employee works between 90 but less than 180 consecutive days, he is entitled to four (4) days off. In all cases, this time must be taken on the first days of his return.

7.04 Passport fees and/or vaccination fees (if required) are reimbursed to:

- a) An employee whose name is included on the assignment list for at least 60 days and/or the person selected for an emergency assignment outside the country.
- b) An employee assigned to training outside the country, if the passport has expired during the training or assignment period.
- c) An employee required to travel outside the country at the Company's request for various reasons (example: purchase of equipment).

To be eligible for the Unscheduled Work Assignment List and the Engine Change Crew List, the employee must have a passport that is valid for at least 60 days.

7.05 Selection of Candidates for Out Base Assignments

a) Scheduled Work Assignments

I. Within Canada

Candidates will be selected first by local bid from the main base that has been assigned responsibility for the sub-base (e.g. Montreal: Eastern Region, Toronto: Central Region, Vancouver: Western Region), taking into consideration qualifications, particular skill requirements and seniority. If due to operational requirements, the assignment cannot be filled from the main base, the candidate will be selected by system wide bid.

Should there be no applicants or should there be an insufficient number of applicants, the Company may assign qualified employees by reverse order of seniority for a temporary period of up to thirty (30) days.

II. Outside Canada

The Company will canvass employees in the system and draw up a list of interested employees, taking into consideration qualifications, particular skill requirements and seniority. This list will be called the “System Out-Base Assignment List”. This list is a rotational list, which will be maintained on a permanent basis. Interested employees may apply to join the list at any time and will be placed at the bottom of the list.

b) Unscheduled Work Assignments

The company will at each main base canvass employees and draw up a list of interested employees, taking into consideration qualifications, particular skill requirements and seniority. This list will be called the Local Out-Base Assignment List.

If and when the need arises for an unscheduled work assignment, employees will be selected from these lists, based on company requirements.

c) Engine changes

On an annual basis, the Company shall canvass employees and draw up a list of interested employees at the Montreal Base, taking into consideration qualifications, particular skill requirements and seniority; this list will be called the Engine Change Crew List. The right of refusal for an assignment will

not apply to employees on the Engine Change Crew List except where circumstances are due to sickness or other justified reasons.

If and when the need arises for an unscheduled engine change, employees will be selected from this list based on company requirements. If the assignment cannot be filled from this list, due to sickness or other justified reasons, the Montreal Base Out-base Assignment List will be used first, prior to drawing from the other main bases. If the engine change takes place at a main base other than Montreal, the Company will use local employees, if possible and, if needed, augmented by the Montreal Engine Change Crew.

d) Assignment List Process

Initial lists will be constructed in the order of the most senior employee first.

Once an employee is placed on the list, he may withdraw from this list, giving at least two weeks notice. If this employee subsequently re-applies and if he is accepted, he will be placed at the bottom of the list based on the date of acceptance.

Should there be no applicants or should there be an insufficient number of applicants, the Company may assign qualified employees by reverse order of seniority for a temporary period of thirty (30) days.

If an employee refuses an assignment, he will be placed at the bottom of the applicable list.

7.06 Expense Allowance for Out-Base Assignments

Except for assignments where lodging is provided in all-inclusive (Full Plan) resorts, the following personal expense allowances, including telephone, dry cleaning and laundry, shall apply:

- For short term assignments (up to including 7 days); the employee shall be eligible to an hourly rate expense allowance according to the following table:

	Assignments Within Canada (\$CDN)	Assignments Outside Canada (\$CDN)
Up to including December 31, 2003	\$3.00	\$4.00
After January 1, 2004	\$3.25	\$4.25
After January 1, 2005	\$3.50	\$4.50

- Where possible, the employer will limit the length of an assignment to two months. Where the assignment is greater than two months, a second opportunity should be bid and assigned.
- The Company will, where possible, provide for non inclusive accommodations and full per diem will be paid. Where such accommodation can not be arranged and where the Company has only all inclusive accommodation available, the employee will receive \$40.00 per day for expenses to cover personal expenses including personal telephone calls, dry cleaning and laundry. Where sub-contract assignments require Aircraft Maintenance support, the per diem rate agreed as per Company Policy Manual will be provided to the maintenance employees accompanying the aircraft.

The hourly rate expense allowance will be calculated to include one (1) hour before a flight and to one (1) hour after a flight.

For longer term assignments, the hourly rate expense allowance shall not apply and the employee shall be entitled instead to the following daily allowances:

Between one (1) to 8 weeks (2 months)	\$100 CDN per day
Between 2 months and 3 months	\$110 CDN per day
Between 3 months and 4 months	\$120 CDN per day
Over 4 consecutive months	\$130 CDN per day

Should the Company ask an employee to use his own car, it shall reimburse him his “user fees” as follows:

At a rate of \$0.41 per km for car allowance expense, this allowance shall be modified in accordance with the Company’s policy and will be whichever is greater but shall not be lower than the allowance indicated above.

Employees travelling on Company Aircraft to work an Out Base Assignment will be entitled a meal on the flight. A meal allowance will be payable, as follows, when an employee has given up his meal or snack to a passenger on an Air Transat flight, or if there is no meal or snack for the Employee.

- Meal: \$20.00 (Canadian)
- Snack: \$10.00 (Canadian)

7.07 Where the Company has determined the need to service an aircraft out of base by performing maintenance work, for safety purposes as determined by the Company, normally a minimum of one qualified employee plus one other employee will be sent to perform the work. Exceptions will be cases where there is already a technician or other employee available or where the rescue involves the completion of documentation only.

8. LAY-OFFS AND RECALLS

8.01 Staff reductions shall be made strictly on the basis of seniority.

8.02 Method

Lay-offs shall be made in reverse order of classification seniority, in the trade group and at the base concerned.

8.03 Procedure

The employee concerned shall be notified in writing about any staff reductions affecting his status at least fifteen (15) days in advance if he has more than three (3) months of continuous service, and at least thirty (30) days in advance if he has more than two (2) years of continuous service.

If such notice cannot be provided, the laid-off employee shall be granted compensation equivalent to the number of days that the notice was short.

8.04 An employee affected by a lay-off or bumping can choose to bump an employee at his/her base who has less seniority than him in the trade group and/or in the classification where he has accrued seniority. He shall use his bumping privileges first within the classifications of his trade group. The employee will have a period of seventy-two (72) hours to decide to bump another employee. The notice of lay-off to the employee will indicate the exact time and date until he can advise of his decision to bump.

The advice of the decision of the laid-off employee to bump another employee at his/her base must be made in writing and

addressed to the representative designated by the Company with a copy to the Union. Except under exceptional circumstances, the decision to bump is final and cannot be changed. Bumping will be limited to the affected member's base only.

8.05 A laid-off employee must file his address and telephone number with the Human Resources department so that the recall can be completed within the normal time frame. In the event that the laid-off employee wishes to receive by e-mail promotional bulletins and other postings relating to Company employment opportunities, he must at the time of lay-off file his e-mail address with the Human Resources Department.

8.06 The Company shall make every reasonable effort to assist laid-off employees in finding alternate employment within the Company.

8.07 Relocation

The Company shall make every effort to relocate any laid-off employee within the Transat group.

8.08 Recalls

- The employees shall retain their recall rights for three (3) years.
- Recalls shall be done in order of seniority within the classification.
- All recalls shall be done before a transfer request can be granted.
- There shall be two types of recalls: temporary and permanent.

Temporary recalls

- Temporary recalls are for periods of work not to exceed six months continuous service.
- The Company shall identify the duration of the temporary recall (e.g., the starting and ending dates).
- The laid-off employee may refuse any temporary recall offer without losing his recall rights to a permanent position.
- It is the employee's responsibility to provide his employer with a contact point where he can be reached.
- The employer shall inform the employee by telephone of a temporary recall. The employee shall have 24 hours to inform the employer that he accepts the recall and another 24 hours to present himself for work.

If the employer is unable to reach the employee after having tried for 24 hours, he shall notify the Union, which shall also have 24 hours to try to reach the employee. If the employee cannot be reached within these periods, the employer shall repeat the same procedure with the next employee on the recall list.

Permanent recalls:

- Permanent recall is where there is a period of work for a position that is planned to exceed six (6) months or where the work has been consistently performed beyond six (6) months.
- If the employee refuses or fails to present himself within fourteen (14) days following the notice, he shall be considered as having resigned, unless there are exceptional

circumstances.

- **An** employee with laid-off status in his classification but still employed by the Company shall lose his seniority in his classification if he refuses a recall.
- When a permanent position becomes available, the employee shall be informed of this by registered mail. The employee has fourteen (14) days to present himself to work. This delay starts on the date the employee accepts the recall.
- Moreover, the employee shall notify the employer in writing, within three (3) days following the recall notice that he intends to accept the recall.
- Copies of this notice shall be supplied to the Union.

9. ANNUAL VACATION

9.01 Purpose

To grant employees a period of paid time off to allow them to rest, while respecting the operational requirements of the Company.

9.02 Eligibility

All regular full-time employees.

When leaving the Company's employment, employees shall receive vacation pay.

9.03 Vacation Period

a) Reference year:

From January 1 to December 31.

b) Periods available for vacations:

An employee shall take his vacation within the year following the reference year that entitles him to do so.

c) Choice of a vacation period:

Vacation periods are determined according to trade group and classification.

Vacation periods are granted according to the date on which the employee last began permanent employment with the Company.

In certain cases, with the Union's approval, the choice may be determined according to certain particular operational requirements.

d) Management shall discuss available vacation periods with the Union before publishing them.

9.04 On January 1 of each year, all employees shall be granted annual vacation for the reference year ending December 31. This vacation shall vary according to the number of years of service. Vacation entitlement shall be calculated as follows:

CONTINUOUS SERVICE		NUMBER OF DAYS GRANTED		
	Calendar days	5-2 & 5-3 Schedules	4-4 & 4-3 Schedules	6-4 Schedules
Less than 1 year	Regular, full-time: 1 day per full month worked before December 31, not to exceed 10 days (5-2 & 5-3), 8 days (4-4 & 4-3).			
Regular: Number of days corresponding to an employee's vacation pay.				
1 year but less than 2	2 weeks + 1 day	11 working days	9 working days	10 working days
2 years but less than 3	2 weeks + 2 days	12 working days	10 working days	11 working days
3 years but less than 4	2 weeks + 3 days	13 working days	11 working days	12 working days
4 years but less than 5	2 weeks + 4 days	14 working days	12 working days	13 working days
5 years but less than 8	3 weeks	15 working days	12 working days	13 working days
8 years but less than 10	3 weeks + 2 days	17 working days	14 working days	15 working days
10 years or more	4 weeks	20 working days	16 working days	18 working days

NOTE: DURING THE FIRST YEAR OF EMPLOYMENT -

- ▶ If an employee is hired after the 15th of the month, no vacation shall be granted for the month.
- ▶ If an employee is hired either before or on the 15th of the month, vacation shall be granted.
- ▶ Once the first year is completed, an employee may, on January 1, complete his vacation at his own expense, up to the maximum allowed by the work schedule.

9.05 Vacation Calendar and Procedure for Choosing Vacation Periods

On November 1st of each year, the Company will provide to the Union the Vacation Entitlement list and ratio for each Department. That Vacation Entitlement list will be posted in each Department.

No change should be made to the vacation list once it has been posted, unless otherwise agreed to with the Union.

9.06 Vacation Pay

Employees' pay of mid-April shall include an annual adjustment to their vacation pay, according to the highest of the two (2) calculation methods indicated below:

a) The percentage of net earnings for the reference year according to the following scale:

Less than 1 year	- 4.0%
1 year	- 4.4%
2 years	- 4.8%
3 years	- 5.2%
4 years	- 5.6%
5 years	- 6.0%
7 years	- 7.0%
10 years	- 8.0%

or

b) The regular salary rate in effect during the payment of vacation credits.

9.07 Vacation Credits

For the purposes of remuneration, vacation credits are calculated in relation to the time worked during the reference year.

9.07.01 When the number of credits accumulated does not cover an employee's vacation entitlement, an employee may choose one of the following three options:

- take the remaining days at his own expense; or
- give up the unpaid vacation days; or
- complete the remaining unpaid days by taking days accumulated in his time bank.

9.07.02 Vacation credits calculated according to regular salary shall be granted to employees for maternity leaves and child care leaves, as well as for the first six (6) months of absence due to illness or bodily injury. These credits shall be added to those calculated on the earnings of the reference year.

9.08 Vacation Periods

An employee's regular salary shall be maintained during his vacation periods.

9.09 Restrictions

Vacations are not cumulative from one year to the next.

9.10 Vacation Period Definitions

Vacation Entitlement:

The number of weeks and days available for the purpose of vacation.

Split Vacation:

Vacation that is divided and bid in blocks.

Vacation Bid Cycle:

A round of bidding per block.

A Vacation Period:

An allotment of days for the agreed to number of days identified in the vacation block cycle.

