

AGREEMENT

between

AIR CANADA

and

**FLIGHT OPERATIONS CREW SCHEDULING
PERSONNEL**

as represented by the

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

and its Local 2002

Effective: June 19 2006 to August 22 2009

MEMORANDUM OF AGREEMENT

BETWEEN:

AIR CANADA

AND

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF
CANADA (CAW-CANADA) AND ITS LOCAL 2002
(FLIGHT OPERATIONS CREW SCHEDULERS)**

The Parties hereto do hereby agree and do hereby agree to recommend to their respective principals acceptance and ratification **of** the attached as the first Collective Agreement between the parties and shall notify **each** other forthwith in writing, of such ratification.

DATED AT MONTREAL, QUEBEC THIS _____DAY OF _____, 2006.

FOR THE COMPANY

FOR THE UNION

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ARTICLE 1 PURPOSE OF AGREEMENT AND DEFINITIONS

- 1.01 The purpose of this Agreement is in the mutual interest of the Company and the employees to provide for the operation of the services of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency and economy of operation, and the continuation of employment under conditions of reasonable hours, compensation and working conditions. It is recognized by this Agreement to be the duty of the Company and the employees to cooperate fully both individually and collectively for the advancement of that purpose.
- 1.02 The Company and the Union agree to abide by all the procedures provided by this Agreement and the Canada Labour Code for the purpose of peaceful settlement of disputes. This Code provides that employees may legally strike, and the Company may lockout, following completion of the bargaining and conciliation process at the termination of an Agreement.
- 1.03 In view of the orderly procedure established by this Agreement as required by the Code for the settling of disputes, the Union agrees that, during the life of this Agreement, there shall be no strike or stoppage of work, either complete or partial, nor picketing and the Company agrees that there shall be no lockout, either complete or partial.
- 1.04 **DEFINITIONS:** The following words, as used throughout the Agreement, shall convey the meaning appended to them.
- 1.04.01 **Agreement** - means the Agreement in effect, including amendments or interpretations thereto agreed upon and covered by letters or written amendments signed/confirmed by responsible Company and accredited Union Officers/Representatives.
- 1.04.02 **Bargaining Unit** - means all employees of the Flight Operations Crew Schedulers of Air Canada, excluding the crew manning and allocations analysts, managers and their secretary(ies).
- 1.04.03 **Classification** - means a classification as defined in Article 4.
- 1.04.04 **Company** - means Air Canada as represented through Officers and Management at various levels or their delegated representatives.
- 1.04.05 **Company service** – means the date an employee was hired as per Company policy.
- 1.04.06 **Employee** - means any person in the employ of the Company within the territorial limits of Canada who is in the bargaining unit covered by this Agreement.
- 1.04.07 **Furlough** - means the employee is laid off without recourse to bumping procedures.
- 1.04.08 **Language Requirement** - means French/English bilingual requirements.

- 1.04.09 Location** - means an office or place of business within a base where employees covered under this Agreement are employed.
- 1.04.10 Pay Period** - means a period of fourteen (14) consecutive calendar days applied continuously from period to period, without interruption.
- 1.04.11 Seniority** – means the date an employee was hired into the bargaining unit.
- 1.04.12 Shift** - means a scheduled period of time within a day for which an employee is required to be present.
- 1.04.13 Status** - means Full-Time
- 1.04.14 Supervisory Personnel** - means any Company personnel whose duties include the administrative supervision of others, and who are not covered by the Agreement.
- 1.04.15 Team**- A group of employees who follow the same pattern of days on and days off.
- 1.04.15 Union** - means National Automobile, Aerospace, Transportation & General Workers Union of Canada (CAW - Canada) and its Local 2002.
- 1.04.16 Work Schedule** - means a projection of all shifts at a location with regard to scheduled days on and days off, including shift starting and terminating times.
- NOTE 1: Gender** - whenever the context permits such extension, the third person masculine gender shall be deemed to include both third person masculine and feminine genders.

ARTICLE 2 UNION RECOGNITION

- 2.01** The Company recognizes the Union as the sole bargaining agent for all employees covered by this Agreement, as defined in Article 4.
- 2.02** Hours of work, wages and other conditions of employment, as governed by this Agreement apply only to those employees within the territorial limits of Canada, and those classifications specifically mentioned hereinafter.
- 2.03** The Company will not permit any person not covered under this Agreement to do any tasks/duties covered under this Agreement, except in an emergency or unplanned situation. Management personnel shall be exempt from this provision as it applies to tasks/duties covered under this Agreement to the extent that they are performing such tasks/duties as of March 19, 2005 (date of certification).

ARTICLE 3 MANAGEMENT RIGHTS

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

ARTICLE 4 CLASSIFICATIONS

4.01.01 Crew Scheduler - will be responsible for the performance of Flight Operations Crew Scheduling functions as may be assigned by the Company. The scheduling specialist classification includes the following functions:

Scheduling Specialist - responsibilities include but are not limited to monitoring daily and future flight crew requirements, communication with flight crews concerning scheduling activity, and other duties related to the foregoing.

Block Administrator – responsibilities include but are not limited to administration of the flight crew blocks, dealing with block legalities, and pay adjustments. This function may also provide temporary relief of a duty manager as required, but in such circumstances shall not be responsible for discipline. Given the unique responsibilities of this function, selection into this function will be in accordance with Article 12.

4.01.02 Training Scheduler – will be responsible for the performance of Flight Operations Crew Scheduling functions as may be assigned by the Company. The training scheduler classification includes the following functions:

SIM Planner – responsibilities include but are not limited to planning pilots for simulator training, ART, medicals, compiling instructor and check pilot schedules and other duties as related.

Line Check Planner - responsibilities include but are not limited to handling of the line check plans, rescheduling of simulators and other related duties.

Line Indoctrination Planner - responsibilities include but are not limited to formulating line indoctrination schedules for pilots in training.

PBS Planner - responsibilities include but are not limited to the planning of monthly block awards and other related duties.

4.01.03 Lead Scheduler - shall be responsible for directing the work of Schedulers and Training Schedulers while performing similar work. They shall have a general responsibility for work standards, instruction and direction of the employees for whom they are the lead, while on shift. It is understood that the need for such a position will vary and that the decision to introduce, maintain, or terminate such a position will rest with the Company.

4.02 Employees may be required to perform work normally performed by those in another classification in order to balance out irregularities in workload which may arise during a shift.

4.03 In the event that a new classification covered by this Agreement is created by the Company, the parties will negotiate the rate of pay which shall be in line with the duties

and responsibilities of the new classification, taking into consideration the duties and responsibilities and rate of pay for other classifications. Failing an agreement the Company will establish the rate of pay. If so desired, the Union may file a grievance within thirty (30) days claiming that the rate of pay is inappropriate. In the event the grievance is not resolved, it may be processed to arbitration ~~as~~ per the terms of the Agreement.

ARTICLE 5 MINIMUM HOURLY RATES OF PAY

- 5.01 Employees shall receive an hourly rate of pay for all time worked based on the length of employment under the scope of this Agreement and in accordance with the wage scales in Article 5.04.
- 5.02 The Company, at its discretion, may pay higher rates than the graduated scale, but not in excess of the maximum.
- 5.03 Scheduled advancement in pay within the salary scales established by this Agreement shall occur on the first day of the pay period following completion of service of each period as specified below. Scheduled advancement shall be retarded for absences without pay of greater than thirty (30) consecutive calendar days, excluding the first forty-one (41) weeks of Maternity or Child Care Leave, and shall be retarded for any period of layoff under Article 10.

5.04 RATES OF PAY

5.04.01 Lead Scheduler

Effective: Date of ratification

	HOURLY RATE
1st 26 week period	26.08
2nd 52 week period	27.19
3rd 52 week period	28.28
4th 52 week period	29.39
5th 52 week period	30.48

5.04.01 Crew Scheduler

Effective: Date of ratification

	HOURLY RATE
1st 26 week period	15.73
2nd 26 week period	16.72
3rd 26 week period	17.71
4th 26 week period	18.72
5th 26 week period	19.72
6th 26 week period	20.73
7th 26 week period	21.71
8th 26 week period	22.71

9th 26 week period	23.71
10th 26 week period	24.72
11th 26 week period	25.71
12th 52 week period	26.71
13th 52 week period	27.71

5.04.02 Training Scheduler

Effective: Date of ratification

	HOURLY RATE
1st 26 week period	12.37
2nd 26 week period	13.17
3rd 26 week period	13.96
4th 26 week period	14.75
5th 26 week period	15.55
6th 26 week period	16.35
7th 26 week period	17.14
8th 26 week period	17.94
9th 26 week period	18.74
10th 26 week period	19.53
11th 26 week period	20.31
12th 52 week period	21.10
13th 52 week period	21.91
14th 52 week period	22.15

ARTICLE 6 WORK SCHEDULES & SHIFT TRADES

6.01 HOURS OF WORK

- 6.01.01** The standard working week for individuals working a standard working schedule shall be forty (40) hours and the standard working day shall be eight (8) consecutive hours including meal and rest periods.
- 6.01.02** In the case of a compressed work schedule, for example, based on a 6X3 cycle, the average standard working week shall be forty (40) hours, averaged over a period of nine (9) weeks. The standard working day shall be eight and a half (8.5) consecutive hours, including meal and rest periods. Should any other compressed work week be scheduled by the Company, the same principles with respect to averaging and work in excess of eight (8) hours shall be applied.
- 6.01.03** The work day shall be a twenty-four (24) hour calendar period beginning at 0001 hours. Only time worked in excess of the standard day established in article 6.01.01 for employees on regular work schedules, or in article 6.01.02 for employees on compressed work schedules, shall be paid as overtime, subject to the provisions of Article 7. When an employee's scheduled or overtime shift overlaps two calendar days, his work day or overtime day shall be that which contains the majority of hours of his scheduled shift.

