

AGREEMENT

between

AIR CANADA

and the

**INTERNATIONAL ASSOCIATION OF
MACHINISTS
AND AEROSPACE WORKERS**

on behalf of those

**EMPLOYEES OF THE
FINANCE BRANCH OF AIR CANADA**

represented by

DISTRICT LODGE 140

Effective: July 1, 2003

13236 (02)

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DEFINITIONS

- (1) **COMPANY** - means Air Canada as represented through Officers and Supervisors at appropriate levels or their delegated representative.
- (2) **UNION** - means the International Association of Machinists and Aerospace Workers as represented through District Lodge 140 by means of General Chairperson, Committees and Stewards or their delegated representative duly elected and/or approved in accordance with the Union Constitution by-Laws.
- (3) **AGREEMENT** - means that agreement in effect including amendments or interpretations thereto agreed upon and covered by letters signed and/or confirmed by responsible Company and Union Officers.
- (4) **BRANCH** - means, for the purpose of this Agreement, Branches designated as such in the Corporate Organization section of the Company's Regulation Manual, i.e. Finance Branch.
- (5) **SUPERVISORY PERSONNEL** - means any employee whose duty includes the administrative supervision of others and who is not covered by this Agreement.
- (6) **CLASSIFICATION** - means the status of an employee.
- (7) **BUMPING** - means the adjustment process by which personnel laid off assert their seniority rights over less senior personnel.
- (8) **SETBACK** - means a reclassification to a lower classification because of changes in classification strength under circumstances where vacancies exist in the lower classifications.
- (9) **DEMOTION** - means a reclassification to a lower classification because of lack of ability or disciplinary action.
- (10) **WORK SCHEDULE** - means a projection of an employee(s) shifts with regard to days worked to days off.
- (11) **SHIFT** - means a period of time within a day as described in a work schedule for which an employee is required to be present.
- (12) **SECTION** - means a grouping of employees for the purpose of vacation selection and transfers within a classification.

- (13) **REQUIREMENTS OF THE SERVICE** - means an unforeseen circumstance, or combination of circumstances, which calls for immediate action as well as that planning which is intended both to prevent such situations and to maintain normal operations.
- (14) **EMPLOYEE** - means an employee in the bargaining unit covered by this Agreement.
- (15) **SINGLE VERTICAL LINE** - means a paragraph revision effective with the current Agreement.

ARTICLE 1 PREAMBLE, PURPOSE OF AGREEMENT, AND SAVINGS CLAUSE

- 1.01 This Agreement is made and entered into this 29th day of May 2003, by and between Air Canada, hereinafter referred to as the "Company" and the International Association of Machinists and Aerospace Workers, hereinafter referred to as the "Union" supersedes the Agreement between the Company and the Union dated the 28th day of November 1999.
- 1.02 The purpose of this Agreement is in the mutual interest of the Company and the employees, to provide for the operation of the services of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency and economy of operation, and the continuation of employment under conditions of reasonable hours, compensation, and working conditions. It is recognized by this Agreement to be the duty of the Company and of the employees to cooperate fully both individually and collectively, for the advancement of that purpose.
- 1.03 No employee covered by the Agreement will be unlawfully interfered with, restrained, coerced or discriminated against by the Company, its officers or agents because of membership in or lawful activity on behalf of the Union.
- 1.04 The Company and the Union agree to abide by all the procedures provided by this Agreement and the Canada Labour Code for the purpose of peaceful settlement of disputes. The Code provides that employees may legally strike, and the Company may lockout, following completion of the bargaining and conciliation process at the termination of an agreement.
- 1.05 In view of the orderly procedure established by this Agreement as required by the Code for the settling of disputes, the Union agrees that, during the life of this Agreement, there shall be no strike or stoppage of work, either complete or partial, and the Company agrees that there shall be no lockout, either complete or partial.
- 1.06 **SAVINGS CLAUSE -**
- .01 Should any part or provision of this Agreement be rendered invalid by reason of any existing or subsequently enacted legislation, such invalidation of any part or provision of this Agreement shall not invalidate the remaining portions thereof, and they shall remain in full force and effect.
- .02 Where the provisions of this Agreement are at variance with the Company Regulations, the former shall take precedence.

- 1.07 The parties agree that it is to their mutual advantage to expeditiously respond to the need for temporary or permanent changes to the terms and conditions of this agreement in order to meet corporate, system or local business initiatives, or to meet competitive or performance requirements. It is agreed that the appropriate explanation of the situation and the specific change to the Collective Agreement will be identified, in writing to the Director, Labour Relations - Technical Services and the National President and Directing General Chairperson (or his delegate), District Lodge 140, by the party requesting the change.

Approval of such requests will be by means of a Memorandum of Agreement between the Committee of General Chairpersons (Subject to District Lodge 140 Bylaws) and Corporate Labour Relations. Decisions on such matters will be made within thirty (30) calendar days of receipt of the request. In special situations where the business priority or competitive requirement necessitates, a decision within seven (7) calendar days may be requested.

ARTICLE 2 UNION RECOGNITION

- 2.01 The Company recognizes the Union as the sole bargaining agent for all personnel in the Finance Branch within the territorial limits of Canada save and except those specifically excluded by the certification as granted by the Canada Labour Relations Board.

- 2.02 Notwithstanding the terms of Article 2.01 and the exclusions specified in the certification order granted by the Canada Labour Relations Board on December 20, 1976, it is agreed between the Company and the Union that employees designated as Lead Agents in the Flight Performance Information Section will be covered by the terms of this Agreement. It is also agreed that the newly created classification of Finance Specialist is excluded from the terms of the Collective Agreement.

ARTICLE 3 MANAGEMENT RIGHTS

- 3.01 Subject to the provisions of this Agreement, the control and direction of the working forces including the right to hire, suspend or discharge for just cause, dispense with, to advance or set back in classification, to reassign, to transfer or lay off because of lack of work or for other legitimate reasons, is vested solely in the Company.

- 3.02 These enumerations shall not be deemed to exclude other prerogatives not enumerated, and any of the rights, powers or authority of the Company are retained by the Company, except those which are subject to the provisions of this Agreement.

- 3.03 It is understood that none of the foregoing shall detract from the right of the employee to lodge a grievance in the manner and to the extent herein provided.

ARTICLE 4 CLASSIFICATIONS

4.01 All employees covered by this Agreement shall fall within the following classifications:

Finance Agent
Intermediate Finance Agent
Senior Finance Agent

4.02 LEAD AGENT

.01 The Company may designate a Finance Agent in any classification as a Lead Agent who may, at the discretion of the Company, in addition to performing some or all of his/her described duties, ensure work area is maintained in a manner which promotes an efficient working environment by providing advice, guidance and direction on the conduct and quality of work performed; check work for accuracy; coordinate work; provide training on work methods; assist employees with problems; monitor work flow; maintain satisfactory department of those employees under his/her direction.

.02 The number and designation of Lead Agents will be established at the sole discretion of the Company. However, the Company agrees that a Lead Agent shall be responsible for not more than a normal work force of fifteen (15) employees.

4.03 STATUS OF EMPLOYEE

.01 The status of an employee shall be either temporary-term or permanent.

.02 Temporary-term employment may be utilized by the Company to fill vacancies resulting from additional seasonal workload, acting management assignments, leaves of absence, vacancies as a result of any short term needs, e.g., special work programs, etc.

.03 Temporary-term employment will be limited to twenty-six (26) weeks. In the event such employees are retained beyond this period, they will be designated as "permanent", provided they have successfully completed the probationary period.

ARTICLE 5 RATES OF PAY

5.01 Rates of pay, as enumerated, are on a weekly basis and are established on the basis of a working week of forty (40) hours.

5.02 The Company, at its discretion, may commence a newly hired permanent or temporary-term employee at any published rate within the wage scale of the classification into which the employee was hired, but not in excess of the maximum published rate of the classification.

5.03 Scheduled advancement within the wage scale established for each classification will be **up** to the maximum shown in the wage scale for each classification, subject to the following provisions:

.01 Finance Agent, Intermediate Finance Agent and Senior Finance Agent

i) Fifty-two (52) weeks must have elapsed since the date of the last scheduled advancement or reclassification.

ii) During the fifty-two (52) weeks period, the employee must have actually worked a minimum of two hundred and thirty-eight (238) days on a 5/2 work schedule or its equivalent, whichever is the greater, subject to the provisions that time allowed as annual vacation shall be considered as time worked.

iii) The advancement in pay will be granted upon the first day of the pay period following completion of the requirements specified above.

5.04.01 The following are the rates of pay for all classifications covered by this Agreement.

FINANCE AGENT

Effective July 1, 2004			
	Weekly Rate	Hourly Equivalent	Monthly Equivalent
STEP 1	\$357.66	\$ 9.19	\$1,598.66
STEP 2	\$395.71	\$ 9.89	\$1,720.62
STEP 3	\$423.81	\$10.60	\$1,842.81
STEP 4	\$451.87	\$11.30	\$1,964.82
STEP 5	\$479.90	\$12.00	\$2,086.70
STEP 6	\$507.98	\$12.70	\$2,208.79
STEP 7	\$533.72	\$13.34	\$2,320.72
STEP 8	\$559.49	\$13.99	\$2,432.77
STEP 9	\$593.94	\$14.85	\$2,582.56

INTERMEDIATE FINANCE AGENT

Effective July 1, 2004			
	Weekly Rate	Hourly Equivalent	Monthly Equivalent
STEP 1	\$623.69	\$15.59	\$2,711.92
STEP 2	\$649.49	\$16.24	\$2,824.11
STEP 3	\$672.25	\$16.81	\$2,923.07
STEP 4	\$688.02	\$17.20	\$2,991.64
STEP 5	\$700.87	\$17.52	\$3,047.52
STEP 6	\$713.72	\$17.84	\$3,103.39
STEP 7	\$726.59	\$18.16	\$3,159.35
STEP 8	\$739.44	\$18.49	\$3,215.23
STEP 9	\$750.55	\$18.76	\$3,263.53
STEP 10	\$765.17	\$19.13	\$3,327.10
STEP 11	\$778.00	\$19.45	\$3,382.89
STEP 12	\$790.88	\$19.77	\$3,438.90
STEP 13	\$803.73	\$20.09	\$3,494.77
STEP 14	\$816.60	\$20.42	\$3,550.73
STEP 15	\$828.86	\$20.72	\$3,604.04

SENIOR FINANCE AGENT

Effective July 1, 2004			
	Weekly Rate	Hourly Equivalent	Monthly Equivalent
STEP 1	\$803.73	\$20.09	\$3,494.77
STEP 2	\$816.60	\$20.42	\$3,550.73
STEP 3	\$829.48	\$20.74	\$3,606.74
STEP 4	\$842.35	\$21.06	\$3,662.70
STEP 5	\$855.19	\$21.38	\$3,718.53
STEP 6	\$868.05	\$21.70	\$3,774.45
STEP 7	\$880.92	\$22.02	\$3,830.41
STEP 8	\$893.78	\$22.34	\$3,886.33
STEP 9	\$907.18	\$22.68	\$3,944.59

5.05 INTENTIONALLY LEFT BLANK

5.06 **LEAD AGENT/CLERK PREMIUM** - An employee designated by the Company as a Lead Agent shall be paid a premium of eight percent (**8%**) above his/her current rate of pay, or eight percent (**8%**) above the rate of pay of the highest classification which he/she is directing, whichever is the greater.

5.07 **PROMOTIONAL WAGE INCREASES** - An employee who is permanently promoted to a higher classification shall receive a rate of pay on the new wage scale which is two steps higher than his/her rate of pay in his/her former wage scale. In any event, the rate of pay shall not be less than the minimum of the higher classification.

NOTE: Wage increases for employees recently promoted will not be delayed due to a requirement for the employee to conduct training in their previous job function.

For the purpose of scheduled advancement within the wage scales, review dates will be established from the effective date of the promotion and will be in accordance with Article 5.03.

- 5.08** An employee permanently promoted to a higher classification will establish a new review date effective the date the employee commences work in the new classification.

In either case, scheduled advancement within the new wage scale shall be in accordance with the provisions of Article 5.03.

ARTICLE 6 HOURS OF WORK, SCHEDULES, SHIFTS, MEAL AND REST PERIODS

6.01 **HOURS OF WORK** - The standard working week shall be forty (40) hours. The standard working day shall be eight (8) consecutive hours, including meal periods. Where it is not practical to relieve employees two days in seven, the number of days off in a complete work schedule cycle shall not be less than two-sevenths of the total number of days in the cycle.

6.02 **WORK SCHEDULES AND SHIFTS** - It is recognized that the staffing, preparation, posting and administration of work schedules and shifts is the responsibility of the Company. The Company agrees that prior to implementing new or revised shifts or work schedules these will be discussed with the Union and the Union's recommendations will be given full consideration.

NOTE 1: The Company may, with the concurrence of the majority of employees involved, implement a 6-3 type work schedule or equivalent variations thereof. In such cases, the standard work week may be modified accordingly. Where such a schedule is implemented, the statutory holidays will be included in the work schedule and the holiday will not attract holiday premium pay, time credits per 13.02.02 nor extend vacation periods.

NOTE 2: The last day of a group of consecutive days off shall terminate at the start of the next regularly scheduled shift.

NOTE 3: Employees who work shifts shall be rotated periodically between day, afternoon and/or midnight shifts according to work schedules mutually acceptable to the Company and the majority of the employees involved. In the event the majority of the affected employees do not accept the required shifts and/or work schedules they will propose an alternate shift and/or work schedule to meet the coverage requirements of the Company, or work the required shifts and/or work schedules pending a final decision on their complaint.

6.03 When an employee is notified that he/she will be working a shift other than his/her published shift, or a projection of days on and days off other than his/her published work schedule, such notice will be confirmed in writing with a copy to the local Union.

- 6.04 When the Company introduces new or revised work schedule(s) or when the Company requires an employee to work a shift other than his/her scheduled shift, the employee will not be debited for time lost, but will be credited at straight time with any time gained on account of the change.
- 6.05 **MEAL PERIODS** - Employees shall be allowed a one-half ($\frac{1}{2}$) hour paid meal period scheduled between the third and fifth hours of the shift, unless otherwise arranged between the local Union representative and the Company. It is recognized that occasionally, due to the requirements of the service, the meal period may fall outside these limits.
- 6.06 **MEAL PERIOD ON OVERTIME** - Employees required to work overtime (consecutive with a scheduled shift) at Company request in excess of two (2) hours on a scheduled work day, will be allowed a one-half ($\frac{1}{2}$) hour paid meal period.
- 6.07 Employees required to work overtime in excess of four (4) hours on a scheduled day off will be allowed a one-half ($\frac{1}{2}$) hour paid meal period as provided for in Article 6.06.
- 6.08 **REST PERIOD** - Employees shall be provided with two rest periods of ten (10) minutes, one in each half of the shift but not in conjunction with the meal period. In the event an employee works overtime he/she shall be granted an additional rest period during each four (4) hour period of overtime. It is agreed that rest periods shall be scheduled in such a manner as to provide the benefits for which they are intended.
- 6.09 If an employee does not have eight (8) hours off-duty prior to the start of a regular shift or prior to the start of overtime in conjunction with this shift, he/she normally will not be required by the Company to report for duty until the eight (8) hours have elapsed (without time debit). In the event he/she is required to report for his/her regular shift start, he/she will be paid double time for those hours by which his/her off-duty period is less than eight (**8**) hours.
- 6.10 **FIELD WORK AWAY FROM WINNIPEG** - When employees are, by order of the Company, required to engage in field work away from Winnipeg, they shall be compensated for such work on the same basis as they were compensated at their normal location.