Residual Vacation Days:

Where the number of residual days are less than 50% of the open vacation block cycle, that vacation cycle cannot be blocked off as a full week vacation until all the full weeks of vacation are exhausted in the bidding process.

Where the number of residual days are 50% or greater off an open vacation block cycle, that vacation week can be blocked off as a week vacation.

Note: Residual day's options are identified in the process that exists in 9.07

Split Vacation Period

An employee may elect to split his annual vacation. On November 1 of each year, an annual vacation list shall be circulated among employees to allow each employee to choose his vacation dates. Choosing the first period shall be done according to Article 9.03 c) and shall take place from November 1 to 15. The second period shall be determined once all employees have made their first selection. The same shall apply to the third period. The entire procedure should be completed and posted no later than December 15.

Note: Each bidding period must be posted. Once established, these dates cannot be modified without agreement between the Union and the Company.

Employees who have not made their choice shall be given available vacation periods.

The remaining vacation time shall be taken in one period.

9.11 Illness during Vacation Periods

An employee who falls ill during his vacation period shall not be permitted to postpone this period. Moreover, he shall not be allowed to claim any sick-day credits and/or disability insurance for the vacation period if his illness did not begin prior to his vacation period.

If an employee falls ill during his vacation period and is unfit to return to work at the end of said period, the occasional illness policy shall apply as of the first day on which he is scheduled to return to regular work.

However, if an employee suffers from an illness requiring a non-scheduled hospitalization of two (2) days or more during his vacation period, he may delay the uncompleted vacation period until the end of his illness, or to a time that shall be convenient to both himself and his supervisor. The employee may then take advantage of the provisions related to the occasional illness policy.

9.12 Departure of an Employee

When an employee terminates his employment with the Company, he receives the appropriate percentage (%) of his

gross salary for the current year.

Less than 1 year	-	4.0%
1 year	-	4.4%
2 years	-	4.8%
3 years	-	5.2%
4 years	-	5.6%
5 years	-	6.0%
7 years	-	7.0%
10 years	-	8.0%

9.13 In the event a Prime Time Vacation Slot opens up, for any reason, the Company will advise the Union and the affected members. Members may bid for that posted opportunity and it will be awarded to the most senior employee requesting that slot. That member will forfeit a bid slot and providing it does not qualify as a prime time vacation slot, it will not be re-bid.

Prime Time Vacation Days are defined as the following:
Prime Time Vacation days are those days that are recognized regionally as school vacation break periods on the following holidays: Spring Break, Summer Break and Christmas Break.

10. STATUTORY HOLIDAYS

10.01 Statutory Holidays

The following ten (10) statutory holidays shall be recognized by the Company:

New Year's Day	Labour Day
Thanksgiving Day	Remembrance Day
Good Friday	Christmas Day
Victoria Day / Dollard Day	Boxing Day
St-Jean-Baptiste Day	Canada Day

10.02 If a statutory holiday coincides with an employee's annual vacation, an additional vacation day shall be granted in conjunction with his vacation period.

10.03 Should an employee work on a paid statutory holiday within a work schedule that includes paid statutory holidays, he will be paid at the hourly rate of time and one half (1.5) and shall be granted a day off in compensation without loss of salary.

10.04 An employee shall be granted an additional day off to be taken at a later date when his regular day off coincides with one of the statutory holidays listed in Article 10.01.

10.05 An employee may request to have a Statutory Holiday off. Such requests shall be submitted to management and copied to the Union, thirty (30) days prior to the statutory holiday.

Management will review the operational requirements and if statutory holiday time off becomes available, the Company will award from the request list the statutory holidays off in order of seniority.

In the event statutory holiday time off exists and no list exists, the Company will first offer the Statutory Holiday off in order of seniority if no volunteers exist, they will assign it in reverse order of seniority.

10.06 Within the two weeks that follow a statutory holiday during which an employee has worked, he shall submit to the employer two replacement dates no later than ninety (90) days (or more, upon agreement between the parties) after the date of the statutory holiday. Within forty-eight (48) hours after the employee has submitted these dates, the employer shall confirm

one of these in writing. Cancellation of this date may be done by mutual agreement only. If the employee cannot be granted one of the two dates submitted, he shall be credited the statutory holiday at overtime rate.

10.07 The provisions of Articles 10.02, 10.03, 10.04 and 10.05 apply only to employees whose work schedules include paid statutory holidays.

11. MATERNITY AND PARENTAL LEAVE

11.01 Eligibility Maternity Leave

Any female employee with three (3) months of continuous service shall be entitled to a maternity leave without pay.

11.02 Notice

The employee shall provide the Company with a written notice and a medical certificate from her attending physician attesting to the scheduled date of delivery. In addition, she shall indicate the date on which she wishes to begin her leave as well as the expected duration of the leave.

11.03 Start of Maternity Leave

The pregnant employee shall provide the Company with a written notice one (1) month prior to the start of her maternity leave. This notice may be given less than four (4) weeks before her departure if a medical certificate attests to her need to stop working at an earlier date.

11.04 Working during Pregnancy

In the event that an employee becomes incapable of carrying out the essential duties of her position, the Company and the Union have a common obligation to try to adjust the tasks and work shifts to her situation or to find her a temporary and more convenient position within the Company.

11.05 Duration of Leave

A maternity leave consists of one single term not exceeding nineteen (19) weeks if the delivery takes place on or before the date indicated on the medical certificate. An employee may choose to begin her leave before or after the birth of her child. However, if delivery takes place later than the scheduled date, the leave may be extended to correspond to the period between the date specified in the medical certificate and the actual date of delivery.

11.06 End of Leave

An employee may return to work before her scheduled date of return, or ask for an extension to her maternity leave for medical and/or personal reasons. In the case of medical reasons, she must provide the Company with a written notice and a medical certificate from her attending physician. Should she not return to work on the scheduled date without any valid reason, she shall be discharged.

11.07 Uniforms

The Company shall supply a maternity uniform to pregnant employees, who must normally wear one while performing their duties.

11.08 Seniority

An employee's seniority shall not be affected during her maternity leave.

11.09 Fringe Benefits

An employee who wishes to continue contributing to the fringe benefits plan while on an unpaid leave of absence shall advise the Company in writing before her departure.

11.10 Paternal Leave of Absence

On the birth of his child, the employee shall be granted two (2) days of paid leave.

11.11 Child Care Leave

A) Eligibility and duration:

- i) An employee with at least three (3) months of continuous service and who has or shall have the actual care and custody of a child is entitled to a leave of absence without pay not exceeding twenty-four (24) weeks within the period of fifty-two (52) weeks following the day of the child's birth or the day on which the child comes into the employee's care.
- ii) In the event of an adoption, an employee who, under the terms of a provincial law, starts adoption procedures or is issued an adoption order, is entitled to a leave of absence not exceeding twenty-four (24) weeks within the period of fifty-two (52) weeks following the day on which the child comes into the employee's care.

B) Maximum duration of the leave:

On the birth or adoption of their child, two employees may take a leave of absence not exceeding twenty-four (24) weeks, in accordance with paragraphs i) or ii) above.

C) Notice to the employer:

An employee who intends to take a leave of absence for child care must:

- a) provide his employer with a prior written notice of at least four (4) weeks, except for a valid reason.
- b) inform his employer in writing of the duration of the leave he intends to take.

D) Notice modifying the duration of the leave of absence:

Also, and unless there is a valid reason, any modification to the duration of the leave shall be brought to the attention of the employer by way of a written notice that shall be submitted at least four (4) weeks in advance.

Notwithstanding the above, the provisions of the present article cannot, without exception, contravene the provisions of the *Unemployment Insurance Act* and the regulations governing maternity and parental leaves.

It is understood that the parental leave of ten (10) weeks is included in the child care leave of twenty-four (24) weeks.

11.12

An employee completing a maternity or parental leave is entitled to return to the position she or he occupied before taking this leave.

11.13 If, for a valid reason, the Company cannot reinstate an employee into his former position, it shall provide him with a comparable position in the same location, with the same salary and the same benefits.

11.14 If, during an employee's leave, the salary and benefits of the group this employee belongs to are modified within the context of reorganization of the Company where this group works, he is entitled to the salary and benefits of the position he shall reoccupy upon returning to work, as if he had been working when the reorganization took place.

11.15 The provisions of Articles 11.12, 11.13 and 11.14 apply if the employee has at least six (6) months of continuous service.

12. BEREAVEMENT LEAVE

12.01 Purpose

To establish an employee's right to bereavement leave when a death occurs in his immediate family.

12.02 Number of Days Granted

When a death occurs in his family, an employee is entitled to a leave of absence without loss of salary, according to the following situations:

SITUATION

PERIOD OF ABSENCE

Spouse, common-law spouse, child,
father, mother, brother, sister:
Father-in-law, mother-in-law,
brother-in-law, sister-in-law and any

5 consecutive days

relative who permanently resides with the employee, whether in the employee's home or in the home in which the employee permanently resides: 3 consecutive days

Employee's grandfather, grandmother, spouse's grandfather, grandmother, and grandchildren Day of the funeral

One day shall be added if the funeral takes place further than 250 km away from the employee's area of residence.

N.B. It is understood that consecutive days include both non-working and working days, i.e., days on which an employee was scheduled to work. Furthermore, it is agreed that the number of days granted is the same for all types of work schedules.

EXAMPLE: If a member of an employee's immediate family passes away on a Friday and this employee's regular days off are Saturday and Sunday, the bereavement leave shall apply only to the Monday in the case of a father-in-law, etc., and to the Monday, Tuesday and Wednesday in the case of the spouse, the common-law spouse, a child, the father, the mother, a brother and a sister.

This policy applies to all employees of the Company, regardless of the number of days an employee has worked.

When an employee's spouse, common-law spouse, child, father or mother pass away, the Company shall repatriate any employee on duty outside the home base as quickly as possible, at its own expense.

13. **TRANSPORTATION PRIVILEGES**

13.01 Current Plan and Reductions

Air Transat provides its maintenance employees with airfare reductions.

The Company shall offer to all maintenance employees and to their relatives, i.e., father, mother, father's spouse, mother's spouse, children, spouse, common-law spouse (including same-sex spouse), free or reduced-fare travel benefits on Company flights, according to Company policy.

Regular employees shall be entitled to all reduced-fare travel benefits offered by other air carriers, in accordance with the agreements, either reached or to be reached, between the Company and other airline companies.

14. INSURANCE

14.01 The Company agrees to provide a flexible group insurance plan for employees having completed three (3) months of continuous service and working on a regular basis (20 hours per week or more).

Employees shall pay the following costs:

- 100% of the cost of the long-term salary protection plan;
- 50% of the cost, for dependents, of the mandatory health insurance and dental care coverage (basic coverage);
- 100% of the cost of options chosen among the various coverage available.

The employer shall pay the portion of costs that are not paid by the employees.

A summary of benefits is included in the brochure available in the Human Resources department.

14.02 The level of protection as described in the current brochure cannot be reduced for the duration of the Collective Agreement.

14.03 Employees who are covered by this Collective Agreement and who are assigned by the Company to work outside of Canada will be covered by the Company's travel insurance benefit plan as identified in their policy manual.

15. COVERAGE IN THE EVENT OF OCCASIONAL ILLNESS

15.01 Definition of Terms Used

Working days: All days scheduled or planned for work.

Calendar days: All days scheduled or planned for work, and all regular days off.

Waiting period: Number of days that must elapse before the disability insurance comes into effect.

Reference year: From January 1 to December 31

15.02 Eligibility

All regular full-time employees.

An employee's eligibility to income, after calculation of his periods of absence due to illness, is directly related to the Company's long- and short-term disability plan. Maintenance employees shall be eligible for these benefits after three (3) months of continuous service. However, maintenance

employees assigned abroad shall be eligible for the health insurance coverage as of the first day of said assignment.

15.03 Sick-day Credits

An employee shall be entitled to seven (7) paid sick days per reference year, starting on January 1 of each year. At the employee's option, he/she may, by giving notice to the company by the 1st of November each year that he/she chooses to accumulate the sick time or reduce the remaining credits to a maximum of fourteen (14) days from the sick bank in any given year. If the employee chooses to cash out the sick time, he/she shall be paid at the rate of 50% according to the regular schedule as of December 31.

The sick day credits may be accumulated to a maximum of twenty-one days.

15.04 Hiring During the Year

When an employee is hired during any given year, he shall be credited the number of sick days equivalent to one half-day (.5) per complete month of work, up to a maximum of seven (7) working days between the date of hiring and December 31.

15.05 Prolonged Absence

An employee who has been laid off, suspended or is on a leave of absence without pay for one complete month shall not be considered as having been available for work and shall not be granted sick-day credits of one half-day (.5) per complete month of work.

