

AGREEMENT NO. 3

Between

MTU MAINTENANCE CANADA LTD.

and

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS
DISTRICT LODGE 140**

as certified by the

**LABOUR RELATIONS BOARD
(BRITISH COLUMBIA)**

Effective: November 2, 2006 to November 1, 2011

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Table Of Contents

Definitions	1
Article 1 – Preamble	2
Article 2 - Scope of the Agreement	3
Article 3 - Hours of Service	4
Article 4 - General Holidays	8
Article 5 – Overtime	9
Article 6 – Minimum Rates of Pay	12
Article 7 – Qualifications	16
Article 8 - Training and Licensing	23
Article 9 - Filling of Vacancies and Temporary Assignments	24
Article 10 - Probation	27
Article 11 – Sub-contracting provisions	28
Article 12 - Temporary Employees	29
Article 13 - Seniority	30
Article 14 - Layoff and Recall	35
Article 15 - Layoff / Redundancy Pay	39
Article 16 - Union Representation	41

Article 17 – Complaint Resolution Process	44
Article 18 – Vacations	52
Article 19 – Leaves of Absences	56
Article 20 – General	61
Article 21 – No Strike, No Lockout	67
Article 22 – Health and Safety	68
Article 23 – Employee Benefits	71
Article 24 – Workplace Conduct	78
Article 25 - Deduction of Dues	79
Article 26 – Renewal and Termination	81
<u>Appendix</u>	
Appendix A – Rates of Pay	82
Appendix B – Table of Ratios For Working Days to Rest Days	88
Appendix C - Schedule of Benefits	89
<u>Letters of Understanding</u>	
LOU 1 – Administrative Matters	97
LOU 2 – Voluntary Separation Incentive Program	98

LOU 3 – Terms of Reference For Implementation of New Positions and Responsibilities	100
LOU 4 – Criteria Governing Selection For Training	101
<u>Letters of Intent</u>	
LOI 1 - Introduction of Other Classifications Into The Bargaining Unit	102
LOI 2 - Introduction of New Skills and Functions	103
<u>Letters of Agreement</u>	
LOA 1 – Reclassification: Material Coordinators, Buyer and Material Planner	104
LOA 2 – Adhoc Adjustments to Pension Plans	107
LOA 3 – Assignments Outside the Territorial Limits of Canada	108
LOA 4– Benefit Review	112
LOA 5– High Speed Grinder	113
LOA 6- Extension of Recall	114

AGREEMENT NO. 3

DEFINITIONS

1. Calendar Day - the twenty-four (24) hour period from midnight to midnight.
2. Functional Work Area - a distinct functional area of work.
3. Qualified - to be considered qualified, the employee must be familiar with and able to perform the required work in an expeditious, economical and safe manner at an acceptable level of quality with a minimum of supervision. Must possess the necessary license(s) and/or endorsement(s) and have successfully completed any required training. Must be able to work effectively in a team environment.
4. Position - a category of employees within a classification listed in Article 13.
5. International Assignment - a work assignment performed, or, training received or performed outside the territorial limits of Canada.

ARTICLE 1

PREAMBLE

PRINCIPLE STATEMENT:

The Company and the Union agree to work together in accordance with this Agreement in an atmosphere characterized by mutual trust and cooperation for the benefit of both the Company and the employees. The parties agree, furthermore, that it is in the best interest of all employees to strive for continuous improvement in quality, productivity, and cost reduction to produce a highly competitive organization which has the flexibility to respond effectively to varying customer demands. In order to promote a healthy and productive work environment, the parties are committed to discuss any matters of concern that may arise during the term of this Agreement, including those that may relate to Company Policies or Plans.

- 1.01 This Agreement is made and entered into by and between MTU Maintenance Canada Ltd. hereinafter referred to as the "Company" and the International Association of Machinists and Aerospace Workers, District Lodge 140, hereinafter referred to as the "Union," and employees delineated in this Agreement under Article 13 as represented by the Union.
- 1.02 Where a reference to the male gender occurs in this Agreement, the female gender shall apply equally with the exception of Clause 19.05(b) (Child Care Leave).
- 1.03 In the event the Company changes ownership, merges with another company, or changes its corporate identity, this Agreement will remain in full force and effect and the certificate issued by the British Columbia Labour Relations Board then in effect 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 employee seniority and other conditions of the Agreement. Failing settlement, the British Columbia Labour Code shall apply.
- 1.04 Should any part or provision of this Agreement be rendered invalid by reason of any existing or subsequently enacted legislation by the Government(s) of British Columbia and/or Canada, such invalidation of any part or provision of this Agreement shall not invalidate the remaining portions thereof, and they shall remain in full force and effect.