All time consumed in travelling will be compensated for on a straight time basis. Time spent waiting at an airport when the employee is unable to travel as planned, will be considered as travelling time.

ARTICLE 7 OVERTIME

- 7.01 No overtime shall be worked except on authorization of proper management personnel of the Company.
- 7.02 For the purpose of overtime calculations, the working day shall be the twenty-four (24) hour period following the start of a regularly scheduled shift. Days off, statutory and other authorized holidays shall be calculated on a similar basis using the starting time of the preceding regularly scheduled shift.
- 7.03 Authorized time worked in excess of the total hours of the scheduled shift shall be considered as overtime. Complete minutes of undertime or overtime worked will be recorded and overtime extended at the applicable rate in accordance with Article 7.04.
- 7.04 Employees covered by this Agreement will have their overtime credited in accordance with the following:
 - .01 Overtime on a regular work day will be paid for time and one-half for all time in excess of the scheduled hours.

NOTE 1: When an employee is required to work overtime on a regular work day after having completed and left his/her shift, he/she shall be credited with a minimum of four (4) hours at the applicable rate of pay.

NOTE 2: When an employee is required to work overtime on a regular work day more than two (2) hours prior to the start of his/her scheduled shift, the employee shall be credited with a minimum of four (4) hours at the applicable rate of pay.

- .02 Overtime on a group of scheduled days off will be paid time and one-half for all time worked.

- .03 Overtime will be paid at time and one-half on the second and subsequent days worked up to a maximum of eight (8) hours each day.

NOTE 1: When an employee is required to work overtime on a scheduled day off, the employee shall be credited with a minimum of four (4) hours at the applicable rate of pay; however, in the event of an employee working over four (4) hours, the employee shall be credited with a minimum of eight (8) hours at the applicable rate of pay.

NOTE 2: Employees shall be prohibited from working in excess of the maximum hours referred to above.

- 7.05 There shall be no pyramiding of overtime credits and the maximum overtime credit under any circumstances shall be time and one-half.

- 7.06 At the end of each pay period, all time credits/debits will be paid/ deducted at the hourly rate. However, at the request of the employee, credits or debits may be accumulated in a Time Bank as provided in paragraph 7.09.

- 7.07 When an employee's Time Record contains overtime credits, compensatory time off, in lieu of payment, may be granted in accordance with the wishes of the employee concerned and consistent with the requirements of the Company.

- 7.08 The Company will post on appropriate bulletin boards, a pay period listing, showing the employee's name, number, and all overtime, undertime and shift premium accumulated as of the last day of the previous pay period. The list will be posted no later than ten (10) calendar days from the end of the previous period.

7.09 **TIME BANK**

- .01 The Time Bank shall be limited to plus twenty-four (+24) hours and minus twenty-four (-24) hours.

- .02 At the end of each pay period all time credits in excess of twenty-four (+24) hours will be paid at the hourly rate in accordance with Article 7.06.

- .03 In the event an employee's Time Record standing at a minus figure of more than twenty-four (-24) hours, such time will be deducted in accordance with Article 7.06.

- .04 Employees participating in the Time Bank may elect to have the time bank cleared once in a calendar year, upon written request, otherwise a clearance will not take place. When clearance has been requested, all time credits or debits will be provided on the pay cheque no later than the second pay period following the written request.
- .05 Employees electing to utilize the Time Bank shall advise the Company in writing on the appropriate form. Once having elected to participate in the Time Bank, the arrangement shall continue until such time the employee subsequently advises the Company in writing of his/her desire to opt out of the Time Bank. If an employee opts out, he/she may only elect to utilize the Time Bank again at the beginning of a subsequent year.
- .06 Time off will be granted in accordance with Article 7.07 of the Agreement.

ARTICLE 8 RELIEF DUTIES AND TEMPORARY ASSIGNMENTS

- 8.01 An employee covered by this Agreement may be required to work in another classification covered by this Agreement temporarily provided the local Union is given advice of such action.
- 8.02 An employee who is temporarily assigned to assume the duties of an employee in a higher classification shall be paid an increase of five percent (5%) above his/her current rate for each day of the assignment. In the event that an increase of five percent (5%) does not meet the minimum rate of pay of the higher classification, the employee will be paid the minimum rate of pay of the higher classification.
- 8.03 An employee covered by this Agreement who accepts a temporary assignment to perform in Management or Finance Specialist positions shall be paid an increase of five percent (5%) (8%) above his/her current rate for each day of the assignment.
- 8.04 Where an employee has acted or has been assigned to act in a higher classification for six (6) months or more in a calendar year, the employee will be paid the rate of the higher classification while on vacation.

Where the employee has already taken his/her vacation for that year, he/she will be paid the rate of the higher classification while on vacation during the following year.

- 8.05 All temporary assignments in excess of ninety (90) days, or extended beyond ninety (90) days, will be discussed with the Shop Committee Chairperson and the Union will be provided with an explanation for the requirements.
- 8.06 The following are the general guidelines for temporary assignment processes:
- .01 The senior qualified employee in the next lower classification in the section will be offered acting assignment opportunities in contract classification temporary vacancies.
 - .02 The general principle enunciated in 8.06.01 will be accepted for resolving acting assignment grievances wherever practical.

- .03 Acting assignment processes which are different from the accepted principle may be used so long as they are acceptable to all of the employees in the Section, in the classification(s), affected by the process.
- .04 For acting assignments with a duration period of thirty (30) days or less, the employee being offered the acting assignment must be available for the duration of the assignment.

ARTICLE 9 PROBATION

- 9.01 A person hired into a classification covered by this Agreement shall be required to serve a probationary period of twenty-six (26) weeks from date of employment and have worked a minimum of one hundred and nineteen (119) days on a 5/2 work schedule and one hundred and ten (110) days on a 6/3 work schedule or its equivalent, whichever is greater. Time spent in training or time allowed in annual vacation shall be considered as time at work.
- 9.02 The Company reserves the sole right to make decisions regarding the termination, retention or work assignment of an employee at any time during the probationary period.
- 9.03 Employees whose services are terminated during their probationary period lose all rights and privileges.
- 9.04 An employee changing from one classification to a different classification under the scope of this Agreement shall not be subject to serving a new probationary period.
- 9.05 Upon successful completion of the probationary period, the employee shall have the status of a permanent employee.

ARTICLE 10 SENIORITY

10.01 PRINCIPLE

Seniority shall be based upon the principle of preference consideration for employees with long service.

10.02 RECOGNITION

The principle of seniority will be recognized as applicable in accordance with the provisions outlined under:

- (a) Classifications
- (b) Seniority.

10.03 PRIVILEGES

.01 Seniority, as governed by the provisions of this Article, shall be a factor in:

- (a) Promotion
- (b) Transfers
- (c) Reduction in forces
- (d) Recall after layoff
- (e) Bumping as a result of layoff.

10.04 CLASSIFICATIONS

Seniority shall be recognized and applicable in each classification outlined in Article 4 and shall be non-transferable from one classification to another.

10.05 SENIORITY DATES

.01 Unless otherwise provided by this Agreement, a seniority date once established by the provisions of this Agreement cannot be changed, altered or removed, except as a result of:

- (a) Resignation
- (b) Discharge for just cause
- (c) Services dispensed with
- (d) Desertion of service
- (e) Retirement

- (9) Permanent demotion as a result of disciplinary action or lack of ability
- (g) Failure to regain permanent employment with the Company within five (5) years while on laid-off status
- (h) Seniority list changes or corrections in accordance with this Article.

.02 Employees hired for temporary-term employment shall not establish seniority in the classification concerned. In cases where such employees become permanent, they shall receive full seniority for the total time employed in such classification provided that service is unbroken in the classification.

NOTE: There shall be no seniority date granted to any permanent employee for any temporary assignment.

.03 In determining seniority of employees with equal seniority, the following procedures will be used and seniority position shall be established immediately. A decision can be made by the application of the following steps in the order written.

- (a) Compare total length of service in the Branch in classification covered by this Agreement.
- (b) Compare dates on Air Canada application forms.
- (c) The last three (3) digits of the employee number backwards, with the lowest number identifying the more senior employee (000 being the lowest possible number).
- (d) The last three (3) digits of the employee's Social Insurance Number, backwards, with the lowest number identifying the more senior employee (000 being the lowest possible number).
- (e) In cases where the above factors will not determine the position on the Seniority List, the position will be jointly determined by the Company and the General Chairperson.

10.06 Employees will be granted seniority credit on a day-for-a-day basis, the seniority date being that of permanent entry into the classification concerned. In the case of a new employee whose probationary period was satisfactory, the seniority date will be that of hiring.

10.07 Employees hired into a classification above the basic classification of Finance Agent will in addition be credited with equal seniority in the basic classification. The seniority date established in the basic classification in accordance with this paragraph, shall be the date of permanent entry into the higher classification.

10.08 SENIORITY LISTS

- .01 (a) Each year the Company shall have prepared and furnished to the Union a complete Seniority List of all classifications within the scope of this Agreement. Copies of an appropriate seniority list of all applicable classifications will also be provided to all locations within the Finance Branch. These lists to be furnished as of January 1st of the subsequent year.
- (b) This list shall be kept open for correction for a period of thirty (30) calendar days from January 1st.
- (c) All corrections shall be finalized during the thirty (30) calendar days following the termination of the posting period and shall be published as an amendment to the Seniority List. This amended Seniority List shall become effective on the day following termination of the sixty (60) days period covered above.
- (d) This amended Seniority List shall be the approved list and shall remain in full force and effect until a new list has been published and approved in the above manner. Subject to the provisions of paragraph (g), (h) and (i) following, no corrections shall be made to this approved list during the period in which it remains in force.
- (e) It shall be the responsibility of each individual employee to examine the applicable portion of the list and make written request (3 copies) for any correction during the thirty (30) day posting period. An employee may file a request for correction only once, except upon his/her presentation of new and pertinent evidence.
- (f) One copy of this request for correction must be forwarded to Labour Relations - Air Canada Headquarters. One copy will be forwarded to the appropriate General Chairperson by the employee concerned. The third copy will be forwarded to the Local Union.
- (g) In the event that it is not possible to settle a complaint in the stipulated period, the necessary correction will be made and will be effective as of the date the final correction is published.

- (h) Notwithstanding the foregoing regulations, the appropriate General Chairperson may request corrections to the seniority list at times other than the stipulated period. Such corrections, if mutually agreed upon, will be incorporated in the new list of the subsequent year. However if, prior to the time the new list is effective, circumstances arise such that an employee's
- eligibility to continue in or regain employment in his Classification,
 - eligibility to a subsequent Promotion, or
 - eligibility to a subsequent transfer is jeopardized, such correction will be published immediately and will be effective as of the date of publication.
- (i) Employees exercising seniority retained under paragraph 12.01.10 will have their seniority dates adjusted and position on the seniority list altered to account for time during which seniority was not accumulated.
- (j) Any action on the basis of a published seniority list stands as final, regardless of any corrections to the list which may subsequently be made.

10.09 STAFF REDUCTIONS

- .01 Prior to the Company implementing a staff reduction, the number of employees in each classification will be reviewed by the Company and should a permanent vacancy exist in a lower classification, the most junior employee in the classification where the surplus exists will be set-back in accordance with Article 12.02.01 provided the affected employee holds seniority in the classification where the vacancy exists.
- .02 Staff reductions will be made by classification in inverse order of seniority and only after all probationary employees in the classification where the surplus exists have been first dispensed with. The actual lay-off from employment will be in inverse order of seniority and based on the seniority within the basic classification (i.e. Finance Agent).

NOTE: In the event the remaining employees in the classification are unable to perform the work, the situation will be reviewed in detail by the Company with the General Chairperson and the staff will be adjusted/assigned accordingly in order to meet the requirements of the service.

- .03 Surplus employees will be reduced as required and those affected in each classification, including those who may be bumped, will be notified in writing and afforded the opportunity of bumping as outlined in Article 10.10. The effect of staff reductions upon the number of employees in each classification will not be considered until after the bumping process has been completed. The remaining staff will then be adjusted as required and employees may be reassigned within their classification as necessary.
- .04 Employees shall not accumulate Company service for the period laid off.
- .05 Employees, when laid off, must file their address with the Company, and notify the Winnipeg Personnel Services Office of any change of address. Any communication or notice to the employees last known address will, for the purpose of this Agreement, be considered as notification to the employee.

10.10 **BUMPING**

- .01 Bumping shall be a recognized seniority privilege of personnel on laid-off status, and may be exercised only by such personnel. This privilege is restricted in application to the bumping of an equal number of employees on the bottom of the Classification Seniority List, and also providing that the forfeiture of the bumping privilege by one or more of the laid off employees automatically reduces the number of employees who may be bumped.
- .02 Bumping shall be restricted in application by classification.
- .03 Employees who are laid off may, consistent with their seniority, exercise such seniority and elect to bump the most junior employee in the next lower classification in which they hold seniority.
- .04 An employee will be given fourteen (14) calendar days notice of layoff and advised of his/her right to bump the most junior employee in the next lower classification in which he/she holds seniority.

- .05 The employee must notify the Company of intent to bump not later than seventy-two (72) hours from receipt of notice. A form will be provided for this purpose and must be completed in accordance with instructions thereon. In the event of failure to so notify the Company, the employee will be considered to have elected laid-off status with recall privileges to that classification only.
- .06 Employees being laid off must work for the full period of their notice unless extenuating circumstances warrant other handling mutually agreeable to the Company and Union.
- .07 Employees who have signified intent to exercise bumping privileges, and who subsequently reverse their decisions, will be considered as having resigned from the service of the Company, with subsequent **loss** of all rights and privileges, subject to consideration by the Company and the General Chairperson of exceptional circumstances.

10.11 **RECALL**

- .01 Recalls will be in order of seniority in the classification as follows:
 - (a) Notice of vacancy shall be sent, by registered mail or other alternative written advice, to senior laid off employees involved.
 - (b) Notified employees must advise the Company, by registered mail or other alternative written advice, within seventy-two (72) hours of date of notice if they wish to be considered for recall. The senior employee **of** those replying within the seventy-two (72) hour limit shall be recalled.
 - (c) In the event that the employee does not wish to be considered for the position, **he/she** must so advise the Company, by registered mail or other alternative written advice, within seventy-two (72) hours from the date notice was sent out.
 - (d) A laid off employee not currently employed within the Company who is notified of a permanent position in his/her classification must accept.
 - (e) An employee accepting a recall will not, except under very extenuating circumstances, be permitted to reverse his/her decision.

- (9) Failure to comply with paragraphs (c), (d) and (e) above, will result in the individual's name being removed from the seniority list and he/she will therefore be considered as having resigned from the service of the Company with consequent loss of all rights and privileges.
 - (g) Recalled employees must report for duty within fourteen (14) days from date of recall notice. This period may be lengthened under extenuating circumstances.
- .02 The written advice of the open position shall contain the following information:
- (a) whether the position is permanent or temporary term employment,
 - (b) duration of employment, and
 - (c) effect on seniority.
- NOTE:** Where the vacancy is of a temporary nature notification of recall will be extended verbally. Should such verbal notification be unsuccessful, the Company will notify the local Union and mutually agree on a final disposition of the temporary recall.
- .03 Laid off employees who did not accept temporary term employment may, provided that the work was offered in the classification of such employees and provided that the duration is extended, be allowed to reconsider their decision consistent with their seniority, provided, however, that the duration must first be extended an additional ninety (90) days.
- .04 An employee who after layoff in his/her present classification has exercised bumping privileges in a former classification to retain employment in the Company shall be considered as being laid off in the present classification and will be subject to recall to that classification consistent with his/her seniority. If the employee does not, within seventy-two (72) hours, accept recall to the classification from which laid off, he/she will lose all rights and privileges in that classification. During the period of layoff, seniority will accumulate in the classification in which such an employee has exercised bumping privileges, however, previously established seniority in the former classification will be retained.