If the period of absence is less than one month, the employee shall be entitled to this credit if the remaining number of days

on which he is available for work is equal to half the number of days of the month plus one day:

$$\begin{array}{ll} \text{EX.: } 30/2 = 15 + 1 (16) & 28/2 = 14 + 1 (15) \\ 31/2 = 15.5 + 1 (16) & 29/2 = 14.5 + 1 (15) \end{array}$$

15.06 Deductions

Deductions of an employee's sick days taken from sick-day credits shall be calculated at the rate of one day per twenty-four (24) hour period or less during which he was absent.

This calculation shall start from the time he was scheduled to report to work to the time he advises the Company that he can resume work.

Guaranteed days off shall not be deducted.

15.07 Remuneration

Sick-day credits are used to ensure that an employee is remunerated during any period of absence within the waiting period preceding the benefits payable by the disability insurance. The procedure is as follows:

1. During each period of absence, for the first two working days, the employee shall receive 100% of his regular salary.
2. Within the waiting period (7 working days), sick-day credits shall be 100% remunerated for working days.

It is understood that sick-day credits equivalent to seven (7) working days apply to the reference year and are cumulative. Once these sick-day credits have been used up, sick days

taken in the same reference year shall not be remunerated.

3. An employee shall receive 100% of his salary for the third day of an absence of two days or more, if this absence is justified by a medical certificate, as per the paragraph entitled ((MedicalCertificates)).
4. Disability insurance is payable as of the eighth calendar day.
5. Sick days and disability insurance shall not be paid in cases involving work or car accidents, which are reimbursed under a specific government plan.

15.08 Departure of an Employee

When an employee leaves the Company, his sick-day credits shall be automatically cancelled.

15.09 Medical Certificates

A medical certificate issued by a medical doctor and specifying the nature and duration of an employee's disability must be submitted to justify any absence of three (3) days or more. However, the Company may request a medical certificate in order to justify all absences, even those that do not exceed three (3) days.

Only authorized persons in human resources sworn to professional secrecy shall have access to medical certificates.

The Company may request that any employee be examined by the Company doctor in order to establish his fitness for work.

15.10 In all circumstances where the employer requests or where there

is a declaration identified in the collective agreement for a doctor's certificate, the Company will reimburse the employee for the costs of that certificate upon receipt.

16. POLICY ON UNIFORMS

16.01 Definition of Terms Used

Uniform: All mandatory clothing and accessories defined by the Company, as described in Appendix I.

A person named by the Union shall be responsible for consulting all employees and shall be invited to participate in the process of the selection of uniform supplier, quality and model of the uniform items.

16.02 Eligibility

The employer shall pay 100% of the cost of uniform items for all employees covered by this Collective Agreement, as per appendix 1.

Replacement of Uniforms

Employee uniforms shall be replaced every year (employee's date of hiring). Maintenance employees may replace any part of their uniform accidentally damaged during the course of their duties. Parkas and windbreakers shall be replaced only when necessary.

16.03 Cleaning and/or Shoe Allowance

Maintenance employees who must wear a uniform shall receive, at the signing of the Collective Agreement, an amount of forty-

eight dollars (\$48) per month to have their uniform cleaned and/or to purchase shoes.

16.04 Departure of an Employee

When an employee leaves the Company's employment, he must return all uniform items and accessories described in Appendix I, for the current year (employee's date of hiring).

An employee who does not return his uniform shall pay 50% of the items that were 100% paid by the Company.

17. GRIEVANCE PROCEDURE AND DISCIPLINARY MEASURES

17.01 For the purposes of the present articles and of the present Agreement, the term «grievance» applies to all differences of opinion concerning the interpretation, application, administration and alleged violation of the Collective Agreement as well as to all disciplinary action taken against an employee.

17.02 The two parties to the present Agreement wish to settle grievances as quickly as possible. The parties agree that only reasonable and serious grievances shall be supported by the Union through the grievance procedure levels, as follows:

17.03 An employee who believes he has been unjustly dealt with must first discuss the situation with his supervisor to allow the situation that caused the complaint to be corrected before presenting a valid grievance. He may ask for his shop steward's assistance in formulating his complaint to his supervisor.

17.03.01 Level 1. An employee or the Union may file a written

complaint with the employee's immediate supervisor, within ten (10) working days following the Company's decision. The employee must indicate the nature of the grievance, the date of the incident, the measure contested or the alleged violation of the Agreement, all pertinent facts, and the redress sought.

A written response shall be forwarded to the employee by the Company representative, within five (5) working days from the date of receipt of the grievance. A meeting between the supervisor and the employee may take place during this period. A Union representative may be present at this meeting if one of the two parties so desires.

17.03.02 Level 2. If a satisfactory settlement is not reached at the first level of the procedure, the grievance may be presented at the second level within ten (10) days following the written response at first level. The vice president or his designated representative may hold a hearing on the subject and must respond to the grievance within the following 10 (ten) working days.

17.04 The delays provided for under this article may be extended following a written mutual agreement.

17.05 The Union may submit a grievance concerning a disagreement between the contracting parties. Such a disagreement shall be dealt with at Level 2 of the grievance procedure.

17.06 All decisions that have not been appealed within the prescribed periods are final and binding.

17.07 Failing satisfactory adjustment under the provisions of this article, the Union may begin arbitration procedures, in accordance with Article 18, within thirty (30) days from the date of receipt of the Company's decision.

17.08 The Company subscribes to the principle that, generally, disciplinary action against an employee is corrective rather than punitive. In the event that corrective action fails, punitive measures shall be considered. A copy shall be supplied to the Union.

A disciplinary measure that has not been reversed by the procedure described above shall be removed from an employee's file if no other incidents have occurred two (2) years.

17.09 When a suspension is the form of discipline to be applied, that suspension will not be served by the employee until level 2 of the grievance process has been completed, unless the situation does dictate otherwise, considering the nature or the severity of the offence.

18. ARBITRATION PROCEDURE

18.01 All grievances that have not been settled through the grievance procedure may be submitted to an arbitrator jointly chosen by both parties. The party requesting arbitration shall notify the other party in writing within thirty (30) days following the Company's decision and propose at least one arbitrator.

18.02 In matters of appealed grievances, the arbitrator has complete authority to render a just and equitable decision on the interpretation, application and alleged violation of the Collective Agreement and on any other grievance of a disciplinary nature.

18.02.01 In the case of appeals relating to disciplinary measures or dismissals, the arbitrator has the competence to determine whether the disciplinary measure or the dismissal imposed by

the Company was just and equitable.

18.02.02 In the case of appeals relating to disciplinary measures or dismissals, the arbitrator can uphold the Company's final decision, fully exonerate the employee and reinstate him with payment for the hours lost, or render any other decision that he considers just and equitable.

18.03 Any decision that has not been submitted to arbitration within the prescribed time limits is final and binding.

18.04 All decisions of the arbitrator shall be final and binding upon both parties but the arbitrator's jurisdiction shall be limited to deciding the case in litigation according to the meaning of the provisions of the Collective Agreement. In no case shall the arbitrator have the power to add, remove, alter, modify or amend any part of this Agreement.

18.05 The arbitrator's fees and all expenses related to the arbitration shall be shared equally by both parties.

19. SAFETY AND HEALTH

The Union, the Company and the employees agree to encourage occupational health and safety, in compliance with current laws and regulations.

It is each employee's responsibility to promote a healthy and safe work environment. Each employee, as well as each shop steward, shall have the obligation to report to the Company and/or to the Union any situation he considers to be a health and safety hazard.

19.01 The parties in this Agreement agree to set up a health and safety

committee with the same powers and obligations as those provided for under the law. This committee shall consist of two members appointed by the Union (plus one more, when necessary, for mechanics / ground equipment), and of two representatives appointed by the Company.

19.02 The Safety and Health Committee:

- a) receives, examines and quickly settles complaints concerning the health and safety of the employees it represents;
- b) maintains a record of its decisions on these complaints;
- c) cooperates with the health services established to serve the work place;
- d) may develop and promote health and safety programs aimed at educating the employees it represents on this subject;
- e) participates in all investigations concerning occupational safety and health and requests, when necessary, the assistance of professionally and technically qualified individuals to act as advisers;
- f) may develop and implement an annual action program that includes measures and procedures aimed at protecting employees or improving their health and safety conditions;
- g) ensures the follow-up of programs, measures and procedures related to employee safety and health;
- h) ensures that adequate records are kept on work accidents and health hazards (any accident with or without loss of time

must be reported), and regularly monitors data relating to these accidents and health hazards;

- i) cooperates with safety officials;
- j) may ask the employer for the information it considers necessary in order to evaluate the real or potential risks of materials, work methods and equipment in the work place;
- k) has unrestricted access to government and employer reports on the safety and health of the employees it represents. Access to medical records, however, is subject to the consent of the person concerned.

19.03 The Company posts, on a permanent basis and in one or more prominent areas frequented by employees, the names of the Safety and Health Committee members for each work location under its complete authority, as well as the areas where these members work. The Company also posts the names of employees who have followed first-aid training.

19.04 The Safety and Health Committee maintains a detailed record of the questions submitted to it, according to the terms of Article 19.02. As well, it keeps a record of the minutes of its meetings and makes them available, upon request, to the safety official.

19.05 The Safety and Health Committee shall hold at least one meeting per month during working hours. It also meets in cases of emergency or exceptional circumstance, even outside working hours.

19.06 The Safety and Health Committee members may take time off work to carry out their functions on the committee, in particular to attend meetings. The hours devoted to these functions are

considered as time worked for the purposes of calculating the salary owed to them.

19.07 No member of the Safety and Health Committee is personally liable for acts or omissions done in good faith in the exercise of the powers conferred upon him under the present article.

19.08 Subject to the foregoing, the Safety and Health Committee may set its own rules on the duration of its members' mandate (not to exceed two (2) years, renewable), the date, place and frequency of its meetings, and any other procedure it considers useful to its functioning.

19.09 At the time of the physical accident or accident involving equipment, the Safety and Health Committee representative must be present or, failing so, the steward on duty. Should the representatives be absent, the employer shall nonetheless proceed with the investigation. A copy of the accident-investigation report shall be provided to the Safety and Health Committee and to the employee involved in the accident, if he so requests.

19.10 Reintegration Following a Work Accident or Disability

In accordance with the Company's needs and subject to an agreement between the Company and the Union, an employee may, depending on the case, be preferably assigned to a work location likely to facilitate his reintegration. In some cases, this may mean daily or weekly schedules that are shorter than normal.

If the employee cannot resume the work that he carried out according to his category and classification, he may be assigned to a position whose requirements correspond to his state of health, on condition that he can prove that he has the necessary abilities to carry out this work.

In this case, the Company shall participate in his reintegration by providing him with the required training. The salary and benefits of the employee who has successfully completed this training shall depend on the position he has accepted.

19.11 When the Safety and Health Committee recommends employees to wear safety glasses and/or hearing protectors, the Company shall supply them free of charge to those who must wear them.

Moreover, employees who perform work that requires the wearing of this equipment but who do not wear this supplied safety equipment when carrying out their tasks may have administrative and/or disciplinary action taken against them.

19.12 The Company shall provide first aid training and WHIMIS for a sufficient number of employees in accordance with the standards provided for under Part XVI of the Canada Labour Code, Part II.

20. HARASSMENT

20.01 Employees' Rights and Air Transat's Responsibility

No employee shall be subject to pressure, constraint or discrimination at work or in activities linked to work, that is likely to compromise the employee's dignity or could have an impact on job security/employment by creating an environment that is intimidating, embarrassing, humiliating or offensive, as established under the Canadian Charter of Rights and Freedoms and the Canada Labour Code.

20.02 Definitions

▸ Sexual Harassment

Sexual harassment is defined as any conduct, comment, gesture or contact which, sexually, is likely to offend or humiliate an employee or which may be reasonably interpreted by the latter as placing a condition of a sexual nature on employment or on any opportunity for training or promotion.

▸ Personal Harassment

Personal harassment is defined as any discrimination on the basis of race, national or ethnic origin, colour, religion, age, gender (including pregnancy and delivery), family status, marital status or disability.

20.03 Disciplinary Action

Air Transat shall take the appropriate disciplinary action against any employee, whether an employee of maintenance/stores or not, who is found guilty of sexual harassment.

20.04 Complaints

An employee who believes he is a victim of sexual or personal harassment may lodge a verbal or written complaint with his supervisor and/or the Human Resources Department or submit a grievance at any level of the grievance procedure. The Company agrees to keep any information relating to this complaint confidential.

20.05 An employee who believes he is a victim of sexual harassment may file a complaint in accordance with the provisions of the Canadian Human Rights Act and/or the Canada Labour Code.

21. GENERAL

21.01 Orders in Writing

Any order given to a permanent employee that involves a change in location or assignment, a promotion, demotion, dismissal, lay-off, disciplinary action or an unpaid leave of absence shall be given to him in writing, with a copy to his local Union Committee.

21.02 Call to Jury Duty

Employees called upon to perform jury duty or to be crown witnesses shall be entitled to an authorized paid leave of absence and shall continue to accumulate seniority during their absence. They shall receive their salary less the allowance paid by the legal system.