6.02 WORK SCHEDULES

- 6.02.01** It is the responsibility of the Company to establish work schedules which may vary by function and/or classification. In addition, the Company may schedule staggered starting/terminating times within a function and/or classification. However, when establishing work schedules, the minimum time off between scheduled shifts shall be eight (8) hours. The schedules shall be posted with the starting and terminating times for all shifts.
- 6.02.02** At least once a year or when it becomes necessary to revise or establish Work Schedules or Sub-Schedules, the Company shall meet with the Union at least four (4) weeks prior to the implementation of the new schedule to discuss and explore all alternatives. The Company will provide the Union with information relative to its staff requirements, including bilingual requirements and vacation allotment. The schedule(s) will be published and posted no later than two (2) weeks prior to implementation.

6.03 WORK SCHEDULES BIDDING AND ASSIGNING

- 6.03.01** Except for the nine (9) most junior employees in the Crew Scheduler classification, employees shall bid by seniority for a work schedule within their classification and function. For the nine (9) most junior employees in the Crew Scheduler classification, the Company will assign them to a team.

6.03.02 Any movement between shifts resulting from the process of bidding and/or assigning work schedules, as established in accordance with article 6.02, shall be at no cost to the Company.

6.04 CHANGES TO SCHEDULES

6.04.01 When/if an employee's work schedule and/or shift starting and terminating times are changed, in other circumstances than the one described in article 6.03, the following shall apply:

6.04.02 When an employee's scheduled day(s) on/day(s) off is altered by the Company, the Company shall advise the employee in writing with a copy to the Union, at least seven (7) days in advance of the shift the employee would have worked or the shift the employee will now be working, whichever comes first.

6.04.03 When an employee's shift starting and terminating times are altered, the Company shall advise the employee in writing with a copy to the Union, at least forty-eight (48) hours in advance of the shift starting time the employee would have worked, or the shift starting time the employee will now be working, whichever comes first. In the event that forty-eight (48) hours notice is not given, the employee shall be required to work the revised shift. Any such time worked within the forty-eight (48) hour period shall be considered overtime under the provisions of Article 7.

6.05 MEAL PERIODS

6.05.01 Employees shall be entitled to a thirty (30) minute paid meal period which shall occur within one and one-half (1 1/2) hours on either side of the midpoint of the shift, unless otherwise mutually arranged locally. It is recognized that occasionally unusual circumstances may cause the lunch period to fall outside these limits.

6.05.02 In the event an employee is requested by a supervisor or designated individual to waive a meal period, the meal period shall be rescheduled if possible. If this is not possible, the employee will receive overtime pay in lieu thereof, or with the concurrence of the Company, terminate the shift early by the amount of time equal to the scheduled meal period.

6.06 REST PERIODS

6.06.01 Employees shall be entitled to two (2) paid rest periods of fifteen (15) minutes each in each full scheduled day. Rest periods shall be scheduled in each half of the work day. No rest periods shall be scheduled in conjunction with the start or termination of a shift and they shall be scheduled in such a manner so as to provide the benefits for which they are intended.

6.06.02 In the event an employee is requested by a supervisor or designated individual to waive a rest period, the rest period shall be rescheduled if possible. If this is not possible, the employee will receive overtime pay in lieu thereof, or with the

concurrence of the Company, terminate the shift early by the amount of time equal to the schedule rest period(s).

- 6.06.03** Employees who are scheduled to work more than two (2) hours but less than four (4) hours overtime will be granted a rest period of fifteen (15) minutes on Company time during that period. Employees who are scheduled to work more than four (4) hours but less than eight (8) hours overtime will be granted a paid rest period of thirty (30) minutes during that period. Employees who are scheduled to work eight (8) hours overtime will be granted rest periods as defined in article 6.06.01 and one paid meal period of thirty (30) minutes.
- 6.06.04** If an employee does not have eight (8) hours free from duty between leaving work and reporting for duty for the next scheduled shift, the employee will either be relieved from reporting for duty until eight (8) hours have elapsed without any time debit or alternatively if the Company requires the employee to report for duty for the next scheduled shift the difference between the actual time he was free from duty and the eight (8) hours he should have been free from duty shall be paid at double time.
- 6.06.05** If an employee does not have eight (8) hours free from duty between leaving work and prior to the start of overtime preceding the next scheduled shift, then the difference between the actual time he was free from duty and the eight (8) hours he should have been free from work shall be paid at double time.
- 6.06.06** Articles 6.06.04 and 6.06.05 shall not apply where employees have agreed to trade shifts.

6.07 SHIFT TRADES

- 6.07.01** The Parties recognize the ability of employees to trade shifts with other employees in accordance with article 6.07 and that such trades shall not result in any additional cost to the Company.
- 6.07.02** The Parties recognize that an employee's ability to trade shifts with other employees is not intended to allow employees to be absent from the workplace for extended periods of time nor to take alternate employment.
- 6.07.03** Employees may trade a shift with another employee within their classification and function to work their shift subject to that employee having received advance written permission from their Supervisor. Such permission will not be unreasonably withheld.
- 6.07.04** Employees may not be involved in shift trades during vacation, leaves of absence, training, sick leave, bereavement leave, child care leave, maternity leave, jury duty or disciplinary suspension.
- 6.07.05** All pay credits for the scheduled shift will be credited to the employee who was scheduled to work the shift as though he had worked the shift.

6.07.06 All overtime will be paid to the employee who works the overtime.

6.07.07 Employees who trade a shift will be responsible for the shift they acquire.

ARTICLE 7 OVERTIME

- 7.01 OVERTIME:** No overtime shall be worked except **as** authorized by the Company
- 7.02** All time worked in excess of the standard hours of work established in Articles 6.01.01, for employees on a standard working schedule, or 6.01.02 for employees on a compressed work schedule, will be considered overtime and will be paid at time and one half (1.5x).
- 7.03** Notwithstanding Article 7.02, when an employee works overtime which commences more than two (2) hours prior to the start of his scheduled shift, he shall be paid with a minimum of four (**4**)hours at time and one half (1.5x).
- 7.04** In the event the employee is requested to work overtime on a scheduled day on, but not in conjunction with his regular shift, the employee shall be paid with a minimum of four (**4**)hours at time and one half (1.5x).
- 7.05** All time worked during a scheduled day off will be considered overtime and will be paid at time and one half (1.5x).
- 7.06** In the event the employee is requested to work overtime on a scheduled day off, the employee shall be paid with the greater of three (**3**) hours at regular pay or the hours worked at time and one half (1.5x).
- 7.07 OVERTIME AWARD**
- 7.07.01** Overtime shall be awarded first by function within the classification, then by classification, subject to the employee having the necessary qualifications **as** determined by the Company, in order of seniority by time worked (time to be reset to zero each year).
- 7.07.02** The Company shall canvas employees for volunteers if overtime is required. If insufficient volunteers are available, the Company may require employees to work overtime if, in the opinion of the Company, the need exists. Any such forced overtime shall be by function within the classification, then by classification in inverse order of seniority from amongst employees already working and will be limited to a maximum of four (**4**) hours. In that event, the most junior employee contacted in inverse order of seniority in that function or classification, who is scheduled to work the shift following the overtime shift shall cover the remaining four (**4**)hours of the overtime shift if required by the Company.
- 7.07.03** Notwithstanding Articles 7.07.01 and 7.07.02, overtime which arises during an employee's shift which is specific to an employee's work assignment shall be covered by that employee, if required by the Company.

ARTICLE 8 SPECIAL AND TEMPORARY PROJECTS

8.01 SPECIAL PROJECTS

- 8.01.01** Selection for participation in special projects will be at the sole discretion of the Company. Selection will be based on but not limited to employee skills, employee performance, and the requirements of the job. Where two or more candidates are equally suited for the position, the most senior candidate will be selected.
- 8.01.02** An employee who accepts a special project in a position not covered by this Agreement shall be paid in accordance with wages offered for that project. The maximum duration for any such project shall be limited to twelve **(12)** months. Requests by the Company for an extension due to extenuating circumstances may be granted subject to mutual agreement between the Company and the Union at the local level. Agreement will not be unreasonably withheld by the Union.
- 8.01.03** An employee who accepts a special project which requires travel outside of his location will be reimbursed reasonable out-of-pocket expenses and travel time in accordance with Company regulations.
- 8.01.04** Upon completion of the special project, the employee shall be returned to his original classification and function.