- .05 Employees in the basic classification who are laid off as a result of a reduction in staff, shall be recalled on the basis of highest classification seniority of those employees desiring recall.
- .06 Employees in above basic classification, who are laid off as a result of a reduction in staff, shall be recalled on the basis of highest classification seniority of the employees desiring recall.
- .07 Employees in above basic classifications who are laid-off and who are offered and accept recall to a lower classification will maintain their regular rate of pay provided that, at the time of lay-off there was no actual surplus in their classification and the application of Article 10.09.02 and/or Article 10.09.03 has resulted in an employee being temporarily assigned, from a lower classification, in order to meet the requirements of the service and provided the temporary assignment is still required at time of recall.

ARTICLE 11 LEAVES OF ABSENCE AND SICK LEAVE

11.01 **VOLUNTARY LEAVE OF ABSENCE WITHOUT PAY** - Voluntary leave of absence of fifteen (15) calendar days or more shall be in accordance with the following:

- .01 When the requirements of the Company permit, an employee, upon written request through his/her manager at least twenty-one (21) calendar days in advance of requested commencement date, may be granted a voluntary leave of absence or extension thereof without pay for a period not to exceed a total of ninety (90) consecutive calendar days. The twenty-one (21) day requirement may be waived, subject to extenuating circumstances.
- .02 Approval for the voluntary leave of absence without pay shall be in writing, stating the date the leave of absence is to commence and terminate.
- .03 If the request for voluntary leave of absence without pay is denied, the employee shall be so advised in writing, with the reasons therefore.
- .04 The voluntary leave of absence without pay may be extended for additional periods upon written request to the General Manager - Finance and copy to the local Union, however, an extension or extensions to the leave of absence beyond ninety (90) days will be granted only with the mutual consent of the General Manager - Finance and the local Union. Such requests must be made no later than twenty-one (21) calendar days prior to the termination of the authorized voluntary leave of absence. The twenty-one (21) day requirement may be waived subject to extenuating circumstances.
- .05 When a voluntary leave of absence without pay, or extension thereof, is granted, the employee shall continue to accrue seniority during the leave of absence. Any effect the leave of absence might have on Company service, insurance or other benefits shall be in accordance with Company Regulations.
- .06 Should the employee engage in other employment while on voluntary leave of absence, his/her name shall be removed from the seniority list and his/her service with the Company shall be terminated unless special permission has first been obtained from the Company and the local Union. When such permission has been granted, the employee shall be so advised, in writing by the Company and copies shall be sent to the local Union.

- .07 An employee returning from an approved voluntary leave of absence, shall be returned to his/her former position or a comparable position in the same classification, subject to Article 10.
- .08 In the event there are two or more requests for a voluntary leave of absence, or extension thereof, from employees performing the same duties, seniority shall govern; however, once a voluntary leave of absence or extension thereof has been granted, a junior employee will not be displaced by reason of a subsequent request received from a more senior employee.
- .09 Copies of all correspondence, with the employee, originated by the Company shall be sent to the local Union. The employee will also forward copies of his/her correspondence to the local Union.

11.02 **MATERNITY LEAVE** - A leave of absence without pay shall be granted to employees in accordance with the following:

- .01 Every employee with six (6) months of continuous service shall be granted a maternity leave in accordance with Articles 11.02.02 through 11.02.07.
- .02 The employee must request maternity leave in writing, accompanied by a medical certificate, certifying pregnancy and specifying the estimated date of her confinement, four (4) weeks in advance of the date such leave is desired. The request will also indicate the length of leave intended to be taken.
- .03 Maternity leave shall consist of a single period not exceeding nineteen (19) weeks if confinement occurs on or before the date specified in the medical certificate, or a single period of nineteen (19) weeks plus an additional period equal to the period between the date specified in the medical certificate and the actual date of confinement if confinement occurs after the date specified in the medical certificate.
- .04 Maternity leave may commence no earlier than eleven (11) weeks preceding the date specified in the medical certificate except upon agreement between the employee and the Company supported by a medical certificate.
- .05 Reference herein to a medical certificate shall mean a certificate signed by a qualified medical practitioner chosen by the employee.
- .06 Every employee who intends to take or is on maternity leave shall give at least four (4) weeks notice in writing of any change in the length of leave intended to be taken.

.07 An employee returning from an authorized maternity leave shall be returned to her former position or to a comparable position in the same classification subject to Article 10.

11.03 **ADOPTION LEAVE - A** leave of absence without pay shall be granted to employees in accordance with the following:

.01 Every employee with six (6) months of continuous service will be granted an adoption leave in accordance with Articles 11.03.02 through 11.03.06.

.02 Upon receipt of notice as to the effective date of adoption, the employee will advise the Company, in writing, stating the desired date the leave will commence and terminate, and provide a copy of documentation associated with the adoption.

.03 The employee shall be granted a leave of absence from employment of up to twenty-four (24) weeks within the fifty-two (52) week period beginning on the day on which the child comes into the employee's care.

.04 Every employee who intends to take or is on adoption leave shall give at least four (4) weeks notice in writing of any change in the length of leave intended to be taken.

.05 If two (2) employees are involved, the aggregate amount of adoption leave in respect of the adoption of any one child shall not exceed twenty-four (24) weeks.

.06 An employee returning from an authorized adoption leave shall be returned to his/her former position or to a comparable position in the same classification subject to Article 10.

11.04 **CHILD CARE LEAVE - A** leave of absence without pay shall be granted to employees in accordance with the following:

.01 Every employee with six (6) months of continuous service who has or will have the actual care and custody of a newborn child shall be granted a child care leave in accordance with Articles 11.04.02 through 11.04.07.

.02 The employee(s) must request child care leave in writing at least four (4) weeks in advance of the date such leave is desired.

- .03 The request must specify the desired date the leave will commence and terminate.
- .04 The leave will consist of a period not exceeding twenty-four (24) weeks within the fifty-two (52) week period commencing as the employee(s) elects in according with 11.04.04.01 and 11.04.04.02.
 - .01 **In the case of a female employee:**
 - a) on the expiration of her maternity leave,
 - b) on the day the child is born, or
 - c) on the day the child comes into her actual care and custody.
 - .02 **In the case of a male employee:**
 - a) on the expiration of any leave of absence taken in respect of the child by a female employee,
 - b) on the day the child is born, or
 - c) on the day the child comes into his actual care and custody.
- .05 Every employee who intends to take or is on child care leave shall give at least four (4) weeks notice in writing of any change in the length of leave intended to be taken.
- .06 If two (2) employees are involved, the aggregate amount of child care leave in respect of the birth of any one child shall not exceed twenty-four (24) weeks.
- .07 An employee returning from an authorized child care leave shall be returned to his/her former position or to a comparable position in the same classification subject to Article 10.

11.05 **SICK LEAVE**

- .01 Sick leave will be allowed in accordance with provisions in Company Regulations Manual.

11.06 BEREAVEMENT LEAVE

- .01 When a death occurs in the immediate family of an employee, the employee shall be entitled to bereavement leave of four **(4)** consecutive calendar days. If the employee has completed three (3) consecutive months of employment, this leave will be with pay.
- .02 **Definition - "Immediate Family"**: Includes the spouse of the employee and the following relatives of either the employee or spouse (including common-law spouse): son, daughter, son-in-law, daughter-in-law, parent, grandparent, grandchildren, sister, brother, and including other relatives residing with the employee.

NOTE: The conditions of eligibility of a common-law spouse are the same as those which apply under the Company's Free and Reduced Rate Transportation program (refer to Publication 715, Chapter 3 for details).
- .03 In unusual circumstances, where the deceased is not a member of the immediate family (e.g. guardian), bereavement leave will be at the discretion of the Company.
- .04 Bereavement leave will normally commence on the day immediately following the day of death and shall include both working and non-working days. Subject to prior approval of the Company, this leave may be deferred to include the funeral should the funeral not take place within the four **(4)** days immediately following the death.

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ARTICLE 12 PROMOTIONS, TRANSFERS, SET-BACKS OR DEMOTIONS

12.01 PROMOTIONS

- .01 When the Company declares a permanent vacancy in a classification above the basic classification Finance Agent; it will be advertised, by means of a Promotional Bulletin, to employees within the Branch who are covered by this Agreement.
- .02 The Promotional Bulletin shall contain such information as: Classification, Location, Qualifications, Required Knowledge, Education, Skills and Closing Date of the Bulletin.
- .03 Employees in the classification to whom the Bulletin is addressed will be entitled to make written application in accordance with the remarks section of the Bulletin.
- .04 Copies of applications to Promotional Bulletins must also be sent to the local Union by the applicant.
- .05 In the selection of employees for promotion, the decision shall rest with the Company, provided that in the case of employees with equal qualifications, the employee possessing the greater seniority shall receive the preference, such selections being made in consultation with the Local Union Committee.
- .06 An employee selected for promotion will be given a reasonable length of time in which to prove his/her capabilities in the new assignment.
- .07 In the event that there are no qualified applicants to a Promotional Bulletin, the Vacancy will be filled at the discretion of the Company.
- .08 When a position is changed to a higher classification, the current incumbent will be given the higher classification and will establish a seniority date in the higher classification, provided the employee has satisfactorily carried out the duties of that position for at least twenty-four (24) months. The employee shall receive a rate of pay on the new wage scale in accordance with Article 5.07.

- .09 The establishment of seniority will be limited to the classification(s) in which an employee has been permanently assigned by means of a bulletin, permanent hiring or reclassification in accordance with Article 12.01.08. Seniority will be limited to those classifications in which an employee holds seniority.
- .10 Employees promoted or assigned to Management positions above or beyond the scope of this Agreement on a permanent basis shall continue to accrue seniority within the classification for six (6) months from the date of promotion but shall not accumulate any additional seniority thereafter. At the expiration of twelve (12) months, the employee must return to his/her previous classification or forfeit all seniority privileges therein.
 - .01 Such seniority shall be effective only in the event the employee is surplus to requirements. In this event, the employee may be returned to his/her former classification, subject to a permanent vacancy being available.
 - .02 Employees permanently promoted or assigned above or beyond the scope of this Agreement may, providing they hold seniority, request to return to their former classification, subject to a permanent vacancy being available.
- .11 Employees permanently transferring from a position covered by this Agreement to a non-management position outside the scope of the Agreement shall retain their seniority within the classification from which transferred for a period not to exceed six (6) months. At the expiration of six (6) months, the employee must return to his/her previous classification or forfeit all seniority privileges therein. The ability to return is subject to a permanent vacancy being available.

12.02 SET-BACKS OR DEMOTIONS

- .01 An employee who is set back one or more classifications due to a change in the classification strength, or any other circumstances not resulting from lack of ability or disciplinary action, shall retain seniority in previous established classifications and shall be recalled to those classifications in accordance with his/her seniority therein. Employees set back, as outlined in this paragraph, shall be considered as having been laid ~~off~~ and shall have recall privileges as outlined under Article 10.11.

- .02 An employee who is permanently demoted one or more classifications due to lack of ability or disciplinary action, shall forfeit seniority privileges in those classifications from which demoted.
- .03 An employee who is again promoted to a classification from which he/she has previously been permanently demoted because of lack of ability or disciplinary action shall establish a seniority date coincidental with the date of latest permanent entry into the classification.
- .04 An employee may request a demotion to a lower classification, in which he/she holds seniority, provided the request is in writing specifying the reasons. Such requests will be processed as follows:
 - a) Employee submits a written request for demotion to his/her Manager, copy to the local Union.
 - b) The Manager will forward the request to the Personnel Services Manager for handling at Step 2 of the grievance procedures.
 - c) Consideration will be subject to a vacancy in the classification.
 - d) Each request will be considered on an individual basis and action will be withheld pending review.
 - e) The employee will be advised of the decision in writing (copy to the local Union) including advice of the applicable seniority changes and time limits relative to eligibility as to promotion and transfers and effect on salary.

Under circumstances where the request is actioned, the employee will:

- i) Forfeit seniority in all higher classifications.
- ii) Be ineligible for promotion to any higher classification for a period of six (6) months from date of demotion.
- iii) Be ineligible for employee requested lateral transfer from one section to another for a period of one (1) year from the date of demotion.
- iv) Salary will be adjusted to fall in line with the new classification.

12.03 INTER-SECTION TRANSFERS

- .01 Employees who have completed their probationary period and wish to transfer from one section to another section, within the same classification, will make their request in accordance with the following:
- (a) A request for transfer shall be initiated by the employee in writing on Transfer Request Form ACF759B.
 - (b) A separate transfer request form must be submitted for each Section to which the employee desires to transfer. Refer to 12.03.04 for a listing of the sections. Up to a maximum of five (5) transfer requests may be submitted by any employee desiring to transfer.
 - (c) The request will be prepared in quadruplicate and will be distributed in accordance with the instructions on Transfer Request Form ACF759B.
 - (d) Failure to comply with the above distribution may render the request invalid.
 - (e) Incorrect completion of the form, errors and/or omissions may render the request invalid.
 - (9) The Personnel Services Manager - Prairies will acknowledge in writing to the employee concerned, receipt of the transfer request(s) and specify the registration date of the request. A copy of the acknowledgement will be forwarded to the IAMAW, Finance Lodge 2603.
 - (g) Transfer requests shall be considered active for a period of twelve (12) months from the date of registration of the request.
 - (h) If a transfer request is not actioned during the active period, the request will be considered as expired and should an employee still desire a transfer to the previously requested section(s), a new request must be submitted in accordance with 12.03.01 paragraphs a) to e) inclusive.

- (i) Renewal requests received and registered within forty-five (45) days prior to the expiry date of the original request shall retain the original transfer request registration date and section(s).
 - (ii) Renewal requests not received and registered prior to the expiry date of the original request for transfer shall be considered as new requests.
- .02 For transfer requests to be actioned, the Company must declare a permanent vacancy in the requested section.
- (a) When the Company has actioned a transfer request to fill a declared vacancy, it will only be obligated to consider transfer requests to fill a declared vacancy that was created by the initial transfer action. The Company may, however, consider filling any subsequently declared vacancies by actioning transfer requests or electing to fill the declared vacancies by the issuance of a Promotional Bulletin.
 - (b) When the Company declares a vacancy, it may elect to delay the actioning of an active transfer request should it consider that the actioning of the transfer would have an adverse effect on the operation due to dilution of the skills in the section(s) involved. When the Company elects to delay a transfer, it will discuss the reason for the delay with the Union.
 - (c) The employee requesting a transfer will be transferred provided that:
 - (i) The transfer request has been registered for thirty (30) days prior to the vacancy being declared.
 - (ii) The employee has served in his/her present classification and section for at least twelve (12) months.
 - (iii) The employee's on-the-job performance has been satisfactory.
 - (iv) The employee meets the necessary physical requirements, if applicable.
 - (v) The employee meets the necessary language requirements, if applicable.