21.03 Prisoner of War, Hostage, Plane Hijacking, Internment, Missing

21.03.01 Procedure

An employee in maintenance/stores who, in the course of his work with the Company, is captured, made a prisoner, confined, held hostage, or missing shall be paid 100% of his salary at the time of the incident, until he is released or declared legally dead. However, if the employee has not been located and no proof of death has been established within a period of twelve (12) months following his disappearance, the Company shall discontinue payment of his basic monthly salary.

21.03.02 Remuneration

The basic monthly salary indicated in Appendix II (Salary) shall be deposited in the technician's personal account and shall be allocated by the Company, in whole or in part, according to the written instructions supplied by the employee in the maintenance/stores.

This salary shall not be paid to an employee who has been placed under arrest by an authority recognized by the government of Canada or who is accused of an offence which, in Canada, is considered a criminal act and for which he may be prosecuted. If the employee is found innocent, he shall suffer no loss of salary.

21.03.03 Alternative to Payment

As an alternative to the payment provided for in Article 21.03.01, the Company may pay the difference between said payment and the amount of any compensation that would be

provided for under any law covering persons who are captured, made prisoner, confined, held hostage or missing as a consequence of acts of war.

21.03.04 Requests for Instructions

Newly hired maintenance employees shall be asked to provide the Company with instructions relating to this article according to the form included in Article 21.03.05. This form shall be returned to the Company as soon as possible.

21.03.05 Instruction Form

The instructions specified in Article 21.03.04 shall essentially be carried out as follows:

AIR TRANSAT A.T. INC.

c/o HUMAN RESOURCES DEPARTMENT

Date: _____

You are hereby instructed to deposit the basic monthly salary to which I may be entitled in accordance with the pertinent article of the Agreement between Air Transat and the maintenance personnel.

_____ % of said compensation to _____
(name)

_____, during his/her lifetime,
(address)

and, in the event of death, to _____
(name)

_____, during his/her lifetime.
(address)

The balance, if any, as well as any sums accumulated after the death of the above-designated persons, shall be retained for me. Should my death occur before I have had the opportunity to collect this balance, it shall be transferred to my legal representative.

The above-specified instructions may be modified from time to time, by way of a letter bearing the signature of the undersigned. These modifications come into effect as of the receipt of said letter by Air Transat.

Once the payments established herein are made, the Company cannot be bound to pay any other compensation requested in my name by virtue of the agreement between Air Transat and the maintenance personnel.

Employee's signature

21.04 Union Dues

- 21.04.01** The Company agrees to deduct union dues, as stipulated in the Union's bylaws, and to deliver these dues, by cheque, to the authorized Union representative with a list of members' names and the amounts deducted.
- 21.04.02** Union dues shall be deducted as of the first pay period following the first thirty (30) consecutive calendar days of service completed in accordance with this Agreement. All union dues for any given month shall be given to the Union on the 15th of the following month.
- 21.04.03** The Union agrees to fully reimburse the Company and to cover it against all claims, without exception, concerning all deductions and payments made according to the terms herein.
- 21.04.04** Union deductions must appear on the T-4 and TP-4 forms, as per the different regulations of the government departments concerned.

22. WORK SCHEDULES

22.01 Preamble

The number of employees by group and by classification as well as the shift starting times shall be established by the Company according to its operational requirements.

- 22.02** The normal work week for employees governed by this Agreement shall be equal to 40 hours divided into 5 days of 8 hours of continuous work each and 2 consecutive days off.

22.03 Modifications

Any modification to the normal work week shall be discussed between the parties and shall be approved by the Union at least two (2) weeks prior to its implementation. Types of work schedules acceptable to the Union, along with administrative details, are described in the appendix.

22.04 The Company agrees to discuss any work schedule change with the Union at least two weeks prior to the change.

It is the responsibility of both parties to jointly study all aspects of the situation in order to arrive at a work schedule that meets the service's operational requirements and is as fair as possible to the employees.

22.05 A change to the work schedule (414,413, 614) introduced by the Company, as described in the Letter of Agreement no. 2, may oblige an employee to work on one or more of the regular days off of his previous work schedule. The Company shall make sure that the number of regular days off in the fourteen (14) days following the date of the change is the same as in the employee's previous schedule. In the event that the number of regular days off is less and that it is not possible to schedule these days at a later time within the period of fourteen (14) days, this or these regular days off shall be credited at the overtime rate. In the event that the number of regular days off in the new work schedule is greater than in the previous schedule, it is understood that the employee's salary shall not be affected.

- 22.06** When the Company modifies the allotment of regular days off within the same week (Monday to Thursday and Tuesday to Friday) and within a 4/3 type schedule to allow the performance of type “C” work (major maintenance), or if the Company applies, for a temporary period, the regular 5/2 type schedule within the 4/3 type schedule for the purpose of training. In both these cases, Article 22.05 shall not apply, except if the employee is affected by more than two (2) changes per year. The Company shall ensure that, at the end of the year, the number of hours worked is the same as the number scheduled in the previous schedule. However, in the event that the number of hours worked is greater and that it is not possible to schedule these hours within the following six (6) months, these hours shall be credited at the overtime rate. In the event that the number of hours is greater than in the previous schedule, it is understood that the employee’s salary shall not be affected.
- 22.07** In the event that a 4/4 type schedule is changed to a 5/2 type schedule or a 6/4 type schedule is changed to a 5/2 type schedule, the Company shall apply the same procedure as that provided for under Article 22.05.
- 22.08** A shift bid will occur once a year in the month of September and will be effective no later than October 15.
- 22.08.01** When two (2) or more types of work schedules are used simultaneously in the same work location, the Company shall post the positions available by trade or by classification, and the choice shall be made by order of seniority according to locally agreed-to procedures.

22.09 Between two (2) shifts, including overtime, an employee must have taken a minimum rest period of ten (10) consecutive hours, without loss of salary, before returning to work

22.09.01 Split Shift Arrangements at Small Bases

Where the operation requires a split shift, the company shall ensure adequate rest periods, meaning that there shall be at least one rest period of minimum ten (10) hours per 24-hour cycle. Where a ten (10) hour minimum rest cannot be respected, all hours worked from that shift onward will be at overtime rates until the employee is accommodated with his minimum rest.

For overtime calculation purposes, Appendix 3 shall apply, unless otherwise agreed to between the employee and the Company.

22.10 Subject to operational constraints, the employer shall do its best not to modify the starting and ending times of an employee work schedule.

23. OVERTIME

23.01 Overtime hours are hours of work that are not part of the employee's normal work schedule.

23.02 All overtime hours are credited on a time and one-half basis, subject to the other provisions of the Collective Agreement.

23.02.01 All hours worked as overtime within the same week or the same cycle shall be credited at double time if the first fifty (50) hours have been worked during this week or this cycle.

23.03 Compensation for an Employee Called Back to Work

Any employee called back to work outside his normal work schedule or who has already finished his normal shift and left Company premises, shall be paid a minimum of four (4) hours at time and one-half of his normal hourly rate.

23.04 Rotational Overtime Method

The rotational method shall ensure a fair distribution of overtime. Lists and rotational procedures are established locally in accordance with this principle and Canada Labour Standards.

23.05 Time Bank

Upon an employee's request, overtime credits may be accumulated to constitute a time bank. An employee may accumulate a maximum of three (3) weeks of work.

All hours accumulated may be cleared at any time, with a two-week notice.

An employee who wishes to take vacation days under this program shall forward a written request to his supervisor, who shall see whether or not he may authorize this request. Once granted, these days of vacation cannot be cancelled within the seven (7) days preceding the authorized vacation period.

23.06 Paid Meal Periods

Employees covered by the present Collective Agreement shall be entitled to a paid meal period of thirty (30) minutes after having completed four (4) hours of overtime work following their normal shift.

For the purposes of calculating overtime, it is understood that this period is included with the hours worked.

24. SHIFT EXCHANGE

As agreed to during negotiations for this first Collective Agreement, the Company agrees to retain the shift exchange privilege presently offered to employees.

The purpose of this privilege is to reduce absenteeism by allowing employees to handle unexpected situations or ones that conflict with their work schedule.

An employee may ask another employee to work his shift, on condition that he has received his supervisor's authorization to do so.

Except under exceptional circumstances, a request for a shift exchange shall be submitted in writing to the supervisor, who shall approve it at least forty-eight (48) hours before the shift in question. This approval must bear the signatures of the supervisor and both employees involved.

These exchanges are only authorized if the employee taking over another employee's shift can perform the duties of the employee he is replacing.

The Company reserves the right to temporarily or permanently withdraw this privilege from an employee who does not respect the established procedures or who abuses this privilege.

25. EMPLOYEE PERSONAL FILE

- 25.01** Written instructions concerning transfers, promotions, demotions, disciplinary action, unpaid leaves of absence and/or vacations shall be put in the employee's personal file.
- 25.02** Upon his request, an employee may have access to his personal Company file. He shall consult it in the presence of his Human Resources Representative, within the two (2) weeks following his request.
- 25.03** Upon his request, he may also obtain a copy of his personal file or part of it.
- 25.04** Employee personal files shall be kept completely confidential, and only authorized persons may have access to the personal information they contain.
- 25.05** In the event that an employee is underpaid, that is, if fifty dollars (\$50) or more are missing from his base salary and the Company is responsible for this error, the Company agrees to correct it within the four (4) working days following receipt by the Payroll Department of the written notice informing of this error. Any other error shall be corrected on the employee's subsequent pay cheque.
- 25.06** In the event that an employee is overpaid, a maximum of 15% shall be deducted from his gross salary, by pay period, until all amounts owed are reimbursed. It is the employee's responsibility to inform the employer of any mistake in pay.
- 25.07** Pay cheques shall be issued every two (2) weeks. In the case of full-time employees, this salary shall be based on their annual salary.

26. SUBCONTRACTING

26.01 Application

The Company shall not resort to subcontracting with the intention of reducing the number of permanent positions or of eliminating a classification within the bargaining unit.

The Company shall only resort to subcontracting under the following circumstances:

- a) In order to finalize the acquisition of new aircraft or modifications on them;
- b) In situations that require equipment and/or materials that are not available for the Company;
- c) In situations where the nature or volume of work does not justify the capital or operating expenditures involved;
- d) In situations where the knowledge, qualifications, skills or systems in place do not ensure profitable production costs;
- e) In situations where the volume of work would result in undesirable fluctuations in employment.

26.02 The Company agrees to inform the Union in writing and to discuss the necessity and pertinence of all sub-contracting. Except in exceptional circumstances, a notice of at least fourteen (14) days shall be given and shall outline the reasons of any sub-contracting. When these delays cannot be respected, the Union shall be promptly advised.

It is understood that these discussions shall focus on finding possible ways of avoiding having to resort to sub-contracting.

In cases of lay-offs, the Union and the company will meet and review strategies to mitigate the impact of these lay-offs. These strategies may include but will not necessarily be limited to work-sharing, review of existing out-source contracts, review of provisions of the collective agreement which would make in-sourcing of work economically feasible, etc. In such discussions, the Company will provide pertinent financial data to enable such evaluations.

27. UNION REPRESENTATION

27.01 The Company recognizes the Union representatives duly identified by the Union.

27.02 The Union shall select the above-mentioned representatives and forward their names in writing to the Company. In addition, the Union shall inform the Company of any subsequent change, including the names of any representatives added or withdrawn, as stipulated in the Union by-laws.

27.03 The Union recognizes that its leaders, shop stewards and members of the committees defined in the present Collective Agreement, as well as all employees, have regular work to perform for the Company and may not leave their respective work stations without permission from their immediate supervisors.

27.04 An employee who wishes to take time off in accordance with Article 27.03 shall ask his supervisor's permission, who shall authorize the requested time off according to the operating policies and schedules. This permission shall not be

unreasonably denied.

27.05 The Company agrees to provide posting space for the Union's exclusive use. Any pamphlet, advertisement, notice or printed material that the Union wishes to distribute to its members or post on work premises shall be approved beforehand by the service manager or his authorized representative.

In addition, employees may not wear clothes or accessories of a political nature on work premises unless they have obtained prior permission by the service manager or his authorized representative.

27.06 The Company shall release and remunerate three (3) representatives for time spent with the Company in monthly labour relations meetings.

It is understood by this article that the hours spent attending meetings of the Labour Relations Committee, with the Company, shall be considered as time worked and shall be handled in accordance with the applicable provisions.

27.07 Provided that the Company can reasonably do without the services of the employees concerned for the duration of the leave of absence, the Company grants a leave of absence for Union business to two (2) employees at a time. Employees shall make their request to the Company at least two (2) weeks before the leave. Leaves of absence may not be taken during a busy period, and those granted shall not exceed ten (10) days per calendar year. The Company shall pay the employee's salary, and the Union shall reimburse the Company for this amount as well as for related expenses. For the purposes of calculating overtime, this time shall not be considered as time worked. These leaves of absence do not include absences

provided for under Articles 27.03, 27.06 and 27.08.