ARTICLE 2

SCOPE OF AGREEMENT

- 2.01 The Company recognizes the International Association of Machinists and Aerospace Workers and its committee of representatives as the sole bargaining agent for those employees listed in classifications identified in Article 13.
- 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 to those classifications listed in Article 13, and any other job classification which may hereinafter be established and included by agreement between the representatives of the Company and the Union.
- 2.03 When employees are sent on assignments outside the territorial limits of Canada, they shall be covered by an Individual Letter of Contract. This standard form shall be developed by the Company and the Union. The form shall be flexible enough to enable the incorporation of specific work rule applications that are appropriate for the assignment to remain cost-effective.
- 2.04 Management shall not engage in work which is normally accomplished by personnel covered by this Agreement. Where the urgency of a particular situation warrants, the Company may approach the Union for consideration of a temporary waiver of this restriction until the identified urgency is eliminated.
- 2.05 The management of the operation and direction of the workforce is vested exclusively in the Company, providing this will not be used to contravene any of the provisions in this Agreement. It is understood that any matter not specifically set forth in this Agreement remains within the reserved rights of the Company.

ARTICLE 3
HOURS OF SERVICE

PREAMBLE:

This agreement on working hours regulates the mutual interests of employees and the Company in an understanding based on cooperation and mutual trust. All Company policies, processes and regulations are considered part of a continuous process of improvement and as such must adapt to the changing needs of employees and the Company. This Article contemplates that, in principle, the Company has a twenty-four (24) hour operation.

- 3.01 (a) Seven and one-half (7 1/2) consecutive hours of service, exclusive of meal period, shall constitute a day's work for all employees except as otherwise provided herein.
- (b) The standard shift schedule shall be five days of work followed by two consecutive days of rest except as otherwise provided in Clause 3.01 (c) below.
- (c) Locally affected employees, their elected representatives, and the Company may discuss and mutually agree to implement alternative hours of work arrangements to those detailed in Article 3. Such arrangements:
- must be detailed in writing (identifying any amended clause(s)) and copied to the Union and Human Resources
 - must enable the Company to operate as cost-effectively as the standard Article 3 provisions
 - must ensure first consideration is given to meeting customer needs and delivering contractual requirements
 - may be implemented within a functional work area
 - must indicate the period of time the shift arrangement is intended to apply
 - may be canceled by the Company or the Union upon two weeks' notice
- 3.02 (a) **STANDARD WORKING WEEK**
- The standard working week shall be one that averages thirty-seven and one-half (37 1/2) hours.

(b) FORTY HOUR WORKING WEEK

- (i) Where the operation requires, an alternative working week arrangement which averages forty (40) hours of work per week may be established by the Company on a voluntary basis in one or more functional work areas and/or positions.
- (ii) The operational need and the associated cost shall dictate the number of forty (40) hour working week opportunities made available.
- (iii) Employees volunteering to work a forty (40) hour working week, with the exception of temporary employees, shall commit to do so for a minimum of one (1) calendar year unless they change positions during this period. However, the Company may cancel or reduce the number of employees working forty (40) hour working weeks at the end of each year. Also, the employee may elect to return to the thirty-seven and one half (37 1/2) hour working week at the end of each year. Qualified volunteers will be accepted in classification seniority within a functional work area.
- (iv) The applicable levels of pay associated with the forty (40) hour working week are detailed in Appendix A.
- (v) All provisions pertaining to the average working week and the average working day in this Agreement (e.g. vacation, time bank extended vacation, general holidays, floating holiday, overtime on rest days, etc.) will be administered on the basis of an average of forty (40) hours of work per week and eight (8) hours of work per day for all employees electing this arrangement.
- (vi) The Forty Hour Working Week is not available to probationary employees.