- (vi) The interests of the sections in question are not jeopardized.
 - (vii) The employee is "qualified" to perform the duties and/or is able to successfully complete an appropriate test(s) where applicable.
 - (d) The term "qualified" means an employee whose qualifications, in the opinion of the supervisor, meet the minimum required to perform the work involved in the job declared vacant.
 - (e) Where more than one (1) employee meets the conditions outlined in 12.03.02 paragraph (c), the selection will be based on the seniority of the employees involved.
 - (9) When a vacancy does not exist and there are valid transfer requests on file which could result in the interchange of employees between sections, the Company may consider actioning the requests provided they are handled in accordance with paragraphs c) to e) inclusive. Each interchange will be discussed with the Union prior to actioning the requests.
 - (g) Permanent employees are not eligible to transfer to a temporary-term vacancy.
 - (h) Employees who have been involuntarily displaced from their section shall be exempt from the time requirements provided for in 12.03.02 paragraph (c) (ii).
 - (i) The time limitations provided for in 12.03.02 paragraph (c) (ii) will not prevent the Company from accommodating an employee who has not served in his/her present section for the specified period of time provided that such transfer(s) are mutually acceptable to the Company and to the Union.
- .03 The following shall apply to the subsequent handling of transfer requests.
- (a) An employee may withdraw his/her transfer request at any time prior to a transfer being offered. The withdrawal must be made in writing and the correspondence will be distributed in accordance with the distribution instructions on Transfer Request Form ACF759B.

- (b) Employees who have valid transfer requests on record will be advised when a permanent vacancy has been declared in a section to which they have requested a transfer and will be required to confirm in writing and the correspondence distributed in accordance with 12.03.01 paragraph c) within forty-eight **(48)** hours if they wish to be considered for the vacancy. Failure to reply within the specified time limit will result in the cancellation of the employee's request to transfer to the specific section and the employee **shall** be restricted from submitting a new request for transfer to the specific section for a period of twenty-six (26) weeks.
- (c) When an employee is offered the opportunity to transfer he/she will be given twenty-four (24) hours to respond to the Supervisor making the offer.
 - (i) If the employee accepts the offer to transfer, all outstanding transfer requests for the employee will be cancelled and the employee will not be eligible to be considered for a transfer to another section until he/she has completed a minimum of twelve (12) months in the new section.
 - (ii) If the employee declines the offer to transfer, the employee's request for transfer to the specific section will be cancelled and the employee shall be restricted from submitting a new request for transfer to the specified section for a period of twenty-six (26) weeks.
 - (iii) If the employee accepts the offer to transfer, he/she will not be eligible to withdraw from or decline to transfer unless mutually acceptable to the Company and the Union. If the reversion is accepted, the request for transfer to the specific section will be cancelled and the employee shall be restricted from submitting a new transfer request to the specific section for a period of twenty-six (26) weeks.

.04 For the purpose of these transfer procedures, the following lists the sections within the Winnipeg Finance Branch organizations.

(a) **General Accounting**

Cargo Receivables
Credit and Collection
Disbursements
Financial Reporting
Payrolls – Accounting & Control
Payrolls – Processing
P & E Accounting

(b) **Revenue Accounting**

Cargo Accounting & Control
Interline Accounting
Interline Receivables & Accounting Controls
Revenue Reporting
Sales Processing Validation
Refund Services
Sales Accounting
Sales Audit

(c) **Treasury**

Treasury Operations

.05 Sections in 12.03.04 paragraphs (a) to (c) will be amended as required through discussions, at Step 2 of the grievance procedure, between the Company and the Union to reflect organization changes without review of transfer procedures.

ARTICLE 13 HOLIDAYS

13.01 The following holidays, equivalent time off or time credit will be granted to all employees covered by this Agreement.

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Queen's Birthday	Remembrance Day
Canada Day	Christmas Day
	Boxing Day

NOTE : New employees must be in the employ of the Company for at least thirty (30) calendar days prior to a Statutory Holiday to be eligible for such benefit.

13.02 Holidays will be time recorded as follows:

.01 Holiday on scheduled work day:

- (a) Employee does not work: maintain regular pay.
- (b) Employee works: maintain regular pay, plus all hours worked credited at the premium rate of time and one-half.

.02 In the event that an employee's regular scheduled day off falls on one of the above listed Statutory Holidays, he may be assigned, in lieu of such Statutory Holiday, an additional day off on the scheduled working day either immediately preceding or following the Statutory Holiday. Under circumstances where an employee is not assigned such a day off, he/she will be credited with twelve (12) hours at straight time.

13.03 Employees working a 6 x 3 type work schedule or equivalent variations thereof in accordance with Articles 6.02, NOTE 1, will not be entitled to this credit or time off.

13.04 Time credits or alternative time off will not be granted for Statutory Holidays which occur during periods of absence due to Sick Leave, GDIP or Worker's Compensation, subject to the provisions of the Canada Labour Code.

ARTICLE 14 VACATIONS

- 14.01 **Past Service Recognition** - Notwithstanding the provisions of this Article, it is understood and agreed that the employees covered by this Agreement will be subject to the provisions and regulations of the Company's policy on past service recognition.
- 14.02 An employee shall have his/her vacation entitlement reduced due to personal leaves or absences without pay. Such leaves or absences shall be subject to a prorated vacation entitlement in accordance with Company regulations.
- 14.03 An employee with more than six (6) months of service on a maternity leave of absence in accordance with Articles 11.02.01 through 11.02.07, or on adoptive leave of absence in accordance with Articles 11.03.01 through 11.03.06 shall not have vacation entitlement reduced for the following year.

Employees proceeding on child care leave of absence in accordance with Articles 11.04.01 through 11.04.07 will be entitled to full vacation in the following year.

- 14.04 Employees who have completed less than one (1) year of continuous service by December 31st of each year will be granted vacation leave with pay in accordance with the following chart for each full month of continuous service up to December 31st.

The vacation leave will be exclusive of holidays as provided in Article 13.01 which may occur during the vacation period.

<u>Full Calendar Months Of Continuous Service</u>	<u>Calendar Days Of Vacation Leave With Pay</u>
1	1
2	2
3	4
4	5
5	6
6	7
7	8
8	9
9	11
10	12
11	13

NOTE: A full calendar month of service for vacation purposes will be credited if an employee commences Company service on the first working day of the month, if all days of the month before commencement are Statutory or Company declared holidays and/or scheduled days off of the employee's work cycle.

- 14.05 Employees who have completed one (1) year or more of continuous service by December 31st of each year will be granted fourteen (14) calendar days vacation leave with pay, exclusive of holidays, as provided in Article 13.01, which may occur during the vacation period.
- 14.06 Employees who have completed five (5) years or more of continuous service by December 31st of each year will be granted twenty-one (21) calendar days vacation leave with pay, exclusive of holidays as provided in Article 13.01 which may occur during the vacation period.
- 14.07 Employees who have completed fifteen (15) years or more of continuous service by December 31st of each year will be granted twenty-eight (28) calendar days vacation leave with pay, exclusive of holidays, as provided in Article 13.01, which may occur during the vacation period.
- 14.08 Employees who have completed twenty-five (25) years or more of continuous service by December 31st of each year will be granted thirty-five (35) calendar days vacation leave with pay, exclusive of holidays, as provided in Article 13.01, which may occur during the vacation period.
- 14.09 INTENTIONALLY LEFT
- 14.10 Employees working a 6 x 3 type work schedule or equivalent variations thereof will be governed by Article 6.02, Note 1.
- 14.11 Vacation leave will be taken in consecutive days. Vacation leave is not cumulative and will be taken during the twelve (12) months immediately following the period for which it is granted unless special circumstances warrant otherwise and prior arrangements are made in writing with the Company.

14.12 It is recognized by the parties of this Agreement that restrictions on the selection of vacation times may be necessary. It is agreed, however, that such restrictions are undesirable and should be avoided where possible. Any restrictions on vacation dates must be declared by the Company prior to the employees selecting their vacation dates.

14.13 Selection of vacation shall be in accordance with the following:

- .01 Commencing on November 1st, Management shall provide lists and employees shall be required to indicate their preference for vacation periods in sufficient time to permit posting of approved vacation lists by December 20th of the year preceding that in which the vacation will be taken.
- .02 Within Sections, preference shall be granted on the basis of the last permanent Company starting date for selection of vacation. Except that an employee transferring, reclassifying, relocating or exercising bumping privileges after the posting date (December 20th) of each year, shall not affect the vacations that have been selected by employees with less Company service and may be required to adjust his/her vacation selection to comply with the approved allotment for his/her new Section. An employee who has transferred, reclassified, relocated or bumped prior to December 20th will have the right to exercise his/her Company service date in the selection of vacation dates in his/her new Section provided that the deadline for posting of dates has not expired.
- .03 Employees with two (2) or more weeks of vacation credits may elect to split their vacation in weekly increments.

The method of selection for the first period will be in accordance with Article 14.13.02. Selection of the second period will be determined after all employees have indicated their first choice. Selection of the third period will be determined after all employees have indicated their second choice. Selection of the fourth period will be determined after all employees have indicated their third choice. Selection of the fifth period will be determined after all employees have indicated their fourth choice. Selection of the sixth period will be determined after all employees have indicated their fifth choice.

NOTE: Employees may elect to take the equivalent of two (2) weeks of their normal vacation entitlement in daily increments in accordance with procedures agreed to locally.

- .04 Vacation dates shall not be exchanged between employees without prior approval of the local Manager and the local Union Committee.
- .05 An employee may change the established vacation date(s) subject to the Supervisor's agreement.
- .06 The Company shall have the sole right to alter the dates of an employee's vacation up to six (6) weeks prior to the dates established provided the vacation dates are not advanced.

14.14 When an employee with an outstanding vacation entitlement is placed on GDIP during a calendar year and does not return during that work year the employee will be given the option of either:

- (a) Deferring the outstanding vacation, which must be taken immediately following termination of GDIP and prior to returning to work,

OR

- (b) Being placed on "vacation" for the outstanding period prior to December 31st in order to receive normal pay and extend the benefit period.

14.15 Employees who are absent from work, due to illness/injury for a clear calendar year shall not be entitled to vacation credits normally taken in that year.

Example: Employee is injured November 1, 1989 with no outstanding vacation for the year 1989, employee returns to work February 15, 1991. Said employee will not be entitled to vacation credits for the year 1990, however he/she will be eligible for his/her normal vacation credit in 1991.

14.16 Employees dispensed with, discharged or resigning from the service of the Company for any reason are entitled to receive pay in lieu of accrued vacation. The date of separation will not be extended beyond the date of actual termination of service.

14.17 Where an employee becomes sick prior to the start of their vacation period (0001 of the first vacation day) he/she may be eligible for normal sick leave and, if sick leave is allowed, he/she may defer his/her vacation.

Sickness occurring after this time will not be justification for deferment of vacation.

ARTICLE 15 GRIEVANCE PROCEDURE -GENERAL

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

15.02 When an employee believes that he/she has been unjustly dealt with or that any provision of the Agreement has been violated, he/she shall first attempt to settle the matter with his/her Supervisor. The employee may take this action on his/her own or accompanied by a Steward. Alternately, the employee may elect to have his/her Steward handle the matter on his/her behalf with the Supervisor.

NOTE: The application of Article 15.02 must occur within ninety (90) days of the occurrence or his/her knowledge of the incident.

15.03 Except as provided for in Article 15.04, all grievances which have not been settled by the above procedure shall be reduced to writing by the employee and appealed by the Union through the following steps.

Step 1: Immediate Manager, or his/her designated representative;

Step 2: General Manager - Finance, Winnipeg Finance Division, or his/her designated representative;

Step 3: Director, Labour Relations - Technical Services, or his/her designated representative.

15.04 Grievances of a general or policy nature may be initiated by the Company or the Union at either Step 1 or Step 2 of the Grievance Procedure depending on the nature and the scope of such grievances.

15.05 If an acceptable decision is not received at any step in the Grievance Procedure, the grievance may be appealed through subsequent steps of the Grievance Procedure, subject to Article 15.07 until all steps of the Grievance Procedure have been exhausted.

15.06 When a grievance is initiated, a hearing shall be held within seven (7) days of receipt by the Company of a written notice of grievance. All decisions shall be rendered within seven (7) days of the hearing and shall be communicated, in writing, to the parties concerned.

15.07 Requests for an appeal hearing must be lodged in writing within seven (7) days of receipt of a decision. The appeal hearing shall be held within seven (7) days of receipt by the Company of a written notice of appeal. All decisions shall be rendered within seven (7) days of the hearing and shall be communicated, in writing, to the parties concerned.

NOTE: Third level appeal hearings shall be held within fifteen (15) days of receipt of a written notice of appeal. Third level decisions shall be rendered within fifteen (15) days of the hearing. In situations where a time limit extension has not been agreed to, and the Company fails to render a decision within this time limit, the Union may proceed with the grievance in accordance with Article 17 and the fees and expenses of the arbitrator shall be borne by the Company.

15.08 All time limits will be exclusive of Saturdays, Sundays and Holidays and may be extended by mutual agreement in writing.

15.09 Provided the grievance involves the interpretation or alleged violation of the provisions of this Agreement, any dispute not settled through the provisions of Article 15, may be submitted to arbitration by either party as provided for in Article 17.

15.10 All decisions arrived at between management of the Company and the employee and/or the Union shall be final and binding upon the Company, the employee and the Union. Decisions not appealed within the time limit prescribed shall be final and binding upon the party or parties concerned.

15.11 The Company and the Union shall endeavour to have the grievance appeal held in the city of the grievor(s) place of employment.

15.12 The Union and the Company may have any witnesses present who can give relevant evidence on the matter in question.

15.13 Witnesses who are employees of the Company shall, subject to the requirements of the service, be given leave of absence for a time sufficient to permit them to appear as witnesses. Space available transportation will be provided over the lines of the Company from the point of duty to the point of hearing and return.

ARTICLE 16 DISCIPLINE AND DISCHARGE PROCEDURES

- 16.01 Under circumstances where as a result of an alleged misdemeanour, it is considered undesirable that an employee should be allowed on the Company premises and where there is doubt as to the appropriate charge and/or penalty the employee may be held out of service pending investigation for a period not to exceed three (3) clear calendar days exclusive of Saturdays, Sundays and Holidays.
- 16.02 When the Company is contemplating or taking discipline or discharge action and they believe it is necessary to question the employee(s), the employee(s) may request and will be granted the presence of the local Union Steward as an observer.
- 16.03 Where disciplinary action (letter of reprimand, disciplinary letter, suspension without pay, demotion or discharge) is considered necessary, the employee will be advised in writing. Where the decision of the Company is to discharge for just cause, the employee shall first be notified in writing that he/she is "Suspended Pending Discharge". This notification shall include the specific charge or charges precipitating the action.
- 16.04 When an employee has been notified of disciplinary action he/she may request, in writing, an investigation and hearing before the:

General Manager - Finance
Winnipeg Finance Division
P.O. Box 768
Winnipeg, Manitoba
R3C 2N2

or his/her representative, within three (3) calendar days, exclusive of Saturdays, Sundays and holidays, from the date of such notification.

- 16.05 The appeal hearing shall be held within seven (7) clear calendar days, exclusive of Saturdays, Sundays and Holidays of the employee's written request, and a decision shall be rendered within seven (7) days of the hearing and shall be communicated, in writing, to the parties concerned.

- 16.06 When the procedures outlined in Article 16.05 have been exhausted and if the employee does not receive an acceptable decision, an appeal may be lodged in writing, within seven (7) days of receipt of the decision to:

Director, Labour Relations - Technical Services
Air Canada Centre
P.O. Box 9,000, Station Airport
Dorval, Quebec, Canada
H4Y 1C2

- 16.07 The final appeal hearing shall be held within fifteen (15) clear calendar days, exclusive of Saturdays, Sundays and Holidays of the employee's written request, and a decision shall be rendered within fifteen (15) days of the hearing. The final decision of the Company shall be forwarded to the employee, the appropriate General Chairperson and District Lodge 140 by double registered mail.