27.08 The Company shall release four (4) representatives to a maximum of two (2) per base for negotiations concerning renewal of the Collective Agreement. The Union shall reimburse the Company for half of all fees incurred during negotiations with the Company.

27.09 Meetings mentioned under Article 27.06 shall not be considered as replacing the grievance procedure (Article 17).

27.10 A secure and locked filing cabinet shall be available for the Union's exclusive use. In the event that additional rooms become available, the Company shall assign one to the Union.

27.11 YYZ Shop Chairperson shall be granted clearance equal to ten (10) hours per week

YVR Shop Chairperson shall be granted clearance equal to four (4) hours per week.

YMX Shop Chairperson shall be granted clearance equal to twenty (20) hours per week.

Note: The intent of this clause is to provide Union representation while taking into consideration staffing levels and operational requirements. Such time clearance will be granted during day scheduled hours.

28. TRANSFERS

28.01 From one work location to another (for example: ramp, hangar, Dorval-Mirabel):

28.01.01 Once a year, at the beginning of April, the employer shall determine which positions may be transferred. The period shall be two (2) years in the case of positions related to outside maintenance contracts.

On condition that an employee meets the requirements of the position he has applied for, he may bump a less senior employee in another work location. Position requirements must be pertinent and related to the nature of the functions and duties.

28.01.02 The preceding principle shall be applied according to the administrative procedures established in agreement with the local Union.

28.01.03 Should a position become vacant in a given work location, it shall be posted if the employer decides to fill it.

28.02 From one base to another:

28.02.01 A position must be declared permanent before a transfer may take place.

28.02.02 The transfer shall be granted to the most senior employee if he meets the position requirements. These requirements must be pertinent and related to the nature of the functions and duties within the trade group and classification.

28.02.03 Transfers shall be granted only if no other employee can fill the position at the base where the vacancy exists and if no other employee has recall rights in this classification at the base in question.

28.03 Moving Expenses:

Should the Company reassign a member of the bargaining unit outside his home base, it shall reimburse him reasonable moving expenses.

Once during an employee's career, the Company shall reimburse the employee reasonable moving expenses when he is promoted or when he is transferred, upon his request, to another base.

29. REORGANIZATION OF CORPORATE STRUCTURE

In the event that the Company changes ownership, merges with another company or in any way changes its corporate identity, this Agreement shall remain in full force and effect. Moreover, the certification issued by the Canada Industrial Relations Board in effect at that time shall not be affected in any way, except as otherwise regulated or directed by the Board. The Company shall enter into negotiations with the Union relative to the protection of employee seniority and other provisions of this Agreement. Failing agreement, the provisions of the Canada Labour Code shall apply.

30. TECHNOLOGICAL CHANGE

30.01 When a technological change is considered, the Company shall inform the Union in accordance with the provisions of the Canada Labour Code and shall enter into discussions with the

Union to establish the application procedures that affect employees.

The employer shall try to relocate within the Company all employees affected by a technological change and shall provide them with the necessary training.

31. UNPAID LEAVES OF ABSENCE

Personnel requirements permitting, an employee may obtain an unpaid leave of absence not to exceed twelve (12) months, upon written request to the Human Resources Department.

The details concerning the authorization shall be established in writing, with a copy to the Union.

The employee who wishes to continue contributing to the fringe benefits plan during his unpaid leave shall advise the Company in writing before his departure. (This includes other leaves of absence such as maternity leaves, adoption leaves, etc.)

The employee on a leave of absence continues to accumulate seniority except for the purposes of salary progression and acquiring vacation rights.

In accordance with article 8.01, an employee prepared to take a leave of absence to mitigate another employee's lay-off will continue to accumulate seniority for the purpose of salary progression and acquiring vacation rights.

32. TRAINING AND DEVELOPMENT

32.01 Selection of candidates for training needs shall be based on the following criteria, in this order:

- 1- Employee holding a Company license;
- 2- Employee holding an A.M.E. license from the Ministry of Transport;
- 3- Employee who has passed all exams toward the obtaining of a license from the Ministry of Transport;
- 4- Classification seniority.

It is agreed that candidates shall be selected on the basis of the operational requirements of the work place and in consultation with the Union.

32.02 Incentives for Education and Professional Training

An employee who requests a day off in order to write academic exams and/or Ministry of Transport exams shall be granted this day in its entirety and at his own expense, except when his work schedule includes one or more regular days off during Monday to Friday and he requests a day off to write exams from the Ministry of Transport.

The employee shall have the option of using hours from his time bank, as per Article 23.05, or of taking a day of vacation or a day at his own expense.

The employee shall request time off no later than one week before the date of the exam.

The employee must be able to justify his registration in courses and/or exams as well as the dates of these exams.

- 32.03** In order to promote the acquiring of additional expertise, at equal cost, the employer shall favour an employee rather than a subcontractor to coordinate a type C or D verification on a subcontractor, on condition that this employee has the required

qualifications. If the recall list includes one or more employees, the employer has the obligation to offer the position by order of seniority including employees on the recall list, and the same conditions concerning cost and qualifications continue to apply. Employees who accept this assignment shall be protected by a contract in the form of a letter, with a copy to the Union.

32.04 The Company shall reimburse an employee for all Transport Canada exam fees incurred by him to obtain a recognized license by this organization. The employee shall be reimbursed upon presentation of proof that he has successfully completed his course.

32.05 The Company recognized the benefit of employees pursuing higher levels of trade related education. The employee will be reimbursed as per Company policy. This policy is available for review on the “intranet” internal system.

33. DURATION OF COLLECTIVE AGREEMENT

33.01 The present Collective Agreement is effective on the date of ratification and remains in effect until April 30, 2006.

33.02 As of April 30, 2006, the present Collective Agreement continues to remain binding from year to year, unless there is notification in writing by either party of its wish to modify the Agreement. This notification shall be submitted within the one hundred and twenty (120) days preceding the Agreement’s expiry date. In the event of such a notification, the Collective Agreement shall remain in full force and effect for the duration of negotiations for a new Collective Agreement.

- 33.03** Given the procedure provided by this Collective Agreement and the requirements of the Canada Labour Code for the purpose of settling disputes, the Union agrees that there shall be no strike and the Company agrees that there shall be no lockout for the duration of the Collective Agreement.
- 33.04** All clauses and provisions of this Agreement are subject to present and future legislation. However, should a clause in this Agreement be nullified by a present or future law, this invalidation shall not nullify other clauses of this Agreement, which shall remain in full force and effect.
- 33.05** The appendices and letters of understanding appended to this Agreement are an integral part of the Collective Agreement.

In witness whereof, the parties hereto have signed, in Mirabel,
this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations and Customer Service

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

John Dacoulis
Senior Director, Maintenance and
Engineering

Michel Pelot

Jean-François Lemay
Legal Advisor

Roy Manzini

AIR TRANSAT A.T. INC.

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND
AEROSPACE WORKERS

Appendix I

DESCRIPTION OF UNIFORMS

Applicable to full-time employee: Trade groups I (excluding instructors), II, III, IV, V, VI and VII, expeditor and dock planner

Once a year, the employee is allowed the equivalent value of the following clothing package:

- 3 pairs of pants
- 3 short-sleeved shirts or 3 short polo
- 3 long-sleeved shirts or 3 long polo
- 1 pair of summer coveralls

Employees may vary the above quantities, provided the total value of the package remains the same.

Only upon approval of the company the following items may be issued to the employee, at frequencies determined by the company: 1 parka, 1 three season coat, 1 rainsuit, 1 pair of winter coveralls or 1 pair of winter pants.

One lab coat will be provided for instructors.

APPENDIX II - SALARIES AND PREMIUMS

Group I

A) Aircraft Mechanics Technicians / Aircraft Avionics Technicians:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring without training	\$28,798	\$29,374	\$29,961
2	Level of hiring with Secondary School Vocational Diploma or equivalent or military training, or six (6) months at Rank 1	\$30,931	\$31,550	\$32,181
3	Level of hiring with college education or two (2) years of experience, or six (6) months at Rank 2	\$34,130	\$34,813	\$35,509
4	Three (3) years of experience, or six (6) months at Rank 3	\$35,197	\$35,901	\$36,619
5	Four (4) years of experience, or six (6) months at Rank 4	\$37,864	\$38,621	\$39,394
6	Five (5) years of experience, or six (6) months at Rank 5	\$42,663	\$43,516	\$44,387
*	The aircraft mechanics technician who has finished all his exams and is waiting to attend an aircraft course in order to obtain an M licence recognized by Transport Canada or an aircraft avionics technician who shall obtain an E licence recognized by Transport Canada shall be promoted to Rank 7. This change becomes effective on the date on which the last exam was successfully passed, in the case of an aircraft mechanics technician, and on the validation date of an E licence, in the case of an aircraft avionics technician. This new date shall be retained for salary progression purposes.			
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$45,330	\$46,237	\$47,161
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$48,530	\$49,501	\$50,491
9	Eight (8) years of experience, or twelve (12) months at Rank 8	\$50,664	\$51,677	\$52,711
10	Nine (9) years of experience, or twelve (12) months at Rank 9	\$51,196	\$52,220	\$53,264
11	Twelve (12) months experience at Rank 10	\$53,329	\$54,396	\$55,483
*	An aircraft mechanics technician who has completed all exams and who is waiting to attend an aircraft course in order to obtain an M licence recognized by Transport Canada or an aircraft avionics technician who shall obtain an E licence recognized by Transport Canada shall have his date of hiring advanced by six (6) months for the purpose of salary progression.			

B) Certified Aircraft Mechanics Technicians / Certified Aircraft Avionics Technicians/ Certified Shop Aircraft Mechanics Technicians/ Certified Shop Aircraft Avionics Technician:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
*	According to operational requirements, the Company shall determine the number of employees required in Categories B and < Such promotions shall be carried out as per Article 6. The date of promotion shall be retained for salary progression purposes.			
1	M8 or E licence and twelve (12) months at Rank 10, and zero to twelve (0-12) months certifying company aircraft	\$55,996	\$57,116	\$58,258
2	M8 or E licence and twenty four (24) months or more certifying company aircraft, or twelve (12) months at Rank 1	\$57,596	\$58,748	\$59,923
3	M8 or E licence and thirty six (36) months or more certifying company aircraft, or twelve (12) months at Rank 2	\$60,262	\$61,467	\$62,697
4	M8 or E licence and forty eight (48) months or more certifying company aircraft, or twelve (12) months at Rank 3	\$62,395	\$63,643	\$64,916
5	M8 or E licence and sixty (60) months or more certifying company aircraft, or twelve (12) months at Rank 4	\$63,996	\$65,276	\$66,581
6	M8 or E licence and seventy two (72) months or more certifying company aircraft, or twelve (12) months at Rank 5	\$66,662	\$67,995	\$69,355

C) Inspector:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1		\$70,656	\$72,069	\$73,511
2	Twelve (12) months at Rank 1	\$72,069	\$73,510	\$74,981

C.1) Instructor:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring with required qualifications	\$66,000	\$67,320	\$68,666
2	One (1) year of experience, or twelve (12) months at Rank 1	\$68,000	\$69,360	\$70,747

Group II

D) Servicemen:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring without experience	\$23,828	\$24,305	\$24,791
2	One (1) year of experience, or twelve (12) months at Rank 1	\$26,032	\$26,553	\$27,084
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$27,634	\$28,187	\$28,750
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$31,538	\$30,129	\$30,751
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$31,450	\$32,019	\$32,751

E) Interior Mechanics:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring without experience	\$28,798	\$29,374	\$29,961
2	One (1) year of experience or six (6) months at Rank 1	\$31,464	\$32,093	\$32,735
3	Two (2) years of experience, or six (6) months at Rank 2	\$34,130	\$34,813	\$35,509
4	Three (3) years of experience, or six (6) months at Rank 3	\$36,798	\$37,534	\$38,285
5	Four (4) years of experience, or six (6) months at Rank 4	\$39,464	\$40,253	\$41,058
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$42,130	\$42,973	\$43,832
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$44,797	\$45,693	\$46,607
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$47,463	\$48,412	\$49,381

GROUP III

F) Sheet Metal Workers:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring without experience	\$28,798	\$29,374	\$29,961
2	One (1) year of experience, or twelve (12) months at Rank 1	\$30,931	\$31,550	\$32,181
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$32,532	\$33,183	\$33,846
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$35,197	\$35,901	\$36,619
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$37,864	\$38,621	\$39,394