ARTICLE 9 PROBATION

- 9.01** A person being hired into a classification covered by this Agreement will be required to serve a probationary period which will be completed once he has one hundred and eighty (180) calendar days commencing upon the date of hire.
- 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.

ARTICLE 10 SENIORITY, STAFF REDUCTIONS, RECALL FROM LAYOFF

- 10.01** **PURPOSE** - Seniority shall be established on a system basis within Canada and shall date from an employee's permanent entry into any classification covered by this Agreement, subject to the provisions of Article 9.01.
- 10.02** In cases where employees are hired on the same day, the sequence of seniority shall be determined by the application of the following in the order stated:
- 10.02.01** The most Company service.
- 10.02.02** In cases where the above factor will not determine the position on the seniority list, the last three digits of the employee number, backwards, with the lowest number identifying the more senior employee (000 being the lowest number possible).
- 10.02.03** In cases where the above factor will not determine the position on the seniority list, the position will be jointly determined by the Company and the Unit Chairperson of the Union at a drawing lot.
- 10.03** Date of hire, as it relates to Article 10.02, means the first day that the employee commences continuous permanent employment. Time spent in training shall be considered as time worked.
- 10.04** **SENIORITY LIST** - Shall be prepared, corrected, amended and published in the following manner:
- 10.04.01** No later than March 1 of each year, the Company shall prepare and post at each location complete seniority lists for each classification described in Article 4.01.
- 10.04.02** The list shall be posted and kept open for requests for corrections up to and including March 30.
- 10.04.03** It shall be the sole responsibility of each individual employee to examine the list and make written request (two (2) copies) for any correction during the posting period.
- 10.04.04** One copy of this request for correction must be forwarded to the Flight Operations Duty-Manager and one copy to the District Chairperson of the Union by the employee concerned.
- 10.04.05** All requests for corrections shall be actioned and finalized by the Company after consultation with the Union at the headquarters level, during the sixty (60) calendar days following March 30. The corrected list shall be posted no later than May 31 as an amendment to the annual seniority list. The amended seniority list shall become effective on June 1.

10.04.06 The amended seniority list shall remain in full force and effect until the following year when a new list is published and posted in the above manner, subject to the provisions of Article 10.04.09.

10.04.07 As soon as possible, the Company will issue an addendum to the seniority list showing all those employees who were hired subsequent to the original posting.

10.04.08 Employees and personnel outside the scope of the Agreement who retain but do not accrue seniority will have their seniority date adjusted and position on the seniority list altered to account for time during which seniority was not accrued. Such adjustment and alteration will occur at the time the employee resumes the accrual of seniority, or prior to the Company taking action which would be affected had the adjustment or alteration already occurred, whichever is the earlier.

10.04.09 Any action taken on the basis of the seniority list to which there have been no requests for correction within the time limits specified in Article 10.04.02, or any action taken on the basis of the amended seniority list, shall stand as final.

10.05 SENIORITY SHALL BE RETAINED AND ACCRUED DURING:

10.05.01 Absence due to layoff or Off-Duty Status.

10.05.02 Sickness or accident.

10.05.03 Authorized leave of absence subject to Article 11 or furlough without pay.

10.05.04 Suspension without pay.

10.05.05 Strike or lockout.

10.05.06 Special projects.

10.06 RETENTION AND NON-ACCRUAL OF SENIORITY:

10.06.01 An employee who accepts a permanent position within the Company which is not covered by the Agreement shall retain but not accrue seniority for a period of six (6) months.

10.06.02 **An** employee who is on an authorized leave of absence as per Article 11 shall retain but not accrue seniority.

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

10.07.01 When resigning from the Company.

10.07.02 When terminated.

- 10.07.03** When discharged for cause.
- 10.07.04** When laid off for a period of more than thirty-six (36) consecutive months.
- 10.07.05** When absent without notice to the employer for three (3) consecutive calendar days (resignation without notice), unless satisfactory justification is provided to the Company.
- 10.07.06** When retired with or without pension.
- 10.07.07** When more than twelve (12) months has passed since the employee received any insurance benefits or in the case where the decision of refusing benefits to the employee was appealed by the employee, at the moment the appeal decision is rendered if it upholds the initial decision to refuse the benefits.
- 10.07.08** When appointed to a permanent position within the Company which is not covered by the Agreement for a period of more than six (6) months.
- 10.08** Company personnel outside the bargaining unit retaining seniority and who, within the first six (6) months express their desire, in writing, to return to their previous classification will be returned at the sole discretion of the Company. Notwithstanding the foregoing an employee who is employed in the Flight Operations Crew Scheduling department and wishes to return to the bargaining unit within the first six (6) months may do so provided there is a vacancy in the bargaining unit.
- 10.09 STAFF REDUCTIONS**
- 10.09.01** Staff Reductions will be made within each classification by function in reverse order of seniority.
- 10.09.02** In the event an employee is declared surplus, he shall be given the following options:
 - 10.09.02.01** Elect to fill any vacancy in the same or different classification; or
 - 10.09.02.02** Elect to displace the most junior employee in the same or different classification; or
 - 10.09.02.03** Accept lay-off status, with right of recall; or
 - 10.09.02.04** Elect termination of service with the Company with no right of recall.
- 10.09.03** Failure by the employee to respond within seven (7) days after the registered mail or courier postmark date of the notice will result in the employee being considered to have accepted layoff.

10.09.04 Failure by the employee to report for duty on the date specified by the Company after having accepted another position under Article 10.09.04 will result in the employee being deemed to have resigned without notice.

10.10 RECALL FROM LAYOFF

10.10.01 Recall will be in order of seniority as per Articles 12.02.01 and 12.02.02.

10.10.02 Employees, when laid off, must file their address with the Company and notify immediately of any subsequent change of address.

10.10.03 Failure by the employee to respond within seven (7) days after the registered mail or courier postmark date of the recall notice will result in the employee being considered to have resigned without notice.

10.10.04 An employee who declines a recall to the other classification remains on layoff. Following a decline, the Company shall not be required to offer him a recall to the other classification.

10.10.05 An employee who refuses recall to his classification at his base or, after having accepted a position under Article 10.10 and failing to report for duty on the date specified by the Company will result in the employee's name being removed from the seniority list and the employee will be considered **as** having resigned from the service of the Company with consequent loss of all rights and privileges.

ARTICLE 11 LEAVE OF ABSENCE

11.01 LEAVE OF ABSENCE - GENERAL

- 11.01.01** An employee returning from a leave of absence shall return to the classification held immediately prior to the commencement of the leave subject to Article 10.
- 11.01.02** Unless otherwise specified, Company service and seniority shall continue to accrue.
- 11.01.03** An employee who engages in other employment on leave of absence shall be terminated unless the employee has received specific permission from the Company in writing. Requests for permission to engage in other employment while on leave of absence shall be made in writing to the Company.

11.02 LEAVE OF ABSENCE - PERSONAL

- 11.02.01** When the requirements of the Company permit, an employee, upon written request, may be granted a voluntary leave of absence without pay.
- 11.02.02** A personal leave of absence will fall into one of the following categories:
- Short-term** - from thirty (30) to ninety (90) calendar days.
- Long-term** - over ninety (90) calendar days.
- 11.02.03** Employees will make their requests, in writing, to their immediate supervisor at least fourteen (14) calendar days in advance of the commencement date of the requested leave.
- 11.02.04** Requests will be approved in order of receipt among those on hand at the time of granting. Approval shall be in writing stating the date the leave is to commence and terminate.
- 11.02.05** An employee's Company Service shall be retained but shall not accrue during any absence over thirty (30) calendar days and his service date shall be adjusted at the expiration of his leave.
- 11.02.06** An employee shall retain and accrue seniority while on a short-term leave of absence. An employee shall retain but not accrue seniority while on a long-term leave of absence.
- 11.02.07** Copies of all correspondence relating to Article 11.02 will be forwarded to the District Chair of the Union.
- 11.02.08** Leaves of absence may be cancelled upon thirty (30) days notice.
- 11.02.09** If the employee wishes to return to work prior to the approved termination of the leave, the employee shall make the request to his immediate supervisor. The

request shall be in writing at least fourteen (14) calendar days in advance of the requested termination date; in extenuating circumstances, the fourteen (14) day requirement may be waived. The Company may authorize a return to work on the date requested or another day mutually acceptable to both Company and employee, or the Company may deny the request.