NOTE: In situations where a time limit extension has not been agreed to, and the Company fails to render a decision within the time limit, the Union may proceed with the appeal in accordance with Article 17 and the fees and expenses of the arbitrator shall be borne by the Company.

- 16.08 Disciplinary action involving loss of pay, i.e., Suspension Without Pay, shall be withheld pending the final decision at the Third Level of the discipline appeal procedure.
- 16.09 Where it is considered desirable by the Company, appeals to discharge decisions may be handled by combining the above appeal levels.
- 16.10 If the initial investigation and hearing is not requested in a discharge case, the employee may be discharged effective the day following the appeal period specified in Article 16.04 above. If an investigation and hearing is requested, and if the decision is to discharge, and provided that no further appeal is made within the time limit specified in Article 16.06 above, the discharge will be effective the day following this limit.
- 16.11 Throughout this procedure an employee shall have the right to be represented by an authorized Union Committee. In this event, and if the employee appeals to the Headquarters officers of the Company, he/she shall be represented at these latter levels by the General Chairperson. Subject to the other provisions of Article 16 and 17, including time limits, the employee may throughout this procedure handle the matter on his own behalf if he/she so desires, including arbitration.

- 16.12 If the Union is not satisfied with the final decision of the Company, the matter may be submitted to arbitration subject to the provisions of Article 17 of this Agreement, provided the employee concerned has so requested in writing.
- 16.13 Nothing in this Agreement shall be construed as preventing the Company from holding an employee out of service pending an investigation and hearing or appeal. The Company's decision in the case of such hearings or appeals may, either uphold a previous Company decision, fully exonerate and reinstate the employee with pay for all time lost, or render any decision as may be considered just and equitable.
- 16.14 All correspondence to an employee concerning discipline shall remain on the employee's personal file for a period not to exceed ~~two~~ (2) years from the date the correspondence is written, subject to Article 16.16.
- 16.15 In the event that the discipline is modified through the appeal or arbitration process, the original advice will be removed from the employee's personal file and replaced with the final decision, unless such decision is to exonerate the employee, in which case all correspondence will be removed.
- 16.16 In the event subsequent disciplinary correspondence is placed on the employee's personal file, the previous correspondence relative to discipline shall remain on the employee's personal file until the expiry date of the subsequent correspondence, or until such time the ~~two~~ (2) year period has expired, whichever is the later.
- 16.17 Discipline procedures will be consistent with the following:
- .01 Principles
1. Letters of Discipline will be given in place of most traditional disciplinary suspensions.
 2. Such Letters of Discipline will have the full force and effect of disciplinary suspensions and will be considered as equivalent corrective discipline in reviewing the merits of any subsequent disciplinary action.
 3. Such letters will be progressive in nature and will represent various levels of severity depending upon the offense and/or previous disciplinary record.

4. Letters of Discipline shall be presented to the employee with an explanation of the infraction and the future corrective action to be expected. When presented with such letters, the employee may have a Union Steward present as an observer if he/she so requests.
5. Depending on the nature of the incident(s)/ infraction(s), disciplinary action may be initiated at any of the five steps.
6. The employee's Supervisor or other designated Management Representative will be responsible for administering this procedure.
7. This procedure will not affect the Company's current right to discharge employees for a single serious offense.
8. This procedure will not affect the employee's right to appeal all disciplinary action including Letters of Discipline.
9. The current practice of the issuance of a verbal reprimand under certain circumstances will not be affected by the implementation of this procedure.
10. This procedure may be modified by mutual agreement at the Headquarters Level.

.02 Progression

Step I

- six (6) month Letter of Reprimand
- other similar incident(s)/infraction(s) while letter active, extends period of retention on file to one (1) year or initiates progression to Step II.

Step II

- disciplinary letter in lieu of suspension
- equivalent to any minor suspension one (1) to three (3) day duration
- duration of retention on personal file - twelve (12) months
- other similar incident(s)/infraction(s) while letter active extends period of retention by six (6) months or initiates progression to Step III.

Step III

- disciplinary letter in lieu of suspension
- equivalent to any major suspension (in excess of three (3) days)
- duration of retention on personal file - up to twenty four (24) months
- other similar incident(s)/infraction(s) while letter active extends period of retention by six (6) months or initiates progression to Step IV.

Step IV

- ten (10) day suspension (final opportunity to retain employment)
- duration of retention on personal file - twenty-four (24) months

Step V

- suspension pending discharge.



ARTICLE 17 ARBITRATION

- 17.01 Disputes other than specific employee grievances or disciplinary or discharge appeals may be submitted to arbitration by either of the parties hereto provided the issue in question concerns the interpretation or alleged violation of any provision of this Agreement.
- 17.02 Should the Company and the Union fail to reach an agreement upon a specific employee grievance dealt with under Article 15, and provided the grievance involves the interpretation or the alleged violation of any provision of this Agreement, or should the Union be dissatisfied with the final decision of the Company rendered under Article 16 the Union shall be entitled to submit the case to arbitration. The question as to whether or not any such issue is arbitrable may also be submitted to arbitration.
- 17.03 No dispute involving a specific employee grievance or disciplinary appeal shall be submitted to arbitration until it shall first have been handled through the preceding steps of the appropriate appeal procedure.
- 17.04 The party contemplating arbitration shall notify the other party in writing within ten (10) clear calendar days after receipt of the decision or the action, of their intent to either:
- (a) arbitrate, or
 - (b) extend the ten (10) clear calendar day limit to sixty (60) days.
- In the case of an extension requested as per paragraph (b) above, and should the party decide to arbitrate, written notification of intent to arbitrate must be provided to the other party not later than sixty (60) days after receipt of the decision or the action. All such written notifications shall be forwarded by double registered mail.
- 17.05 Any decision not submitted to arbitration within the time limits referenced in Article 17.04 shall be final and binding upon the Company, the employee and the Union.
- 17.06 Within five (5) clear calendar days of the receipt of this notice, the parties shall confer and endeavour to name the person chosen to act as the single Arbitrator.
- 17.07 Should the parties fail within ten (10) clear calendar days to agree on a single Arbitrator, the Minister of Labour for Canada shall be requested by the parties, acting jointly, or by either party acting separately, to appoint an Arbitrator.

- 17.08 The Arbitrator shall convene a meeting of the parties, take relevant evidence and make every effort to complete the hearing of the case within thirty (30) days of his/her appointment and to issue a written decision to the parties within fifteen (15) days of the hearing.
- 17.09 The decision of the Arbitrator shall be final and binding upon the Company, the employees and the Union.
- 17.10 The fees and expenses of the Arbitrator shall be borne equally by each party.
- 17.11 The Arbitrator shall not, in the case of a grievance appeal, make any decision inconsistent with the provisions of this Agreement, nor shall he/she alter, modify or amend any part of this Agreement, but he/she shall have the authority to determine, except as limited by the Agreement, the compensation to which an aggrieved may be entitled.
- 17.12 In the case of disciplinary or discharge appeals, the Arbitrator may either uphold the Company's final decision, fully exonerate and reinstate the employee with pay for all time lost, or render such intermediate decision as he/she considers just and equitable.
- 17.13 At the written request of either party, any matter may be submitted to an Arbitration Board for determination in accordance with the provisions of this Article. In this event, the formation of the Board will be in accordance with the following:
- .01 The party electing an Arbitration Board in accordance with Article 17.13 shall notify the other party in writing within ten (10) clear calendar days after receipt of the decision or the action. This time limit will be extended up to sixty (60) clear calendar days upon the written request of either party.
 - .02 As soon as possible, but not more than ten (10) clear calendar days of the receipt of this notice, the parties shall confer and endeavour to name the persons chosen to act as members of the Arbitration Board. This Arbitration Board will be comprised of one Chairperson and two members.
 - .03 Should the representatives fail within ten (10) clear calendar days to agree on an Arbitration Board Chairperson, the Minister of Labour for Canada shall be requested by the two parties, acting jointly, or by either party acting separately, to appoint the Arbitration Board Chairperson.

- .04 The Arbitration Board shall meet, take relevant evidence and make every effort to complete the hearing of the case within thirty (30) days of the appointment of the Chairperson and to issue a written decision to the parties within fifteen (15) days of the hearing.
- .05 The decision of the majority is the decision of the Arbitration Board, but if there is no majority, the decision of the Chairperson governs and, in either case, the decision shall be final and binding upon the Company, the employees and the Union.
- .06 The fees and expenses of the members shall be borne by each party. The party requesting the Arbitration Board shall pay for the fees and expenses of the Chairperson of the Board.
- .07 The Arbitration Board shall not in the case of a grievance appeal make any decision inconsistent with the provisions of this Agreement nor shall it alter, modify or amend any part of this Agreement, but shall have the authority to determine, except as limited by the Agreement, the compensation to which an aggrieved may be entitled.
- .08 In the case of disciplinary or discharge appeals, the Arbitration Board may either uphold the Company's final decision, fully exonerate and reinstate the employee with pay for all time lost or render such intermediate decision as it considers just and equitable.

ARTICLE 18 GENERAL PROVISIONS

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

18.02 **UNION - MANAGEMENT HEADQUARTERS COMMITTEE** - It is recognized that meetings between the Company and the Union are essential to the maintenance of good employee-employer relations and the establishment of mutual confidence and trust.

.01 A Union-Management Headquarters Committee will be established to promote better communications, mutual respect and understanding between the Company and its employees. The work of this Committee shall not detract from the functioning of the recognized Local Grievance Committee.

.02 Meetings shall be held periodically for the purpose of dealing with all outstanding grievances and other issues that have been processed to the Headquarters level of the Company.

.03 The dates of such meetings will be established by mutual agreement and decisions rendered at such meetings will be prepared and made available to all concerned.

18.03 **SAFETY AND HEALTH COMMITTEES**

.01 While the question of safety is of paramount importance to all personnel, Supervisors are specifically charged with the duty of initiating and monitoring all practices necessary to ensure the safety and health of employees as well as ensuring the safety of all equipment.

.02 Supervisors must be especially vigilant regarding both unsafe work habits of employees and work conditions and are required to act on any report by an employee of an unsafe work habit or condition.

- .03 An employee who observes an unsafe condition or act that he/she cannot personally correct shall notify his/her Supervisor or refer it to his/her Steward who will advise the Supervisor. Where the employee or the Steward is not satisfied that the Supervisor has in a reasonable period of time effectively dealt with the situation, the matter shall be referred to the appropriate Safety and Health Committee.
- .04 Where the Company has, in accordance with the code, authorized the establishment of a Committee, it shall consist of a number of employees who exercise managerial functions and a number who do not; at least half of the members must be employees who do not exercise managerial functions and have been selected by the Union.

NOTE: Where a Committee has not been authorized, any Safety & Health item should be promptly dealt with on a local basis by a designated employee who exercises managerial functions and one who does not.

- .05 The number of Committee members will be determined at each location, but that number should be large enough to permit productive interaction while small enough to keep the committee manageable. The number of committee members should not in any case be less than four nor more than twelve.
- .06 The Committee member's term of office shall be two **(2)** years, but any member may be reappointed; the employee representatives on the committee shall be appointed by the Union.
- .07 A committee shall have two CO-Chairpersons of equal standing chosen from the members of the Committee, one being an employee representative selected by the employee representatives on the Committee and the other being a managerial representative selected by the managerial representatives on the Committee.
- .08 The Company will post the names and work locations of all the members of any committee it has established in a conspicuous place or places where they are likely to come to the attention of the employees the committee represents.

.09 The powers and functions of the Committee(s) are:

- (a) shall receive, consider and expeditiously dispose of complaints relating to the safety and health of the employees represented by the Committee;
- (b) shall maintain records pertaining to disposition of complaints relating to the safety and health of employees represented by the Committee;
- (c) shall cooperate with any occupational health service established to serve the work place;
- (d) may establish and promote safety and health programs for the education of the employees represented by the Committee;
- (e) shall participate in all inquiries and investigations pertaining to occupational safety and health, including such consultations as may be necessary with persons who are professionally or technically qualified to advise the Committee on those matters;
- (9) may develop, establish and maintain programs, measures and procedures for the protection or improvement of the safety and health of employees;
- (g) shall regularly monitor programs, measures and procedures related to the safety and health of the employees;
- (h) shall ensure that adequate records are kept on work accidents, injuries and health hazards and shall regularly monitor data relating to those accidents, injuries and hazards;
- (i) shall cooperate with safety officers;
- (j) may request from an employer such information as the Committee considers necessary to identify existing or potential hazards with respect to materials, processes or equipment in the work place; and
- (k) shall have full access to all Government and employer reports relating to the safety and health of the employees represented by the Committee but shall not have access to the medical records of any person except with the consent of that person.

Information received by such Committees shall be treated as privileged information for the specific use of the Committee for the item being discussed. Full access to such information will be provided to Safety Officers of Labour Canada.

- .10 Minutes of Committee meetings shall be prepared in a format acceptable to the Regional Director of Labour Canada. The minutes must be approved and signed by the CO-Chairpersons before they are released for distribution and posting.
- .11 The Co-chairperson selected by the managerial representative on the Committee shall ensure that a copy of the minute(s) of each Committee meeting is:
 - (a) posted at all work places within the area for which the Committee is established; and
 - (b) is given to the Company, District Lodge 140 and the appropriate General Chairperson & Local Shop Committee for the area for which the Committee is established.
- .12 The Company shall send a copy of the minutes of each Committee meeting to the appropriate Regional Director of Labour Canada.
- .13 A Committee will meet at least monthly during regular working hours or on an urgent basis as a result of an emergency or other special circumstance. All meetings of the Committee shall be called by the Committee Co-chairperson. A majority of the members of a Committee, at least half of whom are employees who do not exercise managerial functions, shall constitute a quorum.
- .14 A member of a Committee will be granted such time from his/her work as is necessary to attend meetings or to carry out any other functions assigned by the Committee Co-chairperson. Any time spent attending a meeting or carrying out any approved functions as a member of the Committee shall be considered as time worked and covered by existing time recording procedures and the provisions of the Agreement.

NOTE: In the event that neither of the Co-Chairperson are available, a Safety and Health Committee member may discuss the circumstances surrounding a safety issue which he/she believes requires immediate attention, with the Supervisor involved.

- .15 No member of a Committee is personally liable for anything done by him/her in good faith while carrying out his/her role as a member of a Safety and Health Committee.
- .16 Subject to the foregoing a Committee may establish its own procedures, rules and regulations. Committees may not, however, change work rules or procedures, allocate or commit Company funds or personnel without express approval of the appropriate Management authority.
- .17 Matters not resolved by the Committee, may be referred to the Safety Officer of Labour Canada.
- .18 The Committee(s) will function within the spirit and intent of Part II of the Canada Labour Code, and consistent with the Corporate Guidelines, Safety & Health Committees, containing the terms of reference, structure and operating principles agreed to between the Company and the Union for the operation and administration of Safety and Health Committees.

18.04 HEALTH AND SAFETY OF VIDEO DISPLAY TERMINAL OPERATORS

- .01 An employee who furnishes the Company with a medical certificate attesting to her pregnancy and concerns that her working conditions, while operating a Video Display Terminal, Data Entry Terminal or any similar equipment may be physically dangerous to her unborn child, or to herself by reason of her pregnancy, may elect one of the following two (2) options:
 - (a) Request to be reassigned in the same classification level or to a lower classification level (with a corresponding reduction in pay).
 - (b) Request a personal leave of absence without pay in accordance with Article 11.01.