G) Structural Repair Technicians:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring without experience	\$28,798	\$29,374	\$29,961
2	Level of hiring with College education or military, or six (6) months at Rank 1	\$30,931	\$31,550	\$32,181
3	Two (2) years of experience, or six (6) months at Rank 2	\$34,130	\$34,813	\$35,509
4	Three (3) years of experience, or six (6) months at Rank 3	\$35,197	\$35,901	\$36,619
5	Four (4) years of experience, or six (6) months at Rank 4	\$37,864	\$38,621	\$39,394
6	Five (5) years of experience, or six (6) months at Rank 5	\$42,663	\$43,516	\$44,387
*	A structural repair technician who obtains an S licence recognized by Transport Canada shall be promoted to Rank 7 of structural repair technician. This change is effective on the validation date of the licence, which shall be retained for salary progression purposes.			
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$45,330	\$46,237	\$47,161
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$48,530	\$49,501	\$50,491
9	Eight (8) years of experience, or twelve (12) months at Rank 8	\$50,664	\$51,677	\$52,711
10	Nine (9) years of experience, or twelve (12) months at Rank 9	\$51,196	\$52,220	\$53,264
11	Twelve (12) months of experience at Rank 10	\$53,329	\$54,396	\$55,483
*	A structural repair technician who obtains an S licence recognized by Transport Canada shall have his date of hiring advanced by six (6) months for the purposes of calculating future salary progressions			

H) Certified Structural Repair Technicians:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
*	Depending on its operational requirements, the Company shall determine the number of employees required for Category H. The date of promotion shall be retained for salary progression purposes.			
1	S Licence	\$55,006	\$57,116	\$58,758
2	Twelve (12) months of experience at Rank 1	\$57,596	\$58,748	\$59,923
3	Twelve (12) months of experience at Rank 2	\$60,262	\$61,467	\$62,697
4	Twelve (12) months of experience at Rank 3	\$62,395	\$63,643	\$64,916
5	Twelve (12) months of experience at Rank 4	\$63,006	\$65,076	\$66,581
6	Twelve (12) months of experience at Rank 5	\$66,662	\$67,995	\$69,355

GROUP IV

I) Ground Equipment Mechanics:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring without experience	\$28,798	\$29,374	\$29,961
2	One (1) year of experience, or six (6) months at Rank 1	\$30,931	\$31,550	\$32,181
3	Two (2) years of experience, or six (6) months at Rank 2	\$34,130	\$34,813	\$35,509
4	Three (3) years of experience, or six (6) months at Rank 3	\$35,197	\$35,901	\$36,619
5	Four (4) years of experience, or six (6) months at Rank 4	\$37,864	\$38,621	\$39,394
6	Five (5) years of experience, or six (6) months at Rank 5	\$42,663	\$43,516	\$44,387
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$45,330	\$46,237	\$47,161
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$48,580	\$49,501	\$50,491
9	Eight (8) years of experience, or twelve (12) months at Rank 8	\$50,664	\$51,677	\$52,711
10	Nine (9) years of experience, or twelve (12) months at Rank 9	\$51,198	\$52,220	\$53,264
11	Twelve (12) months at Rank 10	\$53,329	\$54,396	\$55,483

GROUP V

Promotions and Transfers

The Company shall not reduce the salary of an employee who is promoted or transferred to another classification. His salary progression shall continue according to his new classification, unless he comes from Group II or Group V, in which case his salary shall be maintained until the seniority accumulated in his new classification allows his salary to progress once again. For this purpose and given this context, the required seniority is established at six (6) months rather than twelve (12) months for each change in level.

In the event of a transfer, the experience gained outside the Company in the new classification shall be recognized for purposes of salary progression.

J) Storekeepers:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring without experience	\$23,828	\$24,305	\$24,791
2	One (1) year of experience, or six (6) months at Rank 1	\$26,032	\$26,553	\$27,084
3	Two (2) years of experience, or six (6) months at Rank 2	\$27,766	\$28,321	\$28,888
4	Three (3) years of experience, or six (6) months at Rank 3	\$29,735	\$30,330	\$30,936
5	Four (4) years of experience, or six (6) months at Rank 4	\$31,705	\$32,339	\$32,986
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$33,674	\$34,347	\$35,034
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$35,643	\$36,356	\$37,083
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$37,612	\$38,364	\$39,132
9	Twelve (12) months at Rank 8	\$39,464	\$40,253	\$41,058

K)Chauffeurs - Stores:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring without experience	\$27,000	\$27,450	\$27,900
2	One (1) year of experience, or twelve (12) months at Rank 1	\$24,147	\$24,630	\$25,123
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$25,356	\$25,863	\$26,380
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$26,623	\$27,155	\$27,699
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$27,953	\$28,512	\$29,082
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$29,351	\$29,938	\$30,537
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$30,819	\$31,435	\$32,064

L) Clerks - Stores:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
2	One (1) year of experience, or twelve (12) months at Rank 1	\$23,000	\$23,460	\$23,929
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$24,000	\$24,480	\$24,970
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$25,000	\$25,500	\$26,010
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$26,000	\$26,520	\$27,050
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$27,500	\$28,050	\$28,611
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$29,000	\$29,580	\$30,172
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$32,000	\$32,640	\$33,293

GROUP VI

M) Building Attendants:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring	\$23,828	\$24,305	\$24,791
2	Twelve (12) months at Rank 1	\$26,032	\$26,553	\$27,084
3	Twelve (12) months at Rank 2	\$27,104	\$27,646	\$28,199

N) Building Attendants - Hangar:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring	\$23,828	\$24,305	\$24,791
2	Twelve (12) months at Rank 1	\$26,032	\$26,553	\$27,084
3	Twelve (12) months at Rank 2	\$27,104	\$27,646	\$28,199

GROUP VII

O) Aircraft Towing Servicemen:

Rank	Technical qualifications	2003/05/01	2004/05/01	2005/05/01
1	Hiring level with up to one (1) year of experience and with a valid D license	\$29,120	\$29,702	\$30,296
2	One (1) year of experience or twelve (12) months at Rank 1.	\$31,200	\$31,824	\$32,460
3	Twelve (12) months at Rank 2.	\$33,280	\$33,946	\$34,625

GROUP VIII

P) Data Entry Clerks:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring	\$24,000	\$24,480	\$24,970
2	One (1) year of experience, or twelve (12) months at Rank 1	\$26,000	\$26,520	\$27,050
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$27,606	\$28,158	\$28,721
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$29,230	\$29,815	\$30,411
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$30,854	\$31,471	\$32,101
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$32,478	\$33,128	\$33,790
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$34,102	\$34,784	\$35,480
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$35,725	\$36,440	\$37,168

GROUP IX

Q) Fleet Specialists:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring with college education in aircraft maintenance	\$44,000	\$44,880	\$45,778
2	One (1) year of experience, or twelve (12) months at Rank 1	\$46,057	\$46,978	\$47,918
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$47,669	\$48,622	\$49,595
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$49,337	\$50,324	\$51,330
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$51,063	\$52,084	\$53,126
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$52,850	\$53,907	\$54,985
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$54,699	\$55,793	\$56,909
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$56,613	\$57,745	\$58,900
9	Eight (8) years of experience, or twelve (12) months at Rank 8	\$58,594	\$59,766	\$60,961
10	Nine (9) years of experience, or twelve (12) months at Rank 9	\$60,644	\$61,857	\$63,094

GROUP X

R) Aircraft Maintenance Planners:

Rank	Technical Qualifications	2003/05/01	2004/06/01	2005/05/01
1	Level of hiring with college education in aircraft maintenance	\$30,000	\$30,600	\$31,212
2	One (1) year of experience, or twelve (12) months at Rank 1	\$31,150	\$31,773	\$32,408
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$32,890	\$33,548	\$34,219
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$34,726	\$35,421	\$36,129
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$36,663	\$37,396	\$38,144
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$38,706	\$39,480	\$40,270
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$40,862	\$41,679	\$42,513
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$43,136	\$43,999	\$44,879
9	Eight (8) years of experience, or twelve (12) months at Rank 8	\$45,535	\$46,446	\$47,375
10	Nine (9) years of experience, or twelve (12) months at Rank 9	\$48,066	\$49,027	\$50,008

S) Technical Records Controllers:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring	\$24,000	\$24,480	\$24,970
2	One (1) year of experience, or twelve (12) months at Rank 1	\$26,000	\$26,520	\$27,050
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$27,606	\$28,158	\$28,721
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$29,230	\$29,815	\$30,411
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$30,854	\$31,471	\$32,101
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$32,478	\$33,128	\$33,790
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$34,102	\$34,784	\$35,480
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$35,725	\$36,440	\$37,168

T) Technical Librarians:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring	\$27,000	\$27,440	\$27,889
	One (1) year of experience, or twelve (12) months at Rank 1	\$23,000	\$23,460	\$23,929
	Two (2) years of experience, or twelve (12) months at Rank 2	\$24,000	\$24,480	\$24,970
4	Three (3) years of experience, or Five (12) months at Rank 3	\$25,000	\$25,500	\$26,010
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$26,000	\$26,520	\$27,050
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$27,500	\$28,050	\$28,611
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$29,000	\$29,580	\$30,172
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$32,000	\$32,640	\$33,293

GROUP XI

U) Reliability Analysts:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring with college education in Statistics	\$25,000	\$25,500	\$26,010
2	One (1) year of experience, or twelve (12) months at Rank 1	\$26,000	\$26,520	\$27,050
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$27,500	\$28,050	\$28,611
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$29,500	\$30,090	\$30,692
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$32,000	\$32,640	\$33,293
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$34,000	\$34,680	\$35,374
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$36,000	\$36,720	\$37,454
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$38,000	\$38,760	\$39,535

V) Reliability Clerks:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring	\$22,000	\$22,440	\$22,889
2	One (1) year of experience, or twelve (12) months at Rank 1	\$23,000	\$23,460	\$23,929
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$24,000	\$24,480	\$24,970
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$25,000	\$25,500	\$26,010
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$26,000	\$26,520	\$27,050
6	Five (5) years of experience, or 12 12 months at Rank 5	\$27,500	\$28,050	\$28,611
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$29,000	\$29,580	\$30,172
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$32,000	\$32,640	\$33,293

GROUP XII

W) Buyers – Consumable Aircraft Parts:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring	\$26,500	\$27,030	\$27,571
2	One (1) year of experience, or twelve (12) months at Rank 1	\$26,765	\$27,300	\$27,846
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$27,836	\$28,393	\$28,961
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$30,000	\$30,600	\$31,212
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$31,500	\$32,130	\$32,773

X) Buyers – Aircraft Parts:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring	\$31,000	\$31,600	\$32,750
2	One (1) year of experience, or twelve (12) months at Rank 1	\$32,480	\$33,130	\$33,792
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$34,601	\$35,293	\$35,999
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$36,722	\$37,456	\$38,206
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$38,843	\$39,620	\$40,412
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$40,964	\$41,783	\$42,619
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$43,085	\$43,947	\$44,826
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$45,206	\$46,110	\$47,032

Y) Expeditors:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring	\$73,878	\$74,305	\$74,701
2	One (1) year of experience, or twelve (12) months at Rank 1	\$26,032	\$26,553	\$27,084
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$27,758	\$28,313	\$28,879
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$29,723	\$30,317	\$30,924
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$31,688	\$32,322	\$32,968
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$33,653	\$34,326	\$35,013

GROUP XIII

Z) Technical Writers:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1	Level of hiring with required qualifications	\$35,000	\$35,700	\$36,414
2	One (1) year of experience, or twelve (12) months at Rank 1	\$37,000	\$37,740	\$38,495
3	Two (2) years of experience, or twelve (12) months at Rank 2	\$39,000	\$39,780	\$40,576
4	Three (3) years of experience, or twelve (12) months at Rank 3	\$41,000	\$41,820	\$42,656
5	Four (4) years of experience, or twelve (12) months at Rank 4	\$43,000	\$43,860	\$44,737
6	Five (5) years of experience, or twelve (12) months at Rank 5	\$45,000	\$45,900	\$46,818
7	Six (6) years of experience, or twelve (12) months at Rank 6	\$47,000	\$47,940	\$48,899
8	Seven (7) years of experience, or twelve (12) months at Rank 7	\$49,000	\$49,980	\$50,980
9	Eight (8) years of experience, or twelve (12) months at Rank 8	\$51,000	\$52,020	\$53,060
10	Nine (9) years of experience, or twelve (12) months at Rank 9	\$52,000	\$53,040	\$54,101

Premiums

Shift Premium:

- Employees assigned to the hangar shall receive a \$0.50 / hour premium for all hours worked on the evening or midnight shift.
- Employees assigned to the ramp shall receive a premium if they have worked at least six (6) hours between 6:00 p.m. and 7:00 a.m. according to the normally planned schedule.
- Employees working on rotational shifts shall receive a \$0.50 premium for all hours worked on the evening or midnight shift, which shall be those shifts commencing and terminating between the 16:00 hours and 07:00 hours the next day.
- Those employees working on a permanent night shift which shall be that shift commencing and terminating between 21:00 hours and 07:00 hours the next day, shall receive a premium of \$1.50 per hour for all hours worked on that shift.