11.03 LEAVE OF ABSENCE -MATERNITY

- 11.03.01** Maternity Leave of Absence Without Pay shall be granted to employees who have completed six (6) months of continuous service.
- 11.03.02** The employee must request her leave of absence in writing, accompanied by a medical certificate certifying pregnancy and specifying the estimated date of her confinement and an anticipated date of return to duty at least four (4) weeks prior to the date she intends to commence such leave. Maternity leave shall consist of a period not exceeding one hundred and thirty-two (132) days unless otherwise provided herein.
- 11.03.03** Maternity leave shall commence not more than ninety (90) days prior to the expected date of termination of pregnancy except upon direction from the employee's doctor, supported by a medical certificate. Such exception shall be considered Maternity Leave but shall not be considered as part of the one hundred and thirty-two (132) days referred to herein.
- 11.03.04** If the date of termination of pregnancy is later than the date specified in the medical certificate, provided under Article 11.03.02, the number of days difference between the estimated date of termination of pregnancy and the actual date of termination of pregnancy shall be considered as Maternity Leave but shall not be considered as part of the aggregate of one hundred and thirty-two (132) calendar days upon direction from the employee's doctor supported by a medical certificate.
- 11.03.05** It is the responsibility of the employee to afford the Company notice of any change in the anticipated date of return to duty, provided under Article 11.03.02. If the new anticipated date falls within the aggregate of one hundred and thirty-two (132) days, the new date will be considered the date of return to duty, whether the new anticipated date of return to duty is on a day earlier or later than previously anticipated. Maternity leave will be extended beyond the aggregate of one hundred and thirty-two (132) days for a reasonable period of time when supported by a medical certificate.
- 11.03.06** Reference herein to a medical certificate shall mean a certificate signed by a qualified medical practitioner chosen by the employee.

11.04 CHILD CARE LEAVE

- 11.04.01** A leave of absence without pay for the purpose of child care shall be granted to employees who have completed six (6) months of continuous service in accordance with the following:

11.04.02 A leave of absence granted in accordance with Article 11.04 shall not exceed two hundred and fifty-nine (259) calendar days. If two (2) employees are involved, the aggregate amount of such leave that may be taken by the two (2) employees in respect to the care of any one (1) child shall not exceed a total of two hundred and fifty-nine (259) calendar days

11.04.02.01 Notwithstanding the provisions of Article 11.04.02, in the case of adoption the maximum period of leave shall be two hundred and fifty-nine (259) calendar days or such greater amount as required in order to comply with the legal requirements of the province in which the employee(s) reside or the province in which the child is adopted.

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

11.04.03.01 Female Employee

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

- a) the expiration of a leave of absence taken by her under the provisions of Article 11.03 or any extension thereof under the provisions of Article 11.03.05, or
- b) the day the child is born, or
- c) the day the child comes into the employee's care and custody.

11.04.03.02 Male Employee

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

- a) the expiration of a leave of absence taken by a female employee under the provisions of Article 11.03 or any extension thereof under the provisions of Article 11.03.05, or
- b) the day the child is born, or
- c) the day the child comes into the employee's care and custody.

11.04.04 In the application of Article 11.04.03, in the case of adoption, the leave shall be taken within the fifty-two (52) week period commencing on the day the child comes into his or her actual care and custody.

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

11.05 REINSTATEMENT FOLLOWING MATERNITY/CHILD CARE LEAVE

11.05.01 On the expiration of a maternity leave, extension to maternity leave and/or child care leave an employee shall be reinstated in the function he held when the leave from employment commenced. If during the period of any such leave there is a staff reduction in the employee's classification, he shall exercise his rights in accordance with Article 10 during the leave.

11.06 LEAVE OF ABSENCE - COURT APPEARANCES

11.06.01 An employee shall be granted time off with pay due to Jury Duty, Coroner's Inquest, Court Witness - Civil or Criminal except when the employee is called as a witness by the party opposed to the Company in litigation related to labour matters or when the employee is personally involved as the opposing party in litigation with the Company, in which case the employee shall be granted time off without pay.

11.06.02 Should an employee be subpoenaed to appear as a court witness in relation to an accident which has occurred on Company property or which relates to Company property and attendance in court coincides with the employee's regular scheduled day(s) off, normal overtime premiums shall be applied up to a maximum of eight (8) hours per day to compensate for the loss of the scheduled day(s) off in the cases where the employee's working hours cannot be changed.

11.06.03 On receipt of payment from a court for such duties, the employee must provide the Company with a statement from the court, indicating payment received for each day or part day served (excluding monies allowed by the court specifically for meals, travel or other such expenses).

11.06.04 The employee's subsequent pay cheque will be reduced by an amount equal to that received from the court (excluding monies allowed by the court specifically for meals, travel and other such expenses).

11.06.05 Any out of pocket expenses are the responsibility of the individual required to serve.

11.07 LEAVE OF ABSENCE - BEREAVEMENT

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

11.07.02 Immediate family is defined as: spouse (including common-law spouse and same sex partners); children of employee and children of employee's spouse or common-law spouse (including adopted children), parents of employee and parents of spouse or common-law spouse, grand-parents of employee and grandparents of spouse or common-law spouse, grand-children of employee and grand-children of spouse or common-law spouse, brothers and sisters of employee and brothers and sisters spouse or common-law spouse, including other relatives residing with the employee.

11.08 SICK AND FAMILY CARE LEAVE

- 11.08.01** Employees will accrue paid sick leave at the rate of one (1) working day per month, to a maximum of six (6) working days per calendar year. Such days in equivalent hours will be used by the employee to offset loss of pay due to absence caused by illness/injury of the employee or when the employee is absent to family care. Any unused sick leave credits on December 31st of each year shall be transferred to the employee's sick leave bank, as provided for in article 11.08.02.
- 11.08.02** Accrued sick leave credits will be reduced when an employee is absent until such time as the employee's unused accrued credits are exhausted, up to a maximum of six (6) days per calendar year. Where the employee bridges from sick leave to Group Disability Income Insurance (GIDIP), paid sick leave will cover the balance of the fourteen (14) day waiting period for disability benefits subject to sick leave credits being in the employee's bank. Partial days will be deducted from the bank on an hour for hour basis. Sick days in excess of the foregoing will be unpaid.
- 11.08.06** Sick leave or Family Care leave are to be taken for the purposes intended. Employees who misuse sick leave/family care leave shall be subject to disciplinary action. Employees will be allowed Family Care for the care of their sick or injured spouse, parents (s) or dependent child.

11.09 LEAVE OF ABSENCE - UNION BUSINESS

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

ARTICLE 12 VACANCIES

- 12.01** The Company shall have the sole discretion to determine if and when any vacancy is to be filled.
- 12.02** **PERMANENT VACANCIES, EXCEPT FOR BLOCK ADMINISTRATOR, SHALL BE FILLED IN THE FOLLOWING PROCEDURE:**
- 12.02.01** The most senior employee who originally was in that classification but bumped to the other classification in order to retain his employment in accordance with Article 10.
- 12.02.02** The most senior employee who is on laid-off status anywhere in the system.
- 12.03** Any remaining permanent vacancies shall be filled in the following manner:
- 12.03.01** All permanent vacancies shall be posted by way of a Company bulletin on the appropriate bulletin board at least two (2) weeks in advance indicating the classification, function and any other information concerning conditions of the position advertised.
- 12.03.02** All permanent vacancies which have not been filled by Article 12.02 will be filled by seniority.
- 12.04** **PERMANENT VACANCIES FOR BLOCK ADMINISTRATOR SHALL BE FILLED IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:**
- 12.04.01** Any permanent vacancy shall be posted in accordance with Article 12.03.01;
- 12.04.02** All employees who reply to the job posting shall be given a test and a personal interview to determine their suitability for the position. Where applicants are deemed suitable for the position based on the test and the interview, then the most senior suitable employee shall be selected. Where there is no suitable employee, then the Company shall select a person from outside the bargaining unit.
- 12.04.03** The employee changing classification and/or function shall be allowed a period of up to twelve (12) weeks in which to qualify. This period could be extended up to twenty-six (26) weeks at the discretion of the Company. Should the employee not qualify he shall be returned to his previous classification and/or function. In such case, the resulting vacancy shall be filled by the next most senior suitable applicant. Where there is no suitable employee, then the Company shall select a person from outside the bargaining unit.
- 12.05** **TEMPORARY VACANCIES**

- 12.05.01** The Parties recognize that in certain circumstances a temporary employee may be required as described in LOU3 (temporary vacancies). The Parties recognize that the Company retains the right to hire employees to fill such vacancies.
- 12.05.02** A person filling such position will not be paid at a higher rate than the lowest rate currently being paid in that classification.

ARTICLE 13 STATUTORY HOLIDAYS

- 13.01** The following paid statutory holidays or equivalent time off shall be recognized by the Company:
- | | |
|----------------|------------------|
| New Year's Day | Thanksgiving Day |
| Good Friday | Remembrance Day |
| Victoria Day | Christmas Day |
| Canada Day | Boxing Day |
| Labour Day | |
- 13.02** Prior to December 31st of each year, the Company shall advise the calendar dates for the statutory holidays listed in Article 13.01.
- 13.03** Employees will be advised by posted bulletin listing each employee affected, at least twenty-one (21) calendar days in advance of the Statutory Holiday, if the employee is not required to work on any Statutory Holiday, or, which day is being assigned as the day off with pay in accordance with Article 13.01. Failing such notice, the employees will be entitled to work **as** scheduled.
- 13.04** An employee who does not work on a statutory holiday is not entitled to be paid for the statutory holiday if, during the thirty (30) days immediately preceding the statutory holiday, the employee is not entitled to wages for at least fifteen (15) days.
- 13.05** Notwithstanding Article 13.01, an employee is not entitled to pay for a statutory holiday that occurs in his first thirty (30) days of employment with the Company.
- 13.06** An employee who is scheduled to work and does not work on a statutory holiday shall not receive pay for that holiday.
- 13.07** An employee originally scheduled to work, and who works on a statutory holiday is paid for the number of hours worked at time and one half (1.5x);
- 13.08** An employee not originally scheduled to work, and who does not work is paid for the day at regular pay, provided the employee is entitled to such pay in accordance with Article 13.04;
- 13.09** An employee not originally scheduled to work, but who does work is paid for the number of hours worked at time and a half plus a regular day pay.
- 13.10** Notwithstanding the above, employees on leaves of absence, laid-off status, Workers' Compensation, or short-term or long-term disability, will not be entitled to a statutory holiday that occurs during such period.