- 3.03 Shift Starting Times
- Day shifts: will commence between 0600 – 0800 inclusive
- Afternoon shifts: will commence between 1400 – 1600 inclusive
- Night shifts: will commence between 2200 – 0001 inclusive
- 3.04 In accordance with Article 3 Preamble, the workload may require one or more employees to transfer from one start time and/or stop time to another, or one set of rest days to another. In such cases, the Company will provide as much notice as possible to employees within the affected functional work area(s) who must ensure operational requirements are effectively and economically met.
- 3.05 (a) Meal periods shall be one-half (1/2) hour, unpaid, and wherever practicable, shall commence at the two-thirds (2/3rd) point of the shift unless otherwise agreed with the Union.
- (b) Where, due to operational requirements, an employee commits to work in excess of ten (10) hours or more in a shift, he/she will be granted an additional paid rest period of fifteen (15) minutes to be taken between the expiration of seven and one half (7 1/2) hours and ten (10) hours of work.
- 3.06 One paid thirty (30) minute rest period shall be included in each shift. Such rest period shall take place at the one-third (1/3rd) point of the shift unless otherwise agreed with the Union.
- 3.07 Employees within each position, in a functional work area will select their rest days by classification seniority. Rest days shall be rebid once per year or more frequently as required.
- 3.08 The value of a day when applied to vacation days, general holidays (if not worked), floating holiday, sick day accrual, days for bereavement leave, parental leave, etc. is seven and one half (7 1/2) hours, except for those employees on the forty (40) hour working week in which case the value is eight (8) hours.
- 3.09 Time lost by employees due to arriving late or leaving work before the completion of shift shall be computed to the nearest minute.

- 3.10 When work or training requirements necessitate the reassignment of an employee's regular rest days off duty, he/she may be required to work six (6) days on with two (2) rest days off duty on the first assignment and four (4) days on with two (2) rest days off duty on the second reassignment of his/her rest days providing that the cycle has been completed within a period of twelve (12) weeks, otherwise overtime rates will apply.
- 3.11 When work requirements necessitate the reassignment of an employee's regular rest days off duty, the reference found in Appendix B will apply for determining the days worked to days off ratio.

ARTICLE 4

GENERAL HOLIDAYS

- 4.01 For all employees, the following ten (10) specified days shall be observed as general holidays:
- | | |
|----------------|------------------|
| New Year's Day | Labour Day |
| Good Friday | Thanksgiving Day |
| Victoria Day | Remembrance Day |
| Canada Day | Christmas Day |
| BC Day | Boxing Day |
- 4.02 (a) An employee is not entitled to pay for a general holiday that occurs in his first thirty (30) days of employment if the employee does not work on that day, but if he is required to work on the general holiday he shall be paid or bank the time worked at a rate at least equal to one and one-half times (1 1/2 X) his regular rate of wages for the time worked by him on that day, unless he is employed in a continuous operation in which case he is entitled to his regular wages for the time worked by him on that day.
- (b) If an employee, not covered by clause 4.02(a), is scheduled to work on a general holiday, he may either elect to be paid or bank the hours worked at the rate of time and one-half (1 1/2). The latter option is available provided the employee will not exceed the maximum allowable in his Time Bank.
- (c) In the event the recognized general holiday falls on an employee's assigned rest day, seven and one half (7 1/2) straight time hours will be placed in the employee's Time Bank.
- 4.03 (a) One (1) additional day will be granted to permanent employees. This day off will be determined by agreement within the functional work area. If the vacation allotment is not filled, the employee's request shall not be denied.
- (b) If no agreement can be reached in clause 4.03(a) above, the unused floating general holiday will be deposited in the employee's Time Bank at straight time rates.

ARTICLE 5

OVERTIME

PREAMBLE:

To meet fluctuating operational requirements and consistent with the principles cited in Article 1 Preamble, overtime shall be cost-effective and kept to a minimum.

5.01 Overtime rates will be paid or banked in the Time Bank in the following circumstances:

- (a) At the rate of time and one half (1 1/2X) for:
 - (i) time worked in excess of eight (8) hours in a shift
 - (ii) time worked on a general holiday up to seven and one-half (7.5) hours
 - (iii) time worked on one of the employee's two rest days up to seven and one-half (7.5) hours
 - (iv) time worked for the first two (2) hours when an employee is called back to work after having left the premises and after having completed seven and one half hours of work on his/her normally scheduled shift

- (b) At the rate of double time (2X) for:
 - (i) time worked in excess of eleven (11) hours in a shift
 - (ii) time worked on the employee's second rest day providing he/she has also worked on his/her first rest day
 - (iii) time worked on a general holiday or rest day beyond seven and one-half (7.5) hours with a minimum of six (6) hours straight time pay for four (4) hours of work or less
 - (iv) time worked in excess of the first two (2) hours when an employee is called back to work after having left the premises and after having completed seven and one half hours of work on his/her normally scheduled shift

- (c) An employee who, by direction of management, commences work on his/her regular shift without the minimum prescribed rest period, as outlined in Clause 5.02 (a) will be compensated at the rate of time and one half (1 1/2X) in total

for those hours worked prior to the expiration of the ten (10) hour rest period.