Lead Hand Premium:

- Permanent:
The \$1.50 premium is included in the annual salary.
- Acting:
A \$1.50 premium for each hour worked as acting lead hand.

Acting; Supervisor Premium:

- \$2.25 for each hour worked as acting supervisor.

Endorsement Premium:

- As of the third endorsement, all licensed technicians shall receive a \$0.15 premium per hour worked. As of June 1st, 2004, licensed technicians will receive a \$0.25 premium for an aircraft endorsement and a further \$0.25 premium for additional endorsements.
- Furthermore, a monthly \$25.00 premium applies in the case of technicians who are certified for aircraft different from that operated by Air Transat and for which they perform work in their specialty.

Certification Premium for Non-Certified Personnel:

- Qualified non-certified personnel authorized by the Company to certify the maintenance of aeronautic products (shops) and the qualified stores personnel authorized by the Company to sign for the reception and expedition of various parts of aeronautic products shall receive a premium of \$0.20 per hour.

certification Premium for Structure Technician Personnel:

- Structure Technicians performing welder or machinist work will receive a premium of \$1.00 per hour over and above their hourly for all hours worked.

APPENDIX III

LOCAL AGREEMENT ON THE HOURS OF WORK AVERAGING, AS PER CANADA LABOUR CODE, SECTION 169.(2.1) AND DISTRIBUTION OF OVERTIME.

Purpose:

The parties acknowledge that the nature of the work and the operational requirements can, on a continual basis, necessitate the irregular distribution of work. That, at times, the irregular distribution of such work may include the working of overtime. To meet the conditions established as per Canada Labour Code and the distribution of overtime, collective agreement provision, the parties agree to the following:

AVERAGING:

An employee will normally be scheduled to work a 40 hour week in cases where the operation incorporates a schedule other than 40 hour per week, the following will apply:

- 1) An employee scheduled to work in excess of a 40 hour work week will not exceed 624 hours of work (104 hours of overtime) in any continuous 3 month period except where it has been determined that unused overtime credit has been advanced. In any case, the employee must not exceed 2496 hours of work (416 hours of overtime) in any 12 month period.

LETTER OF AGREEMENT NO. 1

Expense allowance for out-base assignments

Notwithstanding Article 7.06 of the collective agreement, the parties agree to the following:

Employees on short-term assignments shall be eligible to an hourly rate expense allowance according to the following table:

	Within Canada (\$ CDN)	Outside Canada (\$ CDN)
After January 1, 2004	\$3.25	\$4.25
After January 1, 2005	\$3.50	\$4.50

For longer term assignments, the hourly rate expense allowance shall not apply and the employee shall be entitled instead to the following daily allowances:

	Within Canada (\$ CDN)	Outside Canada (\$ CDN)
After January 1, 2004		
Long term assignments		
Between one (1) and two (2) months	\$78.00	\$102.00
Between two (2) and three (3) months	\$88.00	\$112.00
Between three (3) and four (4) months	\$98.00	\$122.00
Over four (4) consecutive months	\$108.00	\$132.00

	Within Canada (\$ CDN)	Outside Canada (\$ CDN)
After January 1, 2005		
Long term assignments		
Between one (1) and two (2) months	\$84.00	\$108.00
Between two (2) and three (3) months	\$94.00	\$118.00
Between three (3) and four (4) months	\$104.00	\$128.00
Over four (4) consecutive months	\$114.00	\$138.00

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
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Operations and Customer Service

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

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Senior Director, Maintenance
and Engineering

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Jean-François Lemay
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Roy Manzini

AIR TRANSAT A.T. INC

INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS

LETTER OF AGREEMENT NO. 2

Compressed Work Schedule

Definition: A compressed work schedule is a schedule that does not respect the normal day and/or normal week of work.

It may be:

- either a 4/4 type schedule (4 days of work followed by 4 days of rest) of 10 hours and 40 minutes of work per day, meal period included (30 minutes);
- or a 4/3 type schedule (4 days of work followed by 3 days of rest) of 10 hours of work per day, meal period included (30 minutes). Variations to this 4/3 type schedule to include rotation of regular days off may be implemented upon agreement with the Union;
- or a 6/4 type schedule (6 days of work followed by 4 days of rest) of 8 hours and 50 minutes of work per day, meal period included (30 minutes), equivalent to a 4/4 type schedule.

Compensation for statutory holidays is included in the 4/4 and 6/4 type schedules.

The following conditions must be respected in order to implement these types of work schedules:

- a) Work schedules shall be implemented subject to a local agreement (employees, local union and local management);

- b) The Labour Relations Department and District Lodge 140 must submit their approval;
- c) It must be possible to end the compressed work schedule upon request from either party. In such a case, the parties have thirty (30) days to return to the normal work schedule;
- d) Should it be required by Labour Canada to obtain authorization for the compressed work schedules, the parties agree to submit a joint request.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

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LETTER OF AGREEMENT NO. 3

Participation in the *Fonds de solidarité* of the F.T.Q. (Québec Federation of Labour)

Conditional to Letter of Agreement no. 15, the employer agrees to deposit in the *Fonds de solidarité*, in the name of each participating employee and for each calendar year, an amount of money equal to that contributed by the employee, on the following basis:

- One dollar (\$1) deposited by the employer for each dollar (\$1) contributed by the employee, up to a maximum employer contribution of two hundred and fifty dollars (\$250).
- Once a year, an employee may modify the amount of his deposits or stop contributing by forwarding a written notice to this effect to the *Fonds* and to the employer.
- This system is voluntary for all employees.
- This system does not affect the system of deducting income tax at source, currently in effect.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

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LETTER OF AGREEMENT NO. 4

Fuel Tank Entry

Maintenance personnel may be called upon to carry out tasks to be performed in fuel tanks. To provide some form of compensation for these workers who risk their health when working in a fuel tank, the following rates and conditions have been established:

- Employees who must enter a fuel tank to perform two hours of work or more shall be granted a premium of \$40.00 per day.
- The maximum number of days per month for work in fuel tanks shall not exceed 10 days.
- Due to the health hazard involved in working in a fuel tank, the Company shall provide the following for employees performing this type of work:
 - A two (2) day training course that includes confined space simulation training including practice of emergency procedure CPR in the simulated environment.
 - Some form of health monitoring program, i.e., periodic blood tests or medical examinations. (Note: This should be optional for the employee involved.)
 - All tools required to perform work in fuel tanks shall be inspected, repaired and/or calibrated in order to meet or exceed all required safety standards for this type of work.
 - A CPR course shall be given to employees who are required to work in the fuel tanks.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

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LETTER OF AGREEMENT NO. 5

Training:for Aircraft Maintenance Technicians

In accordance with Article 9 of Bill 90 promoting workforce training, the parties recognize the implementation of a training program for maintenance personnel.

PURPOSE:

1. To maintain an employee's qualification level on one or more types of aircraft.
2. To modify an employee's qualification level for certification purposes, according to the Company's operational needs.

TYPES OF TRAINING:

1. Initial qualification course including the following stages of training:
 - a) Theoretical course on the ground;
 - b) Training on a simulator.
2. Requalification course on a periodic basis.

DETAILS:

The training may be given in different training schools inside as well as outside Quebec, depending on the location of the service providers.

The contents of the training courses as well as the required hours of training are determined by Air Transat, in accordance with the requirements of Transport Canada.

Training fees may include, but are not limited to, the rental of training rooms and simulators, the purchase or rental of software, equipment expenses, the cost of the course, and transportation, lodging and meal costs.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

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Operations and Customer Service

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Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

John Dacoulis
Senior Director, Maintenance
and Engineering

Michel Pelot

Jean-François Lemay
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Roy Manzini

AIR TRANSAT A.T. **INC.**

INTERNATIONAL ASSOCIATION OF
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LETTER OF AGREEMENT NO. 6

Air Transat agrees to provide _____
(name of employee)
with a training course entitled _____,
according to the following terms and conditions:

Air Transat shall pay the total cost of the training, including air transportation, lodging, allowances, ground transportation as well as all costs directly related to training. The total cost of this course shall be approximately \$_____. The exact total amount to be disbursed shall be determined and justified by Air Transat, and communicated in writing to the employee once these amounts have been computed.

The employee shall provide a minimum of two (2) years of continuous service at Air Transat, as of the date of completion of the training.

In the event that an employee resigns from Air Transat before the two (2) years of continuous service are completed, this employee authorizes Air Transat to recover a part of the total training costs upon his departure, according to the following formula: The amount shall be divided equally, on a monthly basis, over a period of two (2) years of service; two thirds (2/3) of the amount shall be charged to the first year and the remaining amount shall be charged to the second year.

In the event that the amount of the employee's last pays are less than the amount to be reimbursed, the methods of reimbursement shall be determined by the management of Air Transat A.T. and the employee.

The Company shall pay the transportation fees for the purposes of training when the distance to be travelled is over 75 km from the home base.

The above provisions do not apply to employees with ten (10) years or more of service.

Signed on _____

AIR TRANSAT A.T. INC.

EMPLOYEE

Name (block characters)

Name (block characters) and
Employee No.

Signature

Signature

UNION

Name (block characters)

Signature

EXAMPLE:

Total cost:	\$6,000	
First year:	$\$6,000 \times \frac{2}{3} = \$4,000$ divided equally over 2 months, i.e., \$333 per month	
Second year:	$\$6,000 \times \frac{1}{3} = \$2,000$ divided equally over 2 months, i.e., \$166 per month	
Departure:	9 months after completion of training: $(12-9) \times \$333 =$	\$999
	$+ 12 \times \$166 =$	<u>\$1992</u>
		\$2991

LETTER OF AGREEMENT NO. 7

Profit-sharing Plan (Standard Plan)

The parties recognize the existence of a formal profit-sharing plan for the employees' benefit.

Annually, an employee bonus shall be calculated on the basis of five per cent (5%) of profits before dividends, extraordinary items, bonus for top management and income tax of Air Transat A.T. Inc., for the financial year ending October 31 of each year.

The bonus shall be calculated following the combined audited results of the Company and distributed to the participating employees on the basis of their salaries earned during the reference period.

Employees eligible for the bonus must be employed by the Company at the time the bonus is paid. Employees who, for any reason, are absent at that time shall receive this bonus upon their return to work.

EXAMPLES:

Assuming a total payroll of \$38 million.

- 1- Profits of \$7,600,000 before taxes
 $\$7,600,000 \times 5\% = \$380,000$ $\$380,000 / \$38,000,000 \Rightarrow 1\%$
For a salary of \$25,000 \Rightarrow \$250

- 2- Profits of \$15,000,000 before taxes
 $\$15,000,000 \times 5\% = \$750,000$ $\$750,000 / \$38,000,000 \Rightarrow 1.97\%$
For a salary of \$25,000 \Rightarrow \$493

- 3- Profits of \$20,000,000 before taxes
 $\$20,000,000 \times 5\% = \$1,000,000$ $\$1,000,000/\$38,000,000 \Rightarrow 2.63\%$
For a salary of \$25,000 \Rightarrow \$658

In the event an employee retires during the year in progress or in the case of a permanent long-term disability without return to work, he shall be entitled to his bonus on the basis of the salary earned during the months he worked in this last year.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations and Customer Service

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Roy Manzini

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LETTER OF AGREEMENT NO. 8

SIMDUT Training,

The Company shall organize information sessions on *SIMDUT* (information system on dangerous goods handled at work) for employees concerned, within three (3) months following the ratification of the new Collective Agreement.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations **and** Customer Service

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

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LETTER OF AGREEMENT NO. 9

Deferred Payment Plan

The parties agree that, within three (3) months following ratification of the present Collective Agreement, the employer shall take the appropriate measures to implement a differed treatment program, for the purpose of promoting differed payment leave plans.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

John Dacoulis
Senior Director, Maintenance and
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LETTER OF AGREEMENT NO. 10

TRAINING COMMITTEE

The parties agree that, within three (3) months following ratification of the Collective Agreement, the employer shall implement a training committee.

Principle

The parties recognize and encourage the development and training of employees in order to allow them to acquire greater skills, increase their productivity and enhance their access to new functions within the Company.

Mandate

The committee's mandate shall be the following:

- a) Familiarize itself with the training programs, offer advice, discuss difficulties and problems relative to development and training, and recommend modifications, as needed, in relation to technical training under the responsibility of the Vice-president, Training and Engineering.
- b) Act as key people capable of bringing valuable contributions to promoting training.

Joint Committee

- a) The joint committee on training and development is comprised of 2 representatives designated by the Union and of 2 management representatives.
- b) The committee meets three (3) times per year or as needed, at a date that is convenient to both parties. One or the other party calls the meeting.
- c) The committee meets during working hours and union representatives are granted time clearance to participate in these meetings.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

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LETTER OF AGREEMENT NO. 11

Employee Assistance Program

The parties agree to jointly appoint an employee representative who shall be trained in “effective helping” and capable of referring colleagues facing personal problems.