ARTICLE 14 VACATIONS

14.01 GENERAL - Vacation will be taken in consecutive days. Vacation leave is not cumulative and will be taken in the current year.

14.02 ENTITLEMENT

14.02.01 Employees shall be entitled to vacation leave with pay. Such vacation time will be in accordance with the following:

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

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

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

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

14.02.03 For each holiday listed in Article 13 which falls within an employee's vacation, the employee will receive a pay of eight (8) hours for such day.

14.02.04 Partial Year Entitlement - the applicable vacation period entitlement shall be prorated for a part year of employment or year interrupted by an absence without pay or layoff of thirty (30) or more consecutive calendar days in accordance with the formula below:

$$(Full\ calendar\ months\ worked\ in\ part\ year) \times (1/12) \text{ and rounded up for values over } 0.5$$

14.02.05 If, for any reason, an employee works less than one full calendar month in a year ending on December 31st, he shall receive no vacation entitlement for that year.

14.02.06 Employees on a Maternity leave of Absence or on a Child Care Leave shall not have their vacation entitlement reduced for the following year providing such leave is in accordance with Articles 11.03 and 11.04. Any extension to Maternity Leave shall be subject to a prorated vacation entitlement in accordance with Article 14.02.04.

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

14.03 SELECTION

14.03.01 The vacation selection will be in accordance with the current practice, as described below.

14.03.02 Vacation dates will be allocated in order of seniority within each team. For employees not part of a team, the vacation dates will be allocated in order of seniority within each classification and/or function, at the exclusion of employees of the same function and/or classification that are part of a team. In the event an employee changes team, classification and/or function, he may be required to reschedule his vacation according to the operational requirements of his new classification and/or function.

14.03.03 Prior to November 15 of each year, the Company will post a bulletin listing employees in order of seniority and showing each employee's total vacation entitlement.

14.03.04 On the bulletin, the Company shall indicate the amount of employees allowed to be on vacation at any given time throughout the following year, by team, classification and/or function, as the case may be.

14.04 VACATION AWARD PROCESS

14.04.01 The Company may combine two or more functions within a classification for the purpose of awarding vacation.

14.04.02 Subject to the requirements of the service and the approval of the Company, an employee may elect to split his vacation in multiples of five (5) working days (multiples of six (6) working days for employees working a 6/3 schedule). When vacations are split, the employee will be allocated his second and subsequent preferences in order of seniority within his classification and/or function only after all other employees have been allocated their choice in each round of preference (i.e. 1st choice, 2nd, etc.).

14.04.03 "First choice vacation" is vacation awarded to the employee on the first round of preference. Once an employee's first choice vacation has been exhausted, no other periods may be designated as first choice vacation. The same principle applies for second and subsequent choices where applicable.

14.04.04 Employees will select vacation dates and splits by noting their preference on the posted bulletin no later than November 30. Employees who expect to be absent during the selection period may advise the Company, in advance and in writing, with a copy to the Union, as to their selection of vacation dates and splits.

- 14.04.05** Employees who fail to designate their selection of vacation dates and splits in due time will be required to select their preference of vacation period from those which have not been allocated.
- 14.04.06** No later than December 15, the Company will post a bulletin showing the allocation of vacation dates and splits for each employee.
- 14.04.07** When an employee's scheduled vacation falls while the employee is on sick leave, maternity leave, child care leave, or is receiving disability benefits, or is away due to Court appearance, the employee may elect to discontinue sick leave, maternity leave, child care leave, disability benefits or time off for Court appearance and take the vacation as scheduled. Alternatively, the employee may reschedule his vacation, or any part thereof which is displaced at the conclusion of sick leave, maternity leave, child care leave, disability or Court appearance and prior to return to work, although this may carry over into the next calendar year, or at an unallocated time. In the case of maternity leave or child care leave, the employee may reschedule the vacation, or any part thereof which is displaced, prior to the commencement of such leave(s) provided the Company is advised at least four (4) weeks prior to the commencement of the rescheduled vacation period. In such cases, the rescheduled vacation period will become part of the maternity or child care leave period for the purposes of scheduling relief.
- 14.04.08** The start of any vacation period(s) shall normally be allocated immediately following an employee's scheduled days off.
- 14.05** **NIGHT SHIFT DISTRIBUTION** - The Company will ensure that night shifts shall be equitably distributed following the vacation award.
- 14.08** **VACATION CLEARANCE** - Employees who leave the service of the Company for any reason are entitled to receive pay for accrued vacation not taken. The date of separation will not be extended beyond the date of actual termination of service.
- 14.09** **VACATION PAY** - Employees with less than six (6) years of consecutive employment with the Company shall receive not less than four percent (4%) of their gross pay (salary, overtime, premiums) for the period during which the vacation is earned. Employees with **six** (6) or more years of consecutive employment with the Company shall receive not less than six percent (6%) of their **gross** pay (salary, overtime, premiums) for the period during which the vacation is earned.

ARTICLE 15 GRIEVANCE PROCEDURE - GENERAL

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

If an employee has a complaint, or if he believes he has the basis of a grievance, he will meet with local management with a view to resolving the matter as soon as possible after the incident or his knowledge of the incident.

If the employee fails to resolve the matter through the provisions of Article 15.01.01, or if he elects to bypass the provisions of Article 15.01.01, he may ask his District Chairperson or his designated representative to enter into informal discussions with management on his behalf with a view to resolving the matter prior to initiating a grievance. This shall be done as expeditiously as possible. The employee may elect to accompany the District Chairperson at all such meetings or he may elect to have the District Chairperson enter into such discussions in his absence.

GRIEVANCE PROCEDURES

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

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

STEP 1 - LOCAL LEVEL

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

STEP 2 - CORPORATE LEVEL

An appeal from Step 1 must be lodged by the President of the Bargaining Committee or his designated representative within seven (7) calendar days of receipt of the Company's decision at Step 1.

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

The Company shall have fourteen (14) calendar days to render a decision in writing from the close of the hearing.

The Union Headquarters may also initiate policy/group grievances at the Step 2 level. In such cases, the matter will first be discussed with a Company Headquarters representative(s) designated by the Company. The Company representative shall have seven (7) calendar days to address the matter. Failing answer or satisfactory adjustment within the above time limit, the grievance may be initiated.

UNRESOLVED GRIEVANCES

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

TIME LIMITS

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

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

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

WITNESSES

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

Employees who are Union witnesses shall be given time off without pay for a time sufficient to permit them to appear as witnesses, subject to manpower requirements. If a witness is denied such time off, the testimony the employee would have given will be entered at the Step 2 level in the position of the Union.

CORRESPONDENCE

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

Appeals being lodged in accordance with Article 15.03 shall be directed to the Manager designated by the Company, copied to the employee's supervisor. The Union District Chairperson shall be advised, in writing, of the Manager so

designated and of any changes thereto. Appeals being lodged in accordance with Articles 15.04 and 15.05 shall be directed to the Vice President, Labour Relations or his designated representative.

ARTICLE 16 DISCIPLINARY AND DISCHARGE ACTION AND APPEAL PROCEDURES

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

16.01.01 Investigation

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

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

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

16.01.02 Disciplinary and Discharge Action

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

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

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

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

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

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

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

16.02 APPEAL PROCEDURES

16.02.01 If the employee feels he has been unjustly dealt with, he shall have the right to initiate an appeal or to request the Union to initiate an appeal on his behalf under this Article. Throughout the procedure, the employee shall have the right to be represented by the Union.

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

16.03 STEP 1 - LOCAL LEVEL

16.03.01 Each appeal must be lodged, in writing, within seven (7) calendar days from receipt of the advice to discipline. The Company shall hold a hearing within seven (7) calendar days of receipt of a written appeal and reasonable notice of the hearing shall be provided to the Union. The Company shall have fourteen (14) calendar days to render a decision, in writing, from the close of the hearing. Failing a decision or a satisfactory settlement within the above time limits, the matter may be appealed to the Step 2 level.

16.04 STEP 2 - CORPORATE LEVEL

16.04.01 The procedures shall be in accordance with the dispositions of Articles 15.04.01, 15.04.02 and 15.04.03.

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

16.05 UNRESOLVED APPEALS

16.05.01 If a decision rendered at the Step 2 level is not satisfactory to the employee, the matter may be taken to arbitration by the Union in accordance with the provisions of Article 17.

16.06 TIME LIMITS

16.06.01 If an appeal is not initiated within the prescribed time limits the Company's current decision shall be final and binding.