- (d) It is understood that in the administration of clause 5.01 (a), (b) and (c) above, such hours may be placed in the Time Bank provided the bank will not exceed the maximum allowable hours identified in clause 5.07(a). Any hours in excess of the maximum allowable hours will automatically be paid out.
- 5.02 (a) An employee shall have ten (10) consecutive hours off duty in each twenty-four (24) hour period from the completion of their previous shift to the commencement of their next shift.
- (b) Except in cases where the customer may be seriously impacted and by specific management request, an employee shall not report to work for the commencement of his/her scheduled shift when he/she does not meet the minimum rest requirement of Clause 5.02(a).
- 5.03 No work which generates overtime rates shall be worked except by direction of management.
- 5.04 The opportunity to work overtime shall be distributed equitably among the qualified employees in the functional work area. Distribution of overtime shall be done by means of a local overtime sign-up list to be posted in the functional work area on a weekly basis. Employees must indicate their availability on the sign-up list to receive overtime opportunities.
- 5.05 Every three (3) months, the Company and the Union shall review total hours of overtime worked and assess the forecast workload in order to determine if staff levels require adjustment.
- 5.06 An employee who, after having left the facility upon completion of their last regular shift or assignment, returns to work not continuous with their next shift, shall be paid a minimum of three (3) hours pay at the appropriate overtime rate. Where the employee is required to return to work in relation to correcting paperwork, that the employee had previously carried out or failed to complete as required, shall only be paid for time worked.
- 5.07 The purpose of the Time bank is to provide the necessary flexibility in staff levels to accommodate our customer requirements in the most cost effective manner possible. Employees must work together in a team environment to ensure

each individual contributes fairly to addressing the workload. Where work is available, negative banks will not be permitted to increase.

- (a) All overtime hours worked will, at the employee's option, and at the time of each overtime occurrence, be credited to a time bank at the applicable overtime rates to a maximum of one hundred and fifty (150) hours or will be paid in accordance with this Article. When the time bank is at its limit, any further overtime worked will be paid out on the subsequent pay period.
- (b) The employee may at any time request the Company to pay out all or part of the wages credited to the time bank.
- (c) An employee whose time bank balance stands at thirty-seven and one-half hours or more may, once per calendar year, advise the Company in writing by October 1st of the preceding year that the required number of hours are to be debited from his/her time bank and set aside as an additional one (1) week of vacation which shall be taken in accordance with Clause 18.07 (e).
- (d) Time bank may be taken as time off at the employee's written request and at a time mutually agreed to by the Company. If the vacation allotment is not filled, the employee's request shall not be unreasonably withheld.
- (e) Each employee shall receive a statement of his/her time bank balance and activity on every pay cheque stub.
- (f) When a permanent employee works additional or less hours than is indicated on his/her shift schedule he/she will automatically contribute to or draw from a time bank that will enable him/her to go up to one hundred and fifty (150) hours positive in his/her bank and down to thirty seven and one half (37 ½) hours negative. Any employee who is required or requested to utilize their negative time bank and is subsequently laid off for a period greater than six (6) months, shall not be required to reimburse the employer.

Note: When a permanent employee has a negative time bank balance, all hours worked will be paid in accordance with the overtime provisions in Article 5.01.

ARTICLE 6

MINIMUM RATES OF PAY

- 6.01 The rates of pay set out in Appendix A reflect the general increases effective on the dates specified:
- Effective November 2, 2006 – See Appendix A
- Effective November 2, 2007- Increase of two percent (2%) across the board
- Effective November 2, 2008- Increase of three percent (3%) across the board
- Effective November 2, 2009 – Increase equivalent to the average annual percentage change to the Canadian Core Consumer Price Index as published by the Bank of Canada between September 30th, 2008 and October 1st, 2009, provided that the increase shall be no less than two percent (2%) and no greater than six percent (6%).
- Effective November 2, 2010 - Increase equivalent to the average annual percentage change to the Canadian Core Consumer Price Index as published by the Bank of Canada between September 30th, 2009 and October 1st, 2010, provided that the increase shall be no less than two percent (2%) and no greater than six percent (6%).
- 6.02 Where applicable, advancement in pay within each pay scale shall be automatic on the first day of the pay period following that in which the employee has completed the required service.
- 6.03 The Company may, at its discretion, pay higher rates than the established minimum.
- 6.04 Employees will receive longevity pay as indicated below effective with the beginning of the pay period following completion of the

required years of service in classifications covered by this Agreement:

Completion of ten (10) years of service: ten (10) cents per hour
Completion of fifteen (15) years of service: fifteen (15) cents per hour
Completion of twenty (20) years of service: twenty (20) cents per hour

- 6.05 A permanent employee who is assigned to assume the duties of an employee in a higher position will be paid at the rate of the higher position for all hours worked. He/she will be notified of such assignment in writing, with a copy to the Union. The rate of pay of a permanent employee shall not be reduced when he/she is assigned to temporarily perform work normally associated with a lower-rated position. A monthly report will be generated by the Employer and provided to the Senior Steward within a reasonable time following the end of each calendar month. The report will document all temporary assignments for that period including names, positions, rates of pay, commencement date and completion date.
- 6.06 If, due to a reduction in the work force, a permanent employee is retained in a lower position in the exercise of his seniority, he shall only be entitled to the rate of pay of that position.
- 6.07 (a) Employees shall be paid by automatic bank deposit every second Friday. Should the regular pay day fall on a general holiday, deposit will be made on the banking day preceding the regular pay day. Where there is a shortage equal to one day's pay or more in the pay of an employee, a cheque will be issued to cover the shortage as soon as possible
- (b) Recovery of pay errors shall be limited to those errors within a timeframe not exceeding the twelve (12) calendar month period immediately preceding the discovery of the error. When the error involves a failure to make a required deduction or an overpayment to an employee which is being recovered by the Company, the parties will meet to agree upon the repayment schedule. If the error involves underpayment or a deduction in excess of the amount required (e.g. overtime, premiums, upgrades, longevity pay etc.), the employee shall notify the company of such error and provide any pertinent facts in writing. The Company shall verify or dispute the claim in writing within fourteen (14) calendar days and if verified, a correction shall be

input prior to cut-off for the following pay period. Regular earnings shall be governed by the provisions of clause 6.07 (a).

6.08 SHIFT PREMIUMS

- (a) For all hours worked on scheduled shifts commencing between:
- | | |
|---|---|
| 1400 and 1600 inclusive | 38 cents |
| 2200 and 0001 inclusive | 49 cents |
| or | |
| For all hours worked on scheduled shifts terminating between: | Shift Premium per hour: |
| 0200 and 0600 inclusive | 49 cents
in lieu of any other shift premium
except as provided in 6.08(b) |
- (b) Should the Company unilaterally initiate an independent fixed night shift, the shift premium shall be four dollars (\$4.00) per hour worked, inclusive of the regular night shift premium of forty-nine (\$0.49) cents.
- (c) A shift premium equivalent to that applicable to the employee's preceding regular shift shall be paid for all overtime hours worked, except where such overtime work occurs on a regular rest day, in which case the shift premium applicable to the overtime hours worked on that day will apply.

6.09 SHOP CERTIFICATION AUTHORITY

Those employees, possessing a Shop Certification Authority (SCA) license, as required for the performance of their duties, shall receive \$0.25 per hour worked in addition to their base wage.

Note: Those employees who are currently receiving more than the \$0.25 per hour worked skill premium will retain their current rate.

6.10 Leads shall receive a premium of three (3) dollars per hour.

- 6.11 The various scopes, engine types, values and special machines and tools associated with the shop certification authority license identified in Article 6 shall be reviewed on a regular basis by committees established by the TLC. These committees shall also ensure that new technology is introduced into the rating system in a manner that fairly reflects the value of the associated present and future tasks. The TLC will ensure that the review committee(s) are guided by the Cultural Values stated at the beginning of this Agreement.

ARTICLE 7
QUALIFICATIONS OF EMPLOYEES

PREAMBLE:

All employees shall be expected to carry out the duties of their own classification and perform or assist with the duties of other classifications provided they possess the required skills and/or capabilities. All employees must be prepared to provide practical training as required and to share their knowledge and experience with other employees on the job in a team environment.

All positions named within this article shall be held responsible for the requirements listed under the Roles and Responsibilities specified in the Company's Maintenance Policy Manual (MPM or equivalent) which shall not be changed without the knowledge of the Company and the Union. The Company and the Union shall ensure that any changes to roles and responsibilities contained in the MPM are communicated to all employees.

7.01 For positions identified in Clauses 7.02, 7.03, 7.05, 7.06, 7.07, 7.15, 7.16, 7.17, and 7.18 within six (6) months in the position and after receiving applicable training employees must have demonstrated and proven their ability to fulfill their duties in a satisfactory manner. Failure to prove their ability will result in employees being returned to their former position. The six-month qualifying period may be extended by mutual agreement between the Company and the Union.