The content of all training activities for this representative must be approved by the Company beforehand.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

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LETTER OF AGREEMENT NO. 12

Group Insurance Program

In order to encourage employee participation to the group insurance program, the Company agrees to invite an employee representative during its meetings with participants when choosing their options.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations and Customer Service

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Vice-president, Human Resources

Mathieu Miller

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A R TRANSAT A.T. INC.

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LETTER OF AGREEMENT NO. 13

Pension Plan

Concerning the implementation of the pension plan, the Company proposes the following two (2) options to employees on a voluntary and individual basis.

- 1) Status quo, that is, the present application of the profit-sharing plan and a \$250.00 employer contribution to the *Fonds de solidarité des travailleurs du Québec* (FTQ), as described under Letter of Agreement no. 7 (Standard Plan).

or

- 2) Integration to a joint group RRSP plan and a differed profit-sharing plan (DPSP), according to the formulas described below (A or B formula):

General Principals:

- This program includes two distinct and indissociable parts: RRSP or DPSP.
- Participation of an employee who has completed his probation period is optional.
- The formula selected no later than March 1, 2000 shall necessarily apply to all participants and shall be valid for three (3) years from the date of signing of the Collective Agreement or from the date on which a new employee becomes eligible.

Formula A

Group RRSP

The employee bonus is calculated up to a maximum of two per cent (2%) of profits applicable to the standard plan (Letter of Agreement no. 7).

DPSP

Air Transat's document entitled *Programme Bâti Retraite*, presented during negotiations, shall act as reference until the official text and rules governing these plans are published.

Employer contribution varies, as described in this reference document.

Formula B

Group RRSP

The bonus is equal to fifty per cent (50%) of the percentage applicable to the standard plan (Letter of Agreement no. 7)

DPSP

Air Transat's document entitled *Programme Bâti Retraite*, presented during negotiations, shall serve as reference until the official text and rules governing these plans are published.

Employer contributions are established at two point five per cent (2.5%).

April 30, 2005, the Company contribution will increase to 3%.

April 30, 2006, the Company contribution will increase to 3.5%.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
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Operations and Customer Service

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Vice-president, Human Resources

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LETTER OF AGREEMENT NO. 14

Non-Dunitive Safety Reporting and Investigation Process

(Amending terms and conditions of employment, or any right or privilege of employees, pursuant to Section 50(b) of the Canada Labour Code)

WHEREAS the Employer and the I.A.M.A.W are in agreement that the prevention of incidents and accidents is a primary objective in the course of operating an airline;

AND WHEREAS the Employer and the I.A.M.A.W agree that the development of a non-punitive, problem-solving approach to incident reporting and the subsequent investigation of safety events is the most effective method of achieving the objectives of increased regulatory compliance and of optimal flight safety;

AND WHEREAS the Employer and the I.A.M.A.W agree that an approach to reporting and investigation of safety events that features legal enforcement and company discipline against employees is detrimental to the objective of obtaining a complete investigation of safety events;

AND WHEREAS the Employer and the I.A.M.A.W. have agreed to modify the terms and conditions of employment, or any right or privilege of employees, pursuant to Section 50(b) of the Canada Labour Code in order to implement a non-punitive incident reporting and investigation process;

NOW THEREFORE, the Employer and the I.A.M.A.W. agree as follows:

1.0 EVENT REPORTING

Employees shall notify the Flight Safety Department (FSD) by phone, email or fax of a safety event within 48 hours of him or her first becoming aware of the event taking place, and shall further submit a written report at the first opportunity, but no later than seven days of first notifying the Employer. However, where circumstances make it impractical to meet such deadlines, the employee shall provide notification and submit a written report as soon as possible thereafter.

When another party submits a report involving an employee, the FSD will invite the employee involved to submit a report as well. If, during the Event Review Committee (ERC) process, it is determined that the employee did not know or could not have known about the event, his or her report will be included in this protocol, provided all other acceptance criteria have been met. **If the employee knew or should have known about the event, then the report will not be included in this protocol.**

Where a submitting employee seeks impunity, his or her report shall be de-identified by the FSD and sent simultaneously to the ERC members.

2.0 EVENT REVIEW COMMITTEE

2.1 Constitution

The Employer and the I.A.M.A.W. shall establish an Event Review Committee, consisting of one member selected by the I.A.M.A.W., and one member selected by the Employer. Both the representatives of the Association and the Employer shall be familiar with and shall endorse the principles underlying a non-punitive safety reporting and investigation approach. In addition,

the representative of management shall not, in the course of his or her normal duties, have any role in the disciplinary process of employees at Air Transat.

2.2. Mandate

The ERC shall study and analyse all safety reports submitted by an employee seeking impunity and determine whether such event qualifies for inclusion in this protocol. If so, it shall be referred to a non-punitive investigation process to be established by the Employer and the I.A.M.A.W.

2.3 Decision process

On the premise that any event giving rise to a report should be submitted to a non-punitive investigation process, the ERC representatives will strive to reach a decision by consensus. In the event of a disagreement amongst members of the ERC, the report shall be referred to a second committee consisting of the I.A.M.A.W. MEC Chairman and the Air Transat President and Chief Executive Officer for adjudication. Should the parties be unable to agree, the report shall be submitted to the Transport Canada Director of Commercial and Business Aviation. Said Director will assign it for adjudication to a minimum level of Chief for whom he holds line authority within the Commercial Business and Aviation Branch.

3.0 **EXCLUSION GUIDELINES**

Events involving the following actions are excluded from the impunity protocol:

- substance or alcohol abuse [including consumption of a substance contrary to law, willful consumption of a substance where the individual knows or should reasonably know that his or her

professional abilities will be impaired as a result, or where consumption is the result of a disability protected under the Canadian Human Rights Act (in which case the individual shall have the full protection of the Act)];

- action of criminal nature;
- deliberate non-compliance with air regulations or any other applicable rogatory requirements;
- non-conformity with provisions of Article 1.0.

4.0 IMPUNITY

4.1. Any commission, omission, or inaction by employees in respect of direct involvement in a safety event that is the subject matter of a report referred to the non-punitive investigative process shall not be the subject of disciplinary proceedings or action in respect of an employee by the Employer. Further, any information subsequently obtained by the Employer in relation to the event through this or any other form of investigation shall not form the basis of disciplinary action of an employee by the Employer.

4.2 If an investigation shall reveal that an employee has deliberately left out essential information or supplied erroneous data in his initial report in order that the event in which he is involved qualifies for inclusion in this protocol, the Air Safety Director may expel the employee from the protocol. Shall the employee be expelled, he may be subject to disciplinary proceedings only with regards to the omission or erroneous data of such report and not for the event itself.

5.0 CONFIDENTIALITY

5.1 The Employer shall not disseminate internally or use any detailed or identifying personal information contained in a report except

on a need-to-know basis for the purpose of carrying out specific and justifiable employer safety action.

5.2 The Employer shall not disclose to any third party the details of the event or any identifying personal information contained in a report except where required by law.

5.3. The Employer may provide Transport Canada with occasional and general reports on the effectiveness of the program and general information on the subjects which have been dealt with under the program.

6.0 INVESTIGATION

The parties agree that a jointly-administered non-punitive investigative process must be established in order to give effect to the principles underlying this agreement. They therefore agree to enter into discussions to develop the substance of that process for the purposes of its implementation as soon as is practicable.

7.0 COMMITMENT

7.1 This agreement shall constitute a modification to the terms and conditions of employment, or right or privilege of the employees, as per Section 50(b) of the Canada Labour Code. This agreement shall be effective upon execution and shall expire on April 30, 2006 or upon the expiration of the statutory freeze whichever occurs first. Where any party believes that the implementation of any part of the program may be detrimental to safety, the parties agree to meet for the purpose of discussing improvements.

7.2 The parties recognize that the acceptance of the principles of non-punitive safety reporting and investigation by employees is

critical to its practical realization, and therefore undertake to take all reasonable measures to inform the employees and managers of this agreement.

In witness whereof, the parties have signed on this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations and Customer Service

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

John Dacoulis
Senior Director, Maintenance
and Engineering

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Jean-François Lemay
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Roy Manzini

A R TRANSAT A.T. INC.

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS

LETTER OF AGREEMENT NO. 15

Work Schedules

Classifications: Instructors, Store Clerks, Fleet Specialists, Aircraft Maintenance Planners, Technical Record Controllers, Technical Librarians, Reliability Analysts, Reliability Clerks, Expeditors, and Technical Writers.

The parties agree that, for employees from the above-mentioned classifications, the regular work schedule will be equivalent to thirty-seven and a half (37.5) hours over five (5) working days, with two (2) days off.

All hours worked after thirty-seven and a half (37.5) hours but less than fifty (50) hours will be counted as time and a half, subject to other provisions of the collective agreement.

All hours worked as overtime within the same cycle shall be credited at double time if the first fifty (50) hours have been worked during the week of the cycle.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

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Senior Vice-president, Technical
Operations and Customer Service

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Suzanne Viens
Vice-president, Human Resources

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Roy Manzini

AIR TRANSAT A.T. INC

INTERNATIONAL ASSOCIATION OF
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WORKERS

LETTER OF AGREEMENT NO. 16

Seniority List

The parties agree to produce a separate seniority list for each location (Mirabel, Toronto, Vancouver and Calgary).

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations and Customer Service

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Vice-president, Human Resources

Mathieu Miller

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LETTER OF AGREEMENT NO. 17

Integration to the collective agreement of the Inspector Crew Chiefs

The parties agree to the following:

Further to discussion, which took place between the parties on October 25, 2001, it is agreed that the new classification of inspector crew chief is included within Group 1 of the collective agreement.

These employees are compensated according to the following salary grid:

C.1) Inspector Crew Chiefs:

Rank	Technical Qualifications	2003/05/01	2004/05/01	2005/05/01
1		\$70,656	\$72,069	\$73,511
2	One (1) year of experience, or twelve (12) months at Rank 1	\$72,069	\$73,510	\$74,981

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

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Operations and Customer Service

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Suzanne Viens
Vice-president, Human Resources

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WORKERS

LETTER OF AGREEMENT NO. 18

Company Discipline Procedure

Within sixty (60) days of signing this Agreement, the Company will produce a Company discipline procedure and communicate this procedure to the Union.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations and Customer Service

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

John Dacoulis
Senior Director, Maintenance
and Engineering

Michel Pelot

Jean-François Lemay
Legal Advisor

Roy Manzini

AIR TRANSAT A.T. INC.

INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS

LETTER OF AGREEMENT NO. 19

Transport during bargaining

This provision applies to members of the Bargaining Committee, as defined under Article 27.08.

- The Company will absorb 50% of the costs related to transporting the members of the Bargaining Committee for negotiations;
- The Union will absorb 100% of the costs related to transporting the members of the Bargaining Committee for preparing negotiations.

This provision applies only to members of the Bargaining Committee who are required to leave their base for bargaining purposes.

Requests for transportation must be approved by the Senior Director, Technical Operations, and transportation must be coordinated by the Company.

A transportation request form is available to the parties.

Meeting room rental for negotiations

The Union will absorb 50% of the costs related to renting meeting rooms for negotiations of the Collective Agreement.

Printing; of the Collective Agreement

The costs of printing the Collective Agreement will be equally shared between the Company and the Union.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations **and** Customer Service

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

John Dacoulis
Senior Director, Maintenance
and Engineering

Michel Pelot

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LETTER OF AGREEMENT NO. 20

Shift Premiums

Notwithstanding Appendix II of the collective agreement, the parties agree to the following:

Employees working on rotational shifts shall receive a \$0.50 premium for all hours worked on their shift if six (6) hours of that shift are on the evening or midnight shift. These will be those shifts commencing and terminating between 16:00 hours and 07:00 hours the next day.

Those employees working on permanent night shift, which shall be that shift commencing and terminating between 21:00 hours and 07:00 hours the next day, shall receive a premium of \$1.50 per hour.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations and Customer Service

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

John Dacoulis
Senior Director, Maintenance
and Engineering

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LETTER OF AGREEMENT NO. 21

Hangar Janitor

The parties agree that the following employee:

Jude Lévesque, no. 303

handles the task of Hangar Janitor (Group VI) but is entitled to the salary progression as Serviceman (Group 11).

Therefore, as of May 1, 2004, he will be entitled to a salary of \$ 32,079.

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations and Customer Service

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

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LETTER OF AGREEMENT NO. 22

Long-term assignments

In order to promote long-term assignments, the company agrees to pay the transportation fees of the employee's dependents according to interline policy and with an airline chosen by Air Transat for all assignments of three (3) consecutive months or more (one pass for each three consecutive months).

In witness whereof, the parties hereto have signed, in Mirabel, this 27th day of May 2004.

Chris Nassenstein
Senior Vice-president, Technical
Operations and Customer Service

Michel Camplone

Suzanne Viens
Vice-president, Human Resources

Mathieu Miller

John Dacoulis
Senior Director, Maintenance
and Engineering

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