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

16.06.03 All reference to calendar days hereinabove shall be exclusive of Saturdays, Sundays and holidays and the time limits may be extended by mutual agreement.

16.06.04 If an employee is to be disciplined in the form of Suspension Without Pay, the suspension shall be applied in consecutive work days. The Company will endeavour to commence the suspension within thirty (30) days following the expiration of the appeal periods **as** provided for in Articles 16.03.01 and 16.04.01, or within thirty (30) days following receipt of the Company's decision at the Step 2 level.

16.06.05 If an employee is to be disciplined in the form of discharge, the discharge will take effect on the day following the expiration of the appeal periods as provided for in Articles 16.03.01 and 16.04.01, or following receipt of the Company's decision at the Step 2 level.

16.07 WITNESSES

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

16.07.02 Employees who are Union witnesses shall be given time off without pay for a time sufficient to permit them to appear as witnesses, subject to manpower requirements. If a witness is denied such time off, the testimony the employee would have given will be entered in the position of the Union.

16.08 CORRESPONDENCE

16.08.01 All correspondence under this Article shall be copied to the employee concerned, the District Chairperson and the Union Headquarters.

16.08.02 All correspondence to an employee concerning discipline in the form of Suspension Without Pay shall remain on the employee's personal file for a period of three (3) years from the advice in writing **as** provided for in Article 16.01.02.04, subject to Article 16.08.05.

16.08.03 In the event the Suspension Without Pay is modified through either the appeal or arbitration procedures, the original advice will be amended by the addition of the final decision to the employee's personal file unless such decision is to exonerate the employee, in which case all correspondence will be removed.

16.08.04 Provided that no subsequent correspondence of a disciplinary nature is added to the employee's personal file in the three (3) year period, the correspondence referring to the Suspension Without Pay will be deleted from the employee's personal file.

16.08.05 In the event subsequent disciplinary correspondence is placed on the employee's personal file, the previous correspondence relative to Suspension Without Pay shall remain on the employee's personal file until the expiry date of the subsequent

correspondence, or until such time as the three (3) year period has expired, whichever is the later.

16.08.06 When correspondence of a disciplinary nature is removed from the employee's personal file, the circumstances that led to the discipline shall not be referred to in relation to any subsequent disciplinary action.

16.08.07 Appeals being lodged in accordance with Article 16.03 and 16.04 shall be directed to the Manager(s) designated by the Company. The Union and the employees shall be advised, in writing, of the Manager so designated and of any changes thereto. Appeals being lodged in accordance with Article 16.05 shall be directed to the Vice-president, Human Resources or his representative.

ARTICLE 17 ARBITRATION

- 17.01** Any dispute not settled in Articles 15 or 16 may be submitted to arbitration and hearings shall be held and decisions rendered under the provisions herein set forth. The party requesting arbitration will serve notice of intent to arbitrate to the other party in accordance with the disposition of Article 15 or 16.
- 17.02 SINGLE ARBITRATOR**
- 17.02.01** A panel of arbitrators will be mutually agreed to by the parties. The panel will not exceed five (5) arbitrators and shall be reviewed annually by the parties.
- 17.02.02** In the event that no mutually agreed arbitrator is empanelled, the party serving notice of intent to arbitrate may request the Minister of Labour to appoint one for each case.
- 17.02.03** An arbitrator shall be selected from the mutually agreed-to panel in the following manner. Each arbitrator will be called upon to act on a rotation basis. The arbitrator will be contacted to determine his availability within the applicable period of time as follows: with respect to a case where financial liability is expected to exceed thirty (30) days, during the forty-five **(45)** calendar days and, with respect to any other appeal case, during the ninety (90) calendar days following receipt of notice of intent to arbitrate. If that arbitrator is not available within the applicable period of time outlined above, but is available at a later date, the parties may agree to accept that later date or proceed to the next arbitrator in order of rotation in the same manner until a mutually acceptable date is agreed.
- 17.03** The arbitrator shall hold hearings at which the Company and the Union shall have the opportunity to present evidence, witnesses, argument and summation, and shall issue a written award within thirty (30) days from the date of the final hearing.
- 17.04** The arbitrator shall have the authority to render any decision that he considers just and equitable.
- 17.05** The arbitrator's decision shall be final and binding on the Company, the Union and the employee(s) involved.
- 17.06** The Company and the Union shall share equally the costs of the arbitrator.
- 17.07** The arbitrator shall establish procedures consistent with the requirements of natural justice.
- 17.08** The arbitrator shall not make any decision inconsistent with the provisions of this Agreement, nor shall he alter, modify or amend any part of the Agreement. A monetary award may be granted as determined by the arbitrator.

ARTICLE 18 UNION-MANAGEMENT COMMUNICATIONS

18.01 All communications to an employee involving any of the following shall be in writing and copied to the District Chair of the Union: alterations to scheduled shifts; scheduled shift starting times and scheduled days on/days off; assignments under Article 8.01.03; layoff; recall; furlough; change of classification and/or function; Off-Duty Status; promotion; demotion; and termination; additionally, all correspondence under Article 15 and Article 16 shall be copied to the District Chair and the Union at the Headquarters level.

18.02 LETTERS OF UNDERSTANDING

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

18.03 UNION-MANAGEMENT COMMITTEES

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

18.03.02 Union-Management committees will be established to promote better communications, mutual respect and understanding between the Company and its employees and to provide advance discussion of significant changes affecting the work or working conditions of employees.

18.03.03 Meetings shall be held as required between the District Chair or his designated representative and the appropriate Company representative. The National Representatives will be permitted to attend.

18.03.04 At Union-Management Headquarters level, meetings will normally be held once every four (4) months between Union Headquarters representatives and representatives of the Corporate Management level. Such meetings shall generally be of one (1) day's duration.

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

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

18.04 TIME OFF - UNION BUSINESS

18.04.01 The Company recognizes the importance of prompt handling of Union business, such as the handling of grievances throughout the process, negotiating of

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

18.04.01.01 Where Union Headquarters requests time off for employees to attend pre-scheduled educational training, the Company shall, subject to operational requirements, grant those employees time off from duty. Union Headquarters shall request such time off from the Company at the Headquarters level and such requests to the Company shall afford as much notice as possible.

18.04.02 The Union shall be billed for the time off except in those cases where the Company has agreed to absorb certain costs. In either case, the employees involved in this activity are not debited or removed from the payroll. The time billed will be the actual scheduled time off and no account will be taken of the fact that in some cases the absent employee may not be replaced, or that he may be replaced on an overtime or recall basis.

18.04.02.01 In the event the employee requesting time off is involved in shift trades requiring him to work more than one consecutive shift, it shall be his responsibility to ensure that his traded shift is covered.

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

Grievance Procedure General, Discipline and Discharge

Charge to Code number

Aggrieved Employee(s)..... 1
 Union Representative 1 or 2

Union-Management Committee Meetings (Article)

Unit Level (ad hoc):

District Chair 1
 Other Union Representative 1

Headquarters Level (semi-annual):

President - Bargaining Committee..... 2

Other Union Representative..... 1

District Chair: The Union District Chair or his alternate will be granted one (1) shift each month at a time mutually agreeable to the Company and the Union District Chair. This time off shall be charged to the Company (Code 1).

Employee Introduction: This includes addressing new employees within the bargaining unit at basic training sessions in order to cover the following: introduction to Union Officer(s) with whom the employee will be coming in contact; objectives of the Union's constitution; outline of the Union's structure and history; Rand Formula and check-off; application of the Collective Agreement; Government legislation applicable to Union operation; question and answer period. The presentation will be scheduled during the last thirty (30) minutes of any day within the training period with a forty-five (45) minute limitation.

District Chair 1

Negotiations

Two (2) Union designated members of the Union Bargaining Committee for time spent in direct negotiations with the Company including the one (1) day ratification process1

18.04.03.01 Time off required by members of the Union Bargaining Committee for activities other than Headquarters' level meetings will be cleared through their respective local management and charged to the Union or the Company on the following basis:

Time required for meetings with Company
Representatives2

All other time required4

NOTE: Union Bargaining Committee members attending meetings with the Company outside a scheduled shift during the negotiations process may elect to be paid at straight time rates or granted equivalent time off at a time mutually acceptable to the Company and the Union Representative.

18.04.04 Time spent by a Union representative attending meetings with the Company outside the representative's scheduled shift will not attract compensation.

18.04.05 Except as provided for above, the Union will bear the cost of all time off for the Union members and officers while participating in recognized Union activities. This will include but is not limited to: Union conventions; executive meetings; meetings to discuss internal Union business; arbitration; conciliation. The Union will bear the cost of time off for other than those designated members of the Union Bargaining Committee for whom the Company accepts responsibility salary-wise for the time spent in negotiations.

District Chair	3
District Vice-Chair	3
Other Union Representatives	3
Bargaining Committee Members	4

18.04.06 Explanation of Codes

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

18.05 BULLETIN BOARDS

18.05.01 The Union shall have the privilege of posting notices and related Union material on Company notice boards subject to prior Company approval. Such approval shall not be unreasonably withheld.