- .02 Where possible, the Company will assign the employee to an alternate position within five (5) working days of the request. If unable to accommodate the employee within the time limit the Company will notify the Union and the parties will meet without delay in an effort to resolve the matter.
- .03 In the event the Company **is** unable to accommodate the employee under Option (a), or in the event the employee does not accept the available position, Option (b) shall still be available to the employee.
- .04 Following termination of the maternity leave, the employee will be reinstated to her former position or a comparable position in her original classification level.
- .05 The Company will provide annual eye examinations on a voluntary basis to those employees who are required to operate on a full time basis a Video Display Terminal, Data Entry Terminal or any similar equipment.

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

The parties agree that in the event of a merger, amalgamation or acquisition involving an intermingling of employees, the joint position of the parties in any proceeding(s) involving the resolution of competing claims to seniority will be that preferential seniority provisions in any relevant Collective Agreement should be of no effect in establishing a merged seniority list.

18.06 **ORDERS IN WRITING**

- .01 All orders to a permanent employee involving a change in location or assignment, promotion, demotion, dismissal, layoff, disciplinary action and leave of absence shall be stated in writing, copy of such orders being supplied to the local Union.

- .02 Employees whose period of temporary-term employment is terminated will be given orders in writing covering such termination and a copy of such orders will be supplied to the local Union.

18.07 **BULLETIN BOARD** - The Union shall have the privilege of posting notices of meetings on Company notice boards in all locations where Union members are employed.

18.08 **SEVERANCE PAY**

- .01 A permanent employee covered by this Agreement who has completed one (1) year of continuous service under this Agreement immediately prior to being laid-off through no fault or action of his/her own, including lay-off resulting from merger or geographical relocation, shall receive severance pay as provided in paragraph .02, subject to the limitations and conditions set forth herein, but he/she shall receive no severance pay if any one or more of the following conditions exist:

- (a) He/She exercises his/her seniority in order to remain in the employ of the Company or accepts transfer.
- (b) He/She accepts any other employment with the Company or refuses to accept a job in a work classification under this Agreement.
- (c) He/She fails to exercise his/her seniority which would enable him/her to remain in the employ of the Company.
- (d) The layoff is caused by an act of God, a national war emergency, revocation of the Company's operating certificates or certificate, or grounding of a substantial number of Company aircraft for reasons beyond the Company's control.
- (e) The off-duty status results from a strike, lockout or picketing of the Company's premises.
- (9) He/She is on leave of absence on the effective date of layoff. In the case of an employee on leave of absence due to illness on the date of layoff, these provisions will become effective on the date that he/she is able and reports for work following termination of such leave of absence.

(g) His/Her service is terminated as a result of discipline, retirement, medical reasons or resignation other than as a direct result of, or during a layoff.

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

<u>If Employee Has Completed</u>	<u>Severance Allowance</u>
1 to 3 years	2 weeks
3 years but less than 4 years of service	3 weeks
4 years but less than 5 years of service	4 weeks
5 years but less than 6 years of service	5 weeks
6 years but less than 7 years of service	6 weeks
7 years but less than 8 years of service	7 weeks
8 years but less than 9 years of service	8 weeks
9 years but less than 10 years of service	9 weeks
10 years but less than 11 years of service	10 weeks
11 years but less than 12 years of service	11 weeks
12 years but less than 13 years of service	12 weeks
13 years but less than 14 years of service	13 weeks
14 years but less than 15 years of service	14 weeks
15 years but less than 16 years of service	15 weeks
16 years but less than 17 years of service	16 weeks
17 years but less than 18 years of service	17 weeks
18 years but less than 19 years of service	18 weeks
19 years but less than 20 years of service	19 weeks
20 years and thereafter	20 weeks

- .03 The employee eligible for severance pay shall receive such pay starting at the time of layoff, and payments for the amount due shall be at regular pay periods and continue until all severance pay credit is used, except that in no event shall any such pay be due after the effective date of recall or acceptance of other employment, in the Company.
- .04 In the event that a laid off employee is recalled or obtains other employment with the Company without having used all his/ her severance pay, the unused time will be credited to his/her account; however, service for additional severance pay credits will only be accumulated from his/her date of recall to the position from which he/she was laid off.

18.09 **DISCRIMINATION AND HARASSMENT**

.01 General:

Employees are entitled to work in an environment free of discrimination and harassment. Harassment is prohibited under the Canadian Human Rights Act and sexual harassment is prohibited under the Canada Labour Code. Discrimination and harassment deprive employees of dignity and respect and are detrimental to a healthy work environment.

.02 Definitions:

Discrimination and Harassment: Any conduct, comment or gesture, either overt or subtle, that is likely to be offensive to an individual and can be related to any of the ten (10) grounds of discrimination prohibited by the Canadian Human Rights Act: race, religion, sex, national or ethnic origin, marital status, family status, colour, age, disability, or a pardoned conviction.

Sexual Harassment: means any conduct, comment, gesture, contact of a sexual nature:

- (a) that is likely to cause offense or humiliation to any employee; or
- (b) that might, on reasonable grounds, be perceived by that employee as placing a condition of a sexual nature on employment or any opportunity for training or promotion.

.03 Rights of Employee

Every employee is entitled to employment free of discrimination and harassment.

.04 Responsibility of the Company

- (a) The Company shall make every reasonable effort to ensure that no employee is subjected to discrimination and/or harassment.
- (b) The Company will take appropriate disciplinary action in respect of an employee who subjects any other employee to discrimination and/or harassment.

.05 Complaints of Sexual Harassment

- (a) An employee who believes he/she has been sexually harassed may initiate a grievance at any of the steps of the grievance procedure. Alternatively, the grievance may be raised directly with the Manager, Human Resources Programs & Employee Appeals without foregoing the right to ultimately grieve under Article 15.

Grievances submitted pursuant to this article shall be treated with the utmost expediency and in the strictest confidence.

NOTE: Manager, Human Resources
Programs & Employee Appeals
Air Canada Centre
P.O. Box 14000
Postal Station St-Laurent
Montreal, Quebec
Canada H4Y 1H4

- (b) The Company will not disclose the name of the complainant or the circumstances related to the complaint to any person except where disclosure is necessary for the purposes of investigating the complaint or taking disciplinary measures in relation thereto.

18.10 OFF-DUTY STATUS

- .01 The Union acknowledges the Company's right to place employees on "off-duty status without pay" under circumstances where the Company discontinues its revenue operations due to an Act of God, national war emergency, revocation of the Company's operation certificates or certificate, strike, lockout or picketing of the Company's premises, grounding of a substantial number of Company aircraft or other circumstances over which the Company has no control.
- .02 The General Chairperson will be informed of the Company's intention to place employees on "off-duty status without pay" and the general handling of employees covered by the Agreement will be reviewed. At each location where employees are affected, local Union representatives will be advised of detailed handling.
- .03 Employees will be given a minimum of twenty-four **(24)** hours notice of intended action before being placed on "off-duty status without pay". Where such notice is verbal it will be subsequently confirmed in writing. In any event, "off-duty status without pay" will not commence until twenty-four **(24)** hours after cessation of service.

- .04 Where employees are retained or returned to duty to perform required work, senior qualified employees shall be assigned on the basis of classification seniority. Exceptions may be made where special skills or job continuity is required. In cases where it is decided to carry on scheduled training programs, those employees already involved shall be retained.
- .05 The Company will not discriminate against Union Members with respect to clerical employees working in close relationship to employees covered by the Collective Agreement. This provision has no application to managerial, supervisory or confidential personnel in matters relating to labour relations.
- .06 Where employees covered by this Agreement are placed on "off- duty status without pay" other employees will not perform work that is normally done by employees of the bargaining unit.
- .07 No overtime will be worked in a classification while employees are on "off-duty status" in that classification.

18.11 EXPENSES

Expenses payable to personnel for work and/or training assignments out-of-town are summarized here for the information of personnel covered by this Agreement. These rates are applicable for such assignments for a maximum period of sixty (60) days.

.01 **En route to and from assignment-**

Hotel and other actual and reasonable costs where encountered. Bus or taxi fare may also be claimed on the basis of actual and reasonable costs involved, including arrival and departure at the point of assignment as well as at home.

.02 **At point of assignment-**

Hotel plus a per diem allowance for all other expenses as follows:

- (a) **FULL DAY** - When flight departure is before 4 P.M. or when return arrival at base is after 4 P.M.
- (b) **HALF DAY** - When flight departure is after 4 P.M. or when return arrival at base is before 4 P.M.
- (c) **FULL DAY** - \$50.00
HALF DAY - \$25.00

NOTE: For purposes of this allowance, a day is said to begin and end at 4 A.M.

- .03 The per diem is primarily applicable within Canada and the Company will continue to establish an appropriate rate for outside Canada as required. In any event the amount will not be less than the Canadian per diem.
- .04 Single room accommodation in hotels designated by the Company will be made available.
- .05 Daily transportation is not claimable unless special authorization is first obtained locally. However, any transportation or allowance provided regularly for local employees will be made available.
- .06 Detailed expense accounts will be submitted in accordance with Company regulations.

18.12 **TECHNOLOGICAL CHANGE**

- .01 Where a technological change impacts on the job security and conditions of employment of employees, the Company is committed to employment security within the Collective Agreement for all employees who may be so affected.
- .02 Technological change means the introduction of equipment or material, different in nature, type or quantity from that previously utilized and/or to the manner in which work is carried on related to the introduction of such equipment.
- .03 (a) Where the Company proposes to effect a technological change that is likely to affect the terms and conditions or security of employment the Company shall give notice to the Union at Management/Union Headquarters level not less than one hundred and twenty (120) days prior to the date on which the technological change is to be effected.
 - (b) The notice referred to in (a) above shall be in writing and shall state:
 - (i) the nature of the technological change;
 - (ii) the date upon which the employer proposes to effect the technological change;
 - (iii) the approximate number and type of employees likely to be affected by the technological change;

- (iv) the effect that the technological change is likely to have on the terms and conditions or security of employment of the employees affected.
- (v) the Company's plan to minimize the impact of the technological change on the employees affected.

.04 The Company shall provide the members of the Management/Union Headquarters Committee with materials pertaining to technological change which may be required to ensure that the fullest discussion on such matters as retraining, change of work methods, reorganization of work, change to the method of organization, etc., will take place in an effort to implement change with the least possible disruption and with the maximum possible benefits to the Company and employees.

18.13 DOMESTIC VIOLENCE

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

18.14 SUB-CONTRACTING

As a result of past experience, a general statement of present policy is that sub-contracting will only be resorted to in situations such as the following:

- a) Where the nature or volume of the work is such that undesirable fluctuations in employment would automatically result.
- b) Where the nature or volume of the work is such that it does not justify the capital or operating expenditure involved.
- c) To meet an emergency condition.

The parties agree to establish a joint committee for the purpose of reviewing all future significant sub-contracts except those identified in "c)" above prior to any decision being made to contract out. The Company agrees to share with the Union the cost-benefit analysis done in connection with any such potential sub-contract and to provide the Union with the opportunity to present submissions in support of retaining the work within the bargaining unit.

The Company further agrees that every effort will be made to provide advice of the intent to sub-contract a minimum of ninety (90) days prior to any sub-contract being let to provide sufficient time for the aforementioned processes to be completed.

Should the sub-contracting of work result in a staff reduction L.O.U. #7 will apply.

Should the Union decide to grieve an alleged violation of the Collective Agreement in respect of any future sub-contract, such grievance may be filed at the Third Level and processed to Arbitration in an "expedited" fashion.

ARTICLE 19 CHECK-OFF OF UNION DUES

- 19.01 The Company shall deduct on the payroll for each pay period from wages due and payable to each employee coming within the scope of the Collective Agreement such sum as may be uniformly assessed by the Union Constitution for monthly dues subject to the conditions set forth herein.
- 19.02 The amount to be deducted shall not be changed excepting to conform with a change in the Union's Constitution.
- 19.03 Membership in the Union shall be available to any employee eligible under the Constitution of the Union on payment of the initiation or reinstatement fees uniformly required of all other such applicants. Membership shall not be denied for reasons of race, national origin, colour, religion or sex.
- 19.04 Deductions shall commence on the payroll for the first pay period following completion of thirty (30) calendar days after date of employment in a classification covered by this Agreement, but in no case shall deductions commence earlier than the payroll for the first pay period following completion of thirty (30) days after date of last entry into the Company.
- 19.05 If the wages of an employee payable on the payroll for the first applicable pay period of any month are insufficient to permit the deduction of a full amount of dues, no such deductions shall be made from the wages of such employee by the Company in such pay period. The Company shall not because the employee did not have sufficient wages payable to him/her on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier pay period.
- 19.06 Only payroll deduction now or hereafter required by law, deduction of monies due or owing the Company, pension deductions and deductions for provident funds shall be made from wages prior to the deduction of dues.
- 19.07 The amounts of dues so deducted from wages accompanied by a statement of deductions from individuals shall be remitted by the Company to the Union as may be mutually agreed by the Union and the Company not later than thirty (30) calendar days following the pay period in which the deductions are made.

- 19.08 The Company shall not be responsible financially or otherwise either to the Union or to any employee, for any failure to make deductions or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction or dues from an employee's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Union, the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions of this Article shall terminate at the time it remits the amounts payable to the Union.
- 19.09 The question of what compensation, if any, to be paid the Company by the Union in recognition of services performed under this Article shall be left in abeyance subject to reconsideration at the request of either party on fifteen (15) days notice in writing.
- 19.10 In the event of any action at law against the Parties hereto resulting from any deduction or deductions made from payrolls or to be made by the Company pursuant to the first paragraph of this Article, both parties shall cooperate fully in the defence of such action. Each party shall bear its own costs of such defence except that if at the request of the Union counsel fees are incurred these shall be borne by the Union. Save as aforesaid, the Union shall indemnify and save harmless the Company from any losses, damages, costs, liabilities or expenses suffered or sustained by the Company as a result of any such deduction or deductions from payrolls.

ARTICLE 20 DURATION OF AGREEMENT

20.01 This agreement is effective from July 1, 2003 except as otherwise provided herein and shall remain in effect until July 1, 2009 and shall be subject to variation by mutual agreement between the parties. It shall remain binding from year to year thereafter unless notification in writing to amend, modify or change the Agreement is served by either of the parties hereto on the other, such notification to be served within four **(4)** months of the expiry date of this Collective Agreement. In the event that notice is given of intended amendments, modifications or changes, this Agreement shall remain in force and effect while negotiations are being carried on for the arrangement of a new Agreement.

20.02 Letters of Understanding Nos. 1, 2, 5, 7 and 10 and amended Letters of Understanding Nos. 3, 4, 6 and 9 will remain effective at the date of signing of the Agreement. Letters of Understanding Nos. 8, 11, 12 and 13 become effective on November 28, 1999.

Agreed in Toronto this 29th day of May, 2003.

For Air Canada

Kevin P. Smith
Steve Beisswanger

For IAMAW

Jim Coller
Pete Tilley
Jack McLean

LETTER OF UNDERSTANDING NO. 1 -GROUP INSURANCES

L1.01 GROUP LIFE INSURANCE

The Company will pay the full cost of the Group Life Insurance premiums up to a maximum coverage of \$50,000. Coverage in excess of \$50,000 will be shared on a 50/50 basis. The level of coverage will be two and one-half times the basic annual salary up to a maximum of \$60,000. The maximum level of coverage upon retirement will continue to be one-quarter of the amount of coverage being paid for by the Company up to a maximum of \$10,000.