18.06 HEALTH AND SAFETY

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

18.06.02 Health and Safety Committee

18.06.02.01 The Company shall establish a Health and Safety Committee. The members of each Committee shall be determined in accordance with the following:

Number of Employees

1 - 199	One (1) selected by the Union; One (1) selected by the Company.
Over 200	Two (2) selected by the Union;

Maximum two (2) selected by the Company.

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

18.06.02.03 The Company and the Union agree to comply with the Health and Safety Provisions contained in the Canada Labour Code.

ARTICLE 19 GENERAL PROVISIONS

19.01 HUMAN RIGHTS

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

19.02 SAVINGS CLAUSES

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

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

19.03 COPIES OF AGREEMENT

19.03.01 The Company and the Union desire that all employees and all levels of management affected by this Agreement be familiar with the provisions herein. For this reason, all employees within the bargaining unit and all levels of management concerned shall be given a copy of the Agreement and any subsequent changes to the Agreement including Letters of Understanding.

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

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

19.04 GROUP LIFE INSURANCE

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

19.05 GROUP LIFE INSURANCE DISABILITY INCOME PLAN

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

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

19.06 SUPPLEMENTARY HEALTH INSURANCE

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

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

The Company will provide coverage for hearing aids and tests to a maximum of seven hundred and fifty dollars (\$750.00) per five (5) year period.

19.06.02 Expenses incurred for paramedical services of Chiropractors, Osteopaths, Naturopaths, and Podiatrists will be covered to a maximum of fifty dollars (\$50.00) per visit to a maximum of one thousand dollars (\$1,000.00) per person per year or two thousand dollars (\$2,000.00) per family per year, less any amount paid to the employee for such services under the employee's provincial medical plan.

19.07 DENTAL INSURANCE

19.07.01 The Company will pay the full cost of premiums for the Group Dental Insurance Plan. The Company shall be the sole policy holder and administrator of the above-mentioned Plan.

19.07.02 The maximum annual coverage will be of two thousand dollars (\$2,000.00) per employee and his dependant(s). The basic dental services coverage is payable at 90%. The orthodontic life time coverage will be of two thousand five hundred dollars (\$2,500) for each eligible child.

19.08 VISION CARE PLAN

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

19.08.02 The benefits for each employee and each eligible dependent to be not more than two hundred and twenty-five dollars (\$225.00) reimbursement for eyeglasses or contact lenses in each period of twenty-four (24) consecutive calendar months, except that for contact lenses prescribed for severe corneal situations, as set out in Company Publication 711, Chapter 9, 8.10, the maximum amount payable shall be three hundred and sixty dollars (\$360.00), payable once during the entire period the person is insured.

19.09 PENSION PLAN

19.09.01 The Company will, upon request, provide full information on actuarial evaluations, costs and funding for employees, in the existing Pension Plan. It is recognized that such information is normally only available to the Company tri-annually (annually as long as the “Air Canada Pension Plan Solvency Deficiency Funding Regulations” will be effective) and that the Company will not be required to undertake any special actuarial evaluation in order to provide such information. In addition, the Company will advise the Union of any changes to the existing Pension Plan as they pertain to employees covered by this Agreement.

Air Canada and CAW agree that no improvements can be made to the pension plans for the duration of the collective agreement. Furthermore, no improvements can be made to the pension plans as long as the “Air Canada Pension Plan Solvency Deficiency Funding Regulations” will be effective. Under those Regulations, no improvements can be made to the plans without OSFI’s approval.

Some employees covered by this collective agreement participate to the “Air Canada Pension Plan” and some to the “Pension Plan for Air Canada CAW Employees Formerly Employed by Canadian Airlines International Ltd.”. The affected employees will be subject to the rules of the applicable pension plan as applied to crew schedulers for service accrued after (date TBD), specifically:

- An employee may retire with 25 years of qualifying service (as defined in the official pension plan text) or with 80 points (sum of age and qualifying service). The pension will be unreduced provided he is at least 55 years of age. For any employee retiring below age 55, the

pension will be reduced by a prorata of service to reflect the period below age 55.

- The best thirty-six (36) successive months of allowable service shall be used to determine the employee's average annual compensation.
- Affected employees will accrue pension benefits at 1.9%/2%
- Employees will contribute 5.70% of pensionable earnings up to the employee's Yearly Maximum Pensionable Earnings and 6% on the part of the employee's compensation in excess thereof. This contribution rate will be used as a basis for the recognition of any period of allowable service in respect of service after (date TBD).
- Pensionable earnings will be capped at \$70,000 starting from (date TBD)

Pension benefits accrued for service before (date TBD) are unchanged.

19.10 Coordination of Benefits – Where an employee's spouse is also a Company employee, benefits will be coordinated.

19.11 LANGUAGE REQUIREMENTS

19.11.01 When required by the Company, language training in French and English will be provided at Company expense and, subject to operational requirements, on Company time on a voluntary basis to those employees who have been tested and possess the required basic knowledge and learning ability in the other official language.

19.12 EMPLOYEE ASSISTANCE PROGRAM

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

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

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

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

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

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

- 19.13** Corporate Reorganization: In the event that the Company changes ownership, mergers 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 certificate issued by the Canada Industrial 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 the protection of employees' seniority and other conditions of this Agreement. Failing settlement, the provisions of the Canada Labour Code will apply.

ARTICLE 20 CHECK-OFF

- 20.01** The Company shall deduct on the payroll for each pay period, as per the Company's designated payroll periods, from wages due and payable to each employee such sum as may be uniformly assessed by the Union Constitution subject to the conditions set forth herein.
- 20.02** The amount to be deducted shall include the initiation fee and shall not be changed excepting to conform with a change in the Union's Constitution.
- 20.03** Membership in the Union will be available to any employee under the Constitution of the Union on payment of the initiation or reinstatement fees uniformly required of all other such applicants. Membership shall not be unreasonably denied.
- 20.04** Deductions shall commence on the payroll for the first applicable pay period of the calendar month following the first date of service in a classification covered by this Agreement.
- 20.05** If the wages of an employee payable for any pay period are insufficient to permit a full deduction, no such deduction shall be made from the wages of such employee by the Company on that payroll. The Company shall not, because the employee did not have sufficient wages payable on any payroll, carry forward and deduct from any subsequent wages the amount not deducted on an earlier payroll.
- 20.06** Only payroll deductions now or hereafter required by law, deductions of monies due or owing the Company, pension deductions and deductions for provident funds shall be made from wages due and payable prior to any deductions under this Article.
- 20.07** The amount so deducted from wages, accompanied by a statement of deductions from individuals, shall be remitted by the Company to the Union, **as** may be mutually agreed by the Union and the Company, not later than thirty **(30)** calendar days following the pay period in which the deductions are made.
- 20.08** The Company shall not be responsible financially or otherwise either to the Union or to any employee, for any failure to make deductions or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction pursuant to this Article from an employee's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Union, the Company shall adjust the amount in a subsequent remittance., The Company's liability for any and all amounts acted pursuant to the provisions of this Article, shall terminate at the time it remits the amounts payable to the Union.
- 20.09** The question of what, if any, compensation shall be paid the Company by the Union in recognition of services performed under this Article shall be left in abeyance subject to reconsideration at the request of either party on fifteen (15) days' notice in writing.

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

ARTICLE 21 DURATION OF AGREEMENT

- 21.01** This Agreement is effective **as** of its date of ratification, except **as** otherwise provided herein, and shall continue in full force and effect until August 22, 2009 and may be varied by mutual agreement, in writing, between the parties hereto. It shall remain binding thereafter from year to year, unless notification, in writing to reopen the Agreement is served by either of the parties hereto not more than four (4) months prior to the expiry date or any continuation of expiry date, subject always to Article 21.03.
- 21.02** Where notice to bargain collectively has been given, the Union and the Company shall, without delay, commence to meet diligently to bargain in good faith and make every reasonable effort to enter into a Collective Agreement.
- 21.03** This Agreement shall remain in full force and effect until superseded by another Collective Agreement or until any statutory extension provided for by the Canada Labour Code has terminated and no renewal Collective Agreement has been made.

**LETTER OF UNDERSTANDING NO. 1
OFF-DUTY STATUS, INDUSTRIAL DISPUTES**

- L1.01** The purpose of this Letter is to set forth the terms and conditions that will apply to employees in the event of an industrial dispute involving any group of persons not covered by this Agreement which causes a reduction in the Company's services.
- L1.02** All provisions of the Collective Agreement not specifically modified or waived by this Letter will remain in effect. Any dispute arising from the terms and conditions of this Letter will be referred to the Headquarters level **as** soon as possible without prejudice to the Union's right to initiate a formal grievance.
- L1.03** Only those employees who are not required to work during the period the Company's services are affected shall be placed on Off-Duty Status hereafter referred to as O.D.S..
- L1.04** The Company shall provide notice of O.D.S., in writing, to only those employees who are not required to work. An employee placed on O.D.S. will be given a minimum of twenty-four (24) hours notice which may be verbal but which will be confirmed in writing not later than forty-eight (48) hours after commencement of O.D.S..
- L1.05** An employee whom the Company is unable to contact to advise of O.D.S. will be placed on O.D.S. and the written notice provided for in L2.04 will be sent to the employee's last known address.
- L1.06** An employee who is out of the base and, who, due to an inability to travel, the Company is unable to contact to advise of work assignment will not be disciplined. Such employee will be placed on O.D.S. but will be returned to work within twenty-four (24) hours of the Company having knowledge of his return to the base, provided his seniority is sufficient to retain a work assignment.
- L1.07** An employee's schedule may be altered to conform to major changes in the normal working hours or work requirements at a base. The Company will advise the employee at least twenty-four (24) hours in advance of any alteration to his shift. Such notice may be verbal but written notice will be provided as soon as possible.
- L1.08** An employee on vacation will continue on vacation and will be placed on O.D.S., if applicable under L2.04, upon the date of his scheduled return from vacation. An employee kept on duty or an employee placed on O.D.S. will commence vacation as scheduled.
- L1.09** Company sick leave benefits will not be granted to an employee on O.D.S..
- L1.10** An employee placed on O.D.S. will not lose service credits for pension purposes unless the employee is off the payroll for a full calendar month. Company service for all other purposes will continue to accrue for the first fourteen (14) calendar days of any O.D.S..

- L1.11** Notification of return to duty may be verbal, but must be later confirmed in writing, and will state the effective date of the return to duty. Every effort will be made by the Company to return all employees at a location scheduled to work in the shift(s) in effect at the time the Company resumes its operations at that location. The Company will endeavour to return such employees to duty in order of seniority.
- L1.12** Employees on O.D.S. must advise the Company of a current point of contact.
- L1.13** Employees shall be contacted verbally at their last available point of contact and advised of their recall. If no contact can be made, notice by telegram will be sent.
- L1.14** Employees are expected to be available to report for duty within twenty-four (24) hours. Employees who do not report for duty within twenty-four (**24**) hours from time of notification may be required to substantiate their late reporting.
- L1.15** Employees on O.D.S. shall not receive any wages.

LETTER OF UNDERSTANDING NO. 2 TELEPHONE MONITORING

The purpose of the telephone monitoring system in the Flight Operations Crew Scheduling Department is to provide a record of conversations held by employees covered under this Agreement in the course of performing their duties. It shall be referred to when incidents, such as those listed below, are brought to the Company's attention:

- grievances (from any bargaining unit);
- complaints;
- incident reports (covering employees from other bargaining units);
- investigation of employees from other bargaining units who have cause to deal with the Flight Operations Crew Scheduling Department.

The following parameters have been agreed upon between the two parties:

1. The recordings shall be referred to only when an incident is brought to the Company's attention. In other words, the telephone monitoring will not be used to initiate discipline on **an** employee.
2. The system shall not be used for routine monitoring of a performance nature.
3. If there is a requirement to review the recordings, a member of the Bargaining Committee will attend the review.
4. One un-monitored phone line shall be made available for personal calls.

LETTER OF UNDERSTANDING NO. 3 TEMPORARY VACANCIES

It is recognized that it is most desirable to staff the Company's operation with permanent employees whenever possible. Occasionally however, it may be necessary to employ personnel to fill vacancies of a temporary duration.

The Company may declare temporary vacancies for any of the following reasons:

- a. to replace employees absent on authorized leaves of absence under Article 11
- b. to replace employees on time off for Union business
- c. to replace employees released for training
- d. to replace employees on special project
- e. to replace employees on long term disability

The Company will advise the Union at the District Level in writing and in advance as to the reason and duration of the temporary vacancy and the name of the person filling the temporary vacancy.

Temporary vacancies shall be only for the duration of the absence of the affected employee. The duration may be extended only by mutual agreement between the Company and the Union at the District Level.

Employee reductions will not occur in a classification while a temporary vacancy is being filled in that classification.

Persons filling a temporary vacancy for more than fifty per cent (50%) of any given month will be required to pay Union dues. However, they shall not accrue any seniority under the terms of this Agreement. Persons who are not permanent employees of the Company shall receive rates of pay in accordance with Article 5; permanent employees will receive rates of pay according to Company regulations and/or their applicable collective agreement. Hours of work will conform to Article 6.

**LETTER OF UNDERSTANDING NO. 4
APPLICATION OF ARTICLE 4.01.03**

Prior to the introduction of the Lead Scheduler's classification, the Company and the members of the Union Bargaining Committee shall meet no later than one (1) month in advance of posting the vacancy, to discuss its implementation, including but not limited to the filling of vacancies, staff reductions within the classification, the effects upon staff requirements in other classifications or any other matter related to the nature of the job or to the desires of the employee(s) filling the vacancy.

Notwithstanding the foregoing, the final decision with respect to the implementation of the Lead Scheduler's classification rests with the Company.

**LETTER OF UNDERSTANDING NO. 5
HARASSMENT**

Harassment of any kind deprives employees of dignity and is detrimental to a healthy work environment. Consequently, it will not be tolerated by the Company and perpetrators will be subject to disciplinary action up to and including discharge.

Complaints of harassment as set out in Air Canada's Workplace Harassment Policy may be dealt with through the grievance procedure or the employee may file a complaint directly with the local Manager or with Air Canada's Human Rights Advisor without foregoing the right to ultimately grieve under Article 15. To ensure confidentiality, grievances of this nature shall be filed directly to Step 2.

The name of a complainant or the circumstances related to the complaint will not be disclosed to any person except where disclosure is necessary for the purposes of investigating the complaint or taking disciplinary measures in relation thereto.

**LETTER OF UNDERSTANDING No. 6
WORKPLACE RELOCATION**

In the event the Company relocates its operation either partially or totally, and should such relocation result in permanent employees being declared surplus, the Company is committed to the following:

- a) Vacancies at the new location/workplace will be offered to employees at the affected location/workplace in order of seniority.
- b) Employees who decide to relocate, will have the right to transfer at Company expense and in accordance with Company regulations.
- c) In the event no vacancies exist in their current classification, surplus employees may elect to fill vacancies in a lower classification at either the existing or the new location/workplace in which case employees will have their rate of pay protected for a three (3) year period effective the date of transfer. During this three (3) year period, these employees will provide relief duties in the higher classification at their location/workplace.
- d) Surplus employees may elect voluntary severance in which case they will be provided with a termination award of two (2) weeks pay for each full year of Company service to a maximum of fifty - two (52) weeks of pay.
- e) In the event a surplus employee does not wish or is unable to transfer or does not desire the severance award option, then the provisions of Article 10.09.04.03, 10.09.04.04, and 10.10 will apply. In the event a surplus employee who has elected lay-off status is not recalled, then such employee may, at any time during the thirty-six (36) consecutive month period as set out in Article 10.07.04, elect voluntary severance in accordance with d) above.

MEMORANDUM OF AGREEMENT

BETWEEN:

AIR CANADA

AND

**NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF
CANADA (CAW-CANADA) AND ITS LOCAL 2002
(FLIGHT OPERATIONS CREW SCHEDULERS)**

With respect to matters of certain transitional issues regarding the implementation of the first Collective Agreement and entitlements of employees of the bargaining unit as at the date of ratification of the collective agreement.

NOW, THEREFORE, THE PARTIES AGREE, AS FOLLOWS:

A. SENIORITY:

A.01 The seniority list for current employees, as described above, shall be as attached hereto and is calculated on the basis of date of full-time hire for employees

A.02 A seniority date for persons who enter the bargaining unit after the date of ratification shall be the date on which they enter the bargaining unit.

B. WAGE RATES:

B.01 The new wage rates for current employees, as described above, shall be as attached hereto and shall be payable to them from the date of ratification of the collective agreement.

B.02 The wage rates for employees who enter the bargaining unit after the date of ratification shall be as established at article 5, herein.

B.03 Where the wage scale, as provided at article 5, herein, is adjustable by Arbitrator Picher for the CAW bargaining unit covering "In-Flight Crew Schedulers", then the wage scale for this bargaining unit shall similarly be adjusted but wage rates for this bargaining unit shall be effective from the date of ratification.

B.04 The parties agree that with respect to employees, as described above, who are currently being paid above the wage scale, as provided at article 5, shall have their rate of pay "Red Circled" until such a time as the wage scale encompasses their current rate of pay.

C. SICK LEAVE:

C.01 On a one-time basis only for current employees, as described above, a sick bank credit of twelve (12) days shall be established for use as provided for in the Collective Agreement.

C.02 For the calendar year 2006 current employees, as described above, shall be credited with 6 sick days.

C.03 With respect to the Arbitration proceeding, before Arbitrator Teplitsky, for the C.A.W. bargaining unit covering "In-Flight Crew Schedulers", which will interpret the application of the sick leave bank, the parties agree that the result of that proceeding shall also apply to members of this bargaining unit.

D. EFFECTIVE DATES:

D.01 All changes to Benefit and Pensions shall be effective on the first day of the month following ratification

D.02 All operational changes, as may be required, shall be implemented as soon as practicable, following the date of ratification.

DATED AT MONTREAL, QUEBEC THIS _____ DAY OF _____, 2006.

FOR THE COMPANY

FOR THE UNION

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