L1.02 GROUP DISABILITY INCOME INSURANCE

The Company will pay the full cost of the Group Disability Income Insurance premiums.

L1.03 SUPPLEMENTAL HEALTH INSURANCE

The Company will pay the full cost of the Supplementary Health Insurance premiums (Plan II).

L1.04 GROUP DENTAL INSURANCE

The Company will pay the full cost of the Group Dental Insurance premiums.

L1.05 VISION CARE PLAN

The Company will pay the full cost of the Vision Care Plan premiums.

L1.06 ACCIDENTAL DEATH, DISMEMBERMENT AND LOSS OF USE INSURANCE

The Company will pay the full cost of the Accidental Death, Dismemberment and Loss of Use Insurance for the principal sum of \$25,000. The coverage will be in accordance with Publication 711, Chapter 13.

L1.07 The Company shall be the sole policyholder and administrator of the above mentioned insurance plans.

Signed this 2nd day of November, 1990.

ON BEHALF OF AIR CANADA

P.J. Heinke

*Director, Labour Relations
Chairperson, Neg. Committee*

M. Leblanc

Manager, Labour Relations

A. Berting

Director, General Accounting

J.D. Sagriff

Coordinator, Employee Relations

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

C.E. Bremner

Chairperson, Negotiating Committee

R.L. Fontaine

General Chairperson, District Lodge 140

K. Kristjansson

Member, Negotiating Committee

S. Kit

Member, Negotiating Committee

L. Elmore

Member, Negotiating Committee

K. Bonnett

Member, Negotiating Committee

T. Van Nest

Member, Negotiating Committee

S. Zayac

Member, Negotiating Committee

LETTER OF UNDERSTANDING NO. 2

The Company is aware of the Union's concern relative to the use of Supervisors primarily to reduce the number of employees covered by the Agreement. While some of the work historically performed by Supervisors is indeed similar to that of the employees, the parties recognize that it is not realistic to exclude supervisors from performing these duties altogether.

However, the Company agrees that it will not increase the number of supervisors for the primary purpose of reducing the number of employees, therefore, subject to the requirements of ensuring proper supervision, the Company will make every reasonable effort to assign such work to employees covered by the Agreement.

More specifically, it is agreed that supervisors will not be used on an overtime basis to perform work normally assigned to employees covered by this Agreement.

Signed this 20th day of April, 1977.

ON BEHALF OF AIR CANADA

D. F. Atkinson

For Vice President, Finance

N.A. Radford

For Assistant Vice President- Labour Relations

G.H. Clifford

Witness

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

M. Pitchford

*President & Directing General
Chairperson, District Lodge 140*

C.M. Edmonds

President, Local Lodge 2603

J. Kalyniuk

Witness

**LETTER OF UNDERSTANDING NO. 3
SELECTION PROCESS FOR SENIOR FINANCE AGENT**

- L3.01 When the Company declares a permanent vacancy in Senior Finance Agent classification, the vacancy will be advertised by means of a Position Vacancy Advice to all employees within the Branch who are covered by this Agreement.
- L3.02 The Position Vacancy Advice will contain the following information:
- (a) description of the position
 - (b) rate of pay
 - (c) qualifications desired
 - (d) closing date of the Position Vacancy Advice
- L3.03 Applications will be sent in accordance with the Remarks Section of the Position Vacancy Advice for finalizing the selection process specified in L3.04, 3.05 and 3.06.
- L3.04 Suitable applicants, judged on the basis of qualifications and experience, will be selected for consideration. A letter will be sent to all applicants who were not considered among the most suitable in all respects for the position.
- L3.05 The selection procedure will then consist of:
- (a) interviews with the applicants considered suitable
 - (b) aptitude/technical tests, where required, to be conducted and/or monitored by the Training and Development Section
 - (c) assessments by the employees' Supervisor(s) noting:
 - (i) ability/performance on the job
 - (ii) ability to work with and for other people
- L3.06 The selection will be made by one or more of the Winnipeg Finance Senior Management and the General Manager - Finance, Winnipeg Finance Division, taking into consideration the following points:
- (a) a minimum of two (2) years in Winnipeg Finance,
 - (b) a reasonable knowledge of technical aspects of the section that has the vacancy,
 - (c) Supervisor(s) assessment(s),
 - (d) ability to lead and direct the work of subordinates,
 - (e) seniority,
 - (9) results of tests.

- L3.07 Selection will be made within thirty (30) calendar days of the closing date of the Position Vacancy Advice. This time limit may be extended by mutual agreement between the Company and the Union.
- L3.08 A letter will be sent to the unsuccessful candidates advising them of the outcome of the competition.

The above procedure will become effective immediately.

Signed this 29th day of September, 1999.

ON BEHALF OF AIR CANADA

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

T.W. Raby

J. Coller

*Director, Labour Relations-
Technical Services*

General Chairperson, District Lodge 140

**LETTER OF UNDERSTANDING NO. 4
GRIEVANCE AND DISCIPLINE APPEAL LEVELS**

FINANCE BRANCH WINNIPEG			
GRIEVANCE	UNION	MANAGEMENT	DISCIPLINE
THIRD	COMMITTEE OF GENERAL CHAIRPERSONS	DIRECTOR, LABOUR RELATIONS- TECHNICAL SERVICES OR DESIGNATED	THIRD
SECOND	LOCAL UNION COMMITTEE	GENERAL MANAGER - FINANCE, OR DESIGNATED REPRESENTATIVE	SECOND
FIRST	SHOP STEWARD	MANAGER	

NOTE 1: Appeals to discharge decisions will be handled as promptly as possible and, wherever practical, at the location concerned. These appeals, as well as all disciplinary appeals, will commence at the Second Level.

Where it is considered desirable by the Branch, appeals to discharge decisions may be handled by combining Second and Third Levels.

NOTE 2: The hearing of appeals by the Management levels may be designated but, in such cases, the designates' decision becomes the final decision for that level of appeals procedure.

Signed this 29th day of September, 1999.

ON BEHALF OF AIR CANADA

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

T.W. Raby

*Director, Labour Relations-
Technical Services*

J. Collier

General Chairperson, District Lodge 140

**LETTER OF UNDERSTANDING NO. 5
EMPLOYEE PARTICIPATION**

Following discussions it was recognized by the parties that, it is essential for the Company, the Union, and the employees to continually strive for a viable and economic operation which will contribute to future growth while maintaining a competitive stance.

Combined efforts towards achieving and sustaining efficiency and economy of operations will provide, to the fullest extent possible, continued employment.

Therefore, there is a constant need to derive the full benefits of changes in technology, optimum utilization of manpower, and to avoid inflexible lines of work jurisdiction, outmoded procedures and inefficiencies, with their inherent costs.

In support of the above, it is essential that employees, individually and collectively, be afforded the opportunity to present their views with respect to methods of achieving efficiency and economy of operation. It is also recognized that the "continuation of employment under conditions of reasonable hours, compensation and working conditions" must also be considered as an integral part of the overall objectives when arriving at a satisfactory arrangement to cover the work requirements.

Signed this 8th day of February, 1985.

ON BEHALF OF AIR CANADA

J.J. Nosko

Director, Labour Relations

W.J. Brooks

*General Manager, Finance -
Winnipeg*

G.H. Thorvaldson

Member, Negotiating Committee

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

C.E. Bremner

General Chairperson, District Lodge 140

J. Kalyniuk

Member, Negotiating Committee

S. Kit

Member, Negotiating Committee

L6-1

**LETTER OF UNDERSTANDING NO. 6
MODIFIED WORK WEEK**

Employees covered by this Collective Agreement will have the ability to participate in a Modified Work Week Program provided that they have not scheduled vacation during the period of the Modified Work Week Program and/or provided that they have not elected to take vacation entitlement in daily increments. Details of the Modified Work Week Program will be agreed to locally and published in General Information Circular (GIC) format on an annual basis.

Signed this 29th day of September, 1999.

ON BEHALF OF AIR CANADA

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

T.W. Raby

J. Coller

*Director, Labour Relations
- Technical Services*

General Chairperson, Western Region

**LETTER OF UNDERSTANDING NO. 7
STAFF REDUCTIONS**

During the 1997 round of negotiations, it was agreed that in the event a staff reduction becomes necessary during the life of this Agreement, the Company agrees to make the Deferred Payment Leave Plan, Long Term Leave of Absence Program and the Job Sharing Program available on a voluntary basis to mitigate the lay-off.

The Company also agrees to meet with the Union for the purpose of discussing voluntary severance options, or other means mutually agreeable to the parties in an effort to further mitigate the lay-off.

Signed this 19th day of August, 1997.

ON BEHALF OF AIR CANADA

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

T.W. Raby

J. Coller

*Director, Labour Relations
- Technical Services*

*General Chairperson,
District Lodge 140*

**LETTER OF UNDERSTANDING NO. 8
PENSION AGREEMENT**

During the 1999 contract negotiations, the Company and the Union agreed to have the rules of the Air Canada Pension Plan - Canada, as it relates to an "IAMAW employee", in the Winnipeg Finance Branch amended to provide the following effective for retirements, terminations of service or deaths in service occurring after November 28, 1999.

IMPROVED BENEFIT FORMULA:

The rules of the Air Canada Pension Plan will be amended to provide an "IAMAW employee" with a benefit formula that will be increased from 1.5%/2% to 1.75%/2% in respect of allowable service after January 1, 1966. All sections of the plan text wherever reference is made to 1.5% should be amended by replacing 1.5% by 1.75%. These are sections 6.1 dealing with normal retirement pension, section 6.3 dealing with disability retirement pension and section 7.1 dealing with the higher pension to age 65 option. In section 7.1 a), the reference to 1/2% should also be replaced by 1/4%.

INCREASED EMPLOYEE CONTRIBUTIONS:

Employee contributions under section 4.1 of the rules of the Air Canada Pension Plan - Canada, will be increased to 5.25% on his pensionable earnings up to his/her year's maximum pensionable earnings and 6% on that part of his/her compensation in excess thereof. This contribution rate will be used as a basis for the recognition of any period of allowable service applied for by the employee on or after November 28, 1999.

EARLY RETIREMENT:

The rules of the Air Canada Pension Plan - Canada will be amended effective November 28, 1999, so that an eligible employee covered by the IAMAW Finance Collective Agreement may retire with an unreduced early pension provided she/he is at least fifty-five (55) years of age.

Effective with the month following ratification of the Collective Agreement, the Pension Plan portability option for the eligible transfer value will remain at forty-seven (47) for eligible employees for a further period of two (2) calendar years.

JOINT PENSION PLAN REVIEW:

Air Canada and the IAMAW agree to enter into discussions through the existing Air Canada/IAMAW Pension Committee, during the life of this Collective Agreement to review and investigate improvements and/or changes to the plan, cost issues related to such improvements and/or changes, and a plan to deal with long-term pension issues and the viability of the Pension Plan.

Signed this 29th day of September 1999

ON BEHALF OF AIR CANADA

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

T.W. Raby

J. Coller

*Director, Labour Relations
- Technical Services*

*General Chairperson,
District Lodge 140*

LETTER OF UNDERSTANDING NO. 9 PENSION PLAN - INCOME PROTECTION

Discussions during this round of negotiations have resulted in an agreement between the Company and the Union providing for income protection for eligible retirees as outlined below:

1. **DEFINITIONS**

CPI - The Consumer Price Index for Canada is calculated periodically by Statistics Canada.

Duration - From January 1, 1999 until December 31, 2005.

Adjustment Dates

January 1, 2000
January 1, 2001
January 1, 2002
January 1, 2003
January 1, 2004
January 1, 2005
January 1, 2006

Eligible Beneficiaries - Includes eligible pensioners and eligible survivors.

Eligible Pensioner - Any disability pensioner who was a member of the IAMAW at time of retirement or any other pensioner who, on the adjustment date, has reached age sixty (60) and who, at retirement time, was a member of the IAMAW.

Eligible Survivor - Either the spouse of a deceased employee who was a member of the IAMAW at time of death or the spouse of a pensioner who was a member of the IAMAW at time of retirement and who is in receipt of a survivor income from the Air Canada Pension Plan.

2. **PENSION INDEX**

The Pension Index for a given year is calculated as the average for the twelve (12) month period ending October 31st in the preceding year of the CPI for each month in that twelve (12) month period.

3. **PERCENTAGE ADJUSTMENT**

The percentage adjustment for a given year shall be determined as follows:

- (i) Calculate the percentage increase in the Pension Index of the current year over the Pension Index of the immediate preceding year, subject to a maximum increase to eight percent (8%), and
- (ii) Multiply the percentage increase obtained in (i) by fifty percent (50%).

4. **PENSION ADJUSTMENT**

Monthly pensions otherwise payable to eligible beneficiaries as of an adjustment date are increased by a percentage called the Pension Adjustment Factor determined as follows:

- (i) For eligible pensions who retire in the twelve (12) month period prior to the adjustment date, except for disability pensioners, the Pension Adjustment Factor is $1/12$ of the pension adjustment for each full month prior to the adjustment date.
- (ii) For all other eligible pensioners and for all survivors, the Pension Adjustment Factor is equal to the applicable percentage adjustment.

Signed this 29th day of September 1999.

ON BEHALF OF AIR CANADA

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

T.W. Raby

J. Coller

*Director, Labour Relations-
Technical Services*

*Chairperson, Negotiating
Committee*

L10-1

**LETTER OF UNDERSTANDING NO. 10
SICK LEAVE**

Discussions during this round of negotiations have resulted in agreement that employees covered by the Collective Agreement will be exempted from that portion of the Company Sick Leave Plan dealing with "eligibility for recommendation of sick leave" outlined in point .01 of Publication 707, Chapter 5, Page 6, sub-section 2.

Signed this 8th day of July 1988.

ON BEHALF OF AIR CANADA

**ON BEHALF OF
INTERNATIONAL
ASSOCIATION OF
MACHINISTS & AEROSPACE
WORKERS**

P.J. Heinke

C.E. Bremner

Manager, Labour Relations

*Chairperson, Negotiating
Committee*

**LETTER OF UNDERSTANDING NO. 11
CORPORATE RESTRUCTURING / SUBCONTRACTING**

The Letter of Understanding No. 11 dated September 29, 1999, is hereby repealed and replaced by the following:

The Company agrees to maintain a Finance Branch operation in Winnipeg and the employees covered by this Agreement will continue to perform the type of work customarily performed at this location by these employees.

The Company retains the ability to contract out, as specified in Article 18.14 of the Collective Agreement, any of the above-referenced work and to proceed to layoffs as may be operationally required, However, should subcontracting result in staff reductions, the provisions of Articles 10.09 and 10.10 will apply.

Signed this 29th day of May, 2003

FOR AIR CANADA

Kevin P. Smith
Director, Labour Relations
- *Technical Service*

Steve Beisswanger
Manager, Labour Relations
- *Technical Service*

Jack McLean
General Manager, Finance

FOR IAM AW

J. Coller

Pete Tilley

L12-1

**LETTER OF UNDERSTANDING NO. 12
FINANCIAL ASSISTANCE - EDUCATION**

The following is applicable for first time attendance only:

- | | | | |
|----|-----------------------|--|--|
| A) | Courses: | CMA/CGA
Introductory Accounting

Intermediate Accounting 1 | CIA
Introductory
Financial Accounting
Financial Reporting 1 |
| | Eligibility: | All Finance Agents | |
| | Financial Assistance: | 100% paid up-front | |
| | Time Off: | 6 hours study time, on Company premises, for each lecture (maximum of 10 lectures) with pay
2 hours off on day of each lecture (maximum of 10 lectures) with pay | |
| | Final Exam: | Full day off with pay | |
| | | <u>NOTE:</u> In programs involving mid-term exams, the mid-term exam should be considered as a lecture day. | |
| B) | Courses: | CMA/CGA
&three (3) other courses | CIA
&three (3) other courses |
| | Eligibility: | All Finance Agents | |
| | Financial Assistance: | 100% paid up-front | |
| | Time Off: | 2 hours off on day of each lecture (maximum of 10 lectures) with pay | |
| | Final Exam: | Evening exam - Afternoon off with pay
Afternoon exam - Full day off with pay
Morning exam - Morning off with pay | |
| | | <u>NOTE:</u> In programs involving mid-term exams, the mid-term exam should be considered as a lecture day. | |

L12-2

C) Courses:	Finance Agent	Intermediate Finance Agent Senior Finance Agent
Financial Assistance:	50% upon successful completion	100% upon successful completion
Final Exam:	As in B, without pay	As in B, with pay

D) Other courses/programs are in accordance with Company Regulations:

i) "Job Required" ... 100% upon successful completion

This refers to courses and programs that employees take at the request of the Company, i.e., are Company-initiated and will enable individuals to reach/maintain skill or knowledge levels that they require in order to perform their duties as outlined in their current position.

When the course(s) for which reimbursement is requested is/are part of a 'program' of studies (certificate, diploma or degree) it is the job-relatedness of the program that should be assessed.

ii) "Developmental" ... 50% upon successful completion

This refers to courses and programs that will enable individuals to develop skills and knowledge that are different than, or over and above those required in their current position, and that are related to future employment opportunities within Air Canada.

Time Off: Evening Exam - Afternoon off
Afternoon Exam - Full day off
Morning Exam - Morning off

If employee is receiving 100% reimbursement the time off is with pay, otherwise time off is without pay.

NOTE: Prior to enrolling in any course employees must complete ACF 804 and submit this form to their Manager for review and approval.

If up-front payment is applicable, the Manager should provide the employee with a letter, addressed to the institution requesting that the institution invoice Air Canada directly. If the institution refuses to invoice, the employee should pay the fee and request reimbursement through an approved expense claim. (Original receipts must be attached to expense claim).

Depending on the requirements of the employee, and subject to Management's discretion, the time off provided for in Sections A and B may be distributed differently providing the total time granted does not exceed that normally allowed. Example: In cases where there are two (2) lectures per week for ten (10) weeks, the employee may be allowed one (1) hour off per day of lecture.

Costs associated with the first re-write of exams, related to Items A and B above, will be reimbursed by the Company.

Signed this 29th day of September 1999.

ON BEHALF OF AIR CANADA

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

T.W. Raby

J. Coller

*Director, Labour Relations-
Technical Services*

*Chairperson, Negotiating
Committee*

LETTER OF UNDERSTANDING NO. 13

The following chart depicts the current allocation of designated bilingual positions within the Finance Branch:

Classification	Commercial Credit	Refund Services	Cargo Receivables	TOTAL
Senior Finance Agent	0	0	0	0
Intermediate Finance Agent	4	2	4	10
Finance Agent	0	0	0	0
TOTALS	4	2	4	10

Signed this 29th day of September 1999.

ON BEHALF OF AIR CANADA

**ON BEHALF OF INTERNATIONAL
ASSOCIATION OF MACHINISTS &
AEROSPACE WORKERS**

T.W. Raby

J. Colter

*Director, Labour Relations -
Technical Services*

*Chairperson, Negotiating
Committee*

L14-1

**LETTER OF UNDERSTANDING NO. 14
EARNED VACATION PROCESS**

All employees covered by the IAMAW Finance Agreement will participate in the Paid Time Off program whereby the 2003 vacation entitlement that was accrued under the old policy in 2002 will be credited to employees as a separate allotment of vacation work days/work hours. Employees will be allowed to access their accrued vacation one week per year, commencing with 2003, up to a maximum of five years. The terms of the LOU will be determined through further discussion in conjunction with the IAMAW Main Agreement group.

Signed this 29th day of May, 2003.

FOR AIR CANADA

Kevin P. Smith
Director, Labour Relations
- *Technical Service*

Steve Beisswanger
Manager, Labour Relations
- *Technical Service*

Jack McLean
General Manager, Finance

FOR IAMAW

J. Collier

Pete Tilley

L15-1

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L15-2



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APPENDIX I

MEMORANDUM OF AGREEMENT

**BETWEEN
AIR CANADA
("Air Canada")**

AND

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS (FINANCE)
("The Union" or "IAMAW")**

WHEREAS a number of factors have created a financial crisis in the airline industry in general, which have resulted in Air Canada having to seek protection under the Companies' Creditors Arrangement Act (CCAA);

Accordingly, the parties agree as follows:

1. Reduce all wage rates by one and one-half percent (1.5%) effective June 8, 2003, and cancel the two and one-half percent (2.5%) wage increases for November 23, 2003 and November 21, 2004. Introduce a Profit Sharing Program for all employees covered by the Air Canada/IAMAW Collective Agreement.
2. Outsource the Accounts Payable data entry function.
3. Eliminate two (2) statutory holidays.
4. Reduce vacation entitlement.
5. Increase employee to lead ratio to twenty (20).
6. Convert three (3) Family Care Days to two (2) Personal Days.
7. Introduce a new Letter of Understanding to implement a permanent 90/10 or 80/20 reduced work week program at the discretion of the Company.
8. Amend the pay progression to 52 weeks.
9. Eliminate longevity pay.

AI-2

10. Reduce the special assignment premium to five percent (5%).
11. Amend all references to overtime to be paid or credited at a maximum of time and one-half.
12. Cease the practice of protecting the Lead premium for two (2) years when the employee is removed from a Lead assignment.
13. Introduce a new Sick Leave Policy that provides six (6) days of paid sick leave per year.
14. Eliminate the practice for paying for a full shift when an employee is sick for a portion of a shift.
15. Implement an "earned" vacation policy.
16. Pension benefits will remain unchanged. The unions agreed to cooperate with the Company in its representation to OSFI respecting the amortization of the funding deficit over 10 years.
17. The proposed changes to the benefits programs involving premium sharing by employees which will be applicable to all employees of the Company are subject to union approval.
18. Non-application of Group Termination Notice – The parties agree that the layoff of 59 employees represented by the IAMAW resulting from the structuring of the airline under the CCAA have been the subject of full discussions and negotiations between the parties and forms part of the Agreement reached under this Memorandum of Understanding. As a consequence, the parties further agree that sections 214 to 226 of the Canada Labour Code do not apply to those layoffs.
19. The Company and the Union agree and commit, subject to the requirements of the Canada Labour Code, that the attached Letter of Intent constitutes the renewal of the Collective Agreement between Air Canada and the IAMAW expiring on June 30, 2006. The extended Collective Agreement shall become effective July 1, 2006 and shall continue as expressed in the Letter of Intent signed on May 29, 2003.

AI-3

Signed this 29th day of May, 2003.

For Air Canada

Kevin P. Smith
Steve Beisswanger
Jack McLean

For IAMAW

Jim Coller
Pete Tilley
Peter Mykichuk
Lyn Lanigan
Sandra Patterson
Bev Watson
Monique Edwards

APPENDIX II

DURATION OF AGREEMENT

**LETTER OF INTENT
AIR CANADA / TRANSPORTATION DISTRICT 140**

Consistent with the parties' mutual interest in a long term stable relationship, the parties agree as follows:

1. The current Air Canada / IAMAW Collective Agreement will be amended as per the attached Memorandum of Understanding, until June 30, 2006.
2. Subject to paragraph 3 below, the parties agree to extend the Air Canada / IAMAW Collective Agreement, as provided for in paragraph 1, until July 1, 2009.
3. For the extended Collective Agreement from July 1, 2006 to July 1, 2009, the parties will only be able to negotiate the provisions of Article 5 (Rates of Pay) after July 1, 2006. Should the parties reach an impasse on this issue the matter of rates of pay will be referred to binding arbitration to an arbitrator mutually selected by the parties. The parties will not resort to strike/lockout action on the issue of such wage negotiations. The selection of a single arbitrator in respect to this matter will be as follows:
 - i. The appointment of Arbitrator D. Munroe, or,
 - ii. A mutually agreed to alternative selection of arbitrator or,
 - iii. An alternative selection of arbitrator as appointed by the Right Honourable Justice W. Winkler.
4. This Letter of Intent is subject to the ratification of the membership of Transportation District 140, the process of which will be completed as soon as possible.

Agreed in Toronto this 29th day of May, 2003.

For Air Canada

Kevin P. Smith
Steve Beisswanger
Jack McLean

For IAMAW

Jim Coller
Pete Tilley

AIII-1

NEW SICK LEAVE POLICY

May 29, 2003

Mr. J. Coller
General Chairperson, Central Region
District Lodge 140, IAMAW
18-399 Berry Street
Winnipeg, Manitoba
R3J 1N6

Dear Mr. Coller,

This is relative to Company Agenda Item M16, regarding the introduction of a new Sick Leave Policy.

This will confirm that effective July 1st, 2003 the accumulation of sick bank days will be changed from one (1) day per month to one (1) day every two (2) months.

The parties will meet to discuss methods in reducing absenteeism to levels identified in the Corporate objectives.

Sincerely,

Kevin P. Smith
Director, Labour Relations and People Services
Technical Services

AIV-1

APPENDIX IV

MEMORANDUM OF AGREEMENT – MAY 29, 2003

MEMORANDUM OF AGREEMENT

**BETWEEN
AIR CANADA
("Air Canada")**

AND

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS (FINANCE)
("The Union" or "IAMAW")**

WHEREAS a number of factors have created a financial crisis in the airline industry in general, which have resulted in Air Canada having to seek protection under the Companies' Creditors Arrangement Act (CCAA);

Accordingly, the parties agree as follows:

1. Reduce all wage rates by one and one-half percent (1.5%) effective June 8, 2003, and cancel the two and one-half percent (2.5%) wage increases for November 23, 2003 and November 21, 2004. Introduce a Profit Sharing Program for all employees covered by the Air Canada/IAMAW Collective Agreement.
2. Outsource the Accounts Payable data entry function.
3. Eliminate two (2) statutory holidays.
4. Reduce vacation entitlement.
5. Increase employee to lead ratio to twenty (20).
6. Convert three (3) Family Care Days to two (2) Personal Days.
7. Introduce a new Letter of Understanding to implement a permanent 90/10 or 80/20 reduced work week program at the discretion of the Company.
8. Amend the pay progression to 52 weeks.
9. Eliminate longevity pay.
10. Reduce the special assignment premium to five percent (5%).
11. Amend all references to overtime to be paid or credited at a maximum of time and one-half.

AIV-2

12. Cease the practice of protecting the Lead premium for two (2) years when the employee is removed from a Lead assignment.
13. Introduce a new Sick Leave Policy that provides six (6) days of paid sick leave per year.
14. Eliminate the practice for paying for a full shift when an employee is sick for a portion of a shift,
15. Implement an "earned" vacation policy.
16. Pension benefits will remain unchanged. The unions agreed to cooperate with the Company in its representation to OSFI respecting the amortization of the funding deficit over 10 years.
17. The proposed changes to the benefits programs involving premium sharing by employees which will be applicable to all employees of the Company are subject to union approval.
18. Non-application of Group Termination Notice – The parties agree that the layoff of 59 employees represented by the IAMAW resulting from the structuring of the airline under the CCAA have been the subject of full discussions and negotiations between the parties and forms part of the Agreement reached under this Memorandum of Understanding. As a consequence, the parties further agree that sections 214 to 226 of the Canada Labour Code do not apply to those layoffs.
19. The Company and the Union agree and commit, subject to the requirements of the Canada Labour Code, that the attached Letter of Intent constitutes the renewal of the Collective Agreement between Air Canada and the IAMAW expiring on June 30, 2006. The extended Collective Agreement shall become effective July 1, 2006 and shall continue as expressed in the Letter of Intent signed on May 29, 2003.

Signed this 29th day of May, 2003.

For Air Canada

Kevin P. Smith
Director, Labour Relations –
Technical Service

Steve Beisswanger
Manager, Labour Relations-
Technical Service

Jack McLean
General Manager, Finance

For IAMAW

Jim Collier
Pete Tilley
Peter Mykichuk
Lyn Lanigan
Sandra Patterson
Bev Watson
Monique Edwards

AV-1

APPENDIX V

MEMORANDUM OF AGREEMENT – MAY 15, 2004

MEMORANDUM OF AGREEMENT

**BETWEEN
AIR CANADA**

AND

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS (FINANCE BRANCH)**

As part of Air Canada's restructuring begun April 1, 2003 under the *Companies' Creditors Arrangement Act*, the Company and the Union agreed in May 2003 to modify their Collective Agreement.

Air Canada and Deutsche Bank Securities Inc. ("DB") concluded an amended and restated standby purchase agreement on April 29, 2004. A key condition of that agreement is that Air Canada reduces costs by \$200 million for all its bargaining units.

To help fulfill that condition, the parties have agreed to the following, as referenced in the attached term sheet (Appendix 1):

1. The Collective Agreement will be amended to:
 - (a) Reduce all wage rates by 4.0%.
 - (b) Eliminate the two (2) Personal Days referred to in Article 11.07.
 - (c) Remove LOU 15
2. The Company agrees to pay, subject to the Monitor's approval, all legal, actuarial and benefits advisor fees and expenses incurred by the IAMAW in connection with the CCAA restructuring process begun April 1st, 2003.
3. This Agreement is subject to ratification by the membership of the IAMAW (Finance). All terms and conditions of this Agreement will take effect upon a common date of all certified bargaining units and non-union personnel as determined by the Monitor.

AV-2

4. This Agreement shall be effective upon Air Canada confirming to the undersigned and to the Deutsche Bank that the non-union employees of Air Canada and Jazz have met the reduction targets as communicated and that all Air Canada and Jazz unions met their cost reduction targets as communicated in order to satisfy the May 15, 2004 conditions of the Stand-By Purchase Agreement. This condition shall be conclusively deemed to be satisfied upon Deutsche Bank and GE confirming their acceptance that the cost reduction and clean slate conditions have been satisfied.
5. The clean slate certificate is conditional upon completion of the Stand-By Purchase Agreement and the successful emergence of Air Canada from CCAA.
6. Air Canada through its Executive Vice-president Paul Brotto shall provide to the undersigned a copy of each of the term sheets and MOA's for all Air Canada and Jazz union and non-union employee groups along with the estimated cost savings identified for each group as well as Mr. Brotto certifying, in his capacity as an officer of Air Canada and, without personal liability, that each group has met its target savings based on the underlying assumptions and methodologies employed. The above information material, documents and certifications are provided exclusively so that the undersigned union can satisfy itself as to whether each employee group has met its target savings and for no other purpose.
7. This Agreement is subject to Air Canada concluding with all other Canadian certified bargaining agents and non-union personnel, agreements that each meet their respective share of the required cost reduction in above-referenced purchase agreement.

Signed this 15th day of May, 2004.

For Air Canada		For the International Association of Machinists & Aerospace Workers
Kevin P. Smith		Pete Tilley
Steve Beisswanger		Bev Watson
Greig Lynch		Sandra Patterson
		Monique Edwards
		Peter Mykichuk
		Ray Watts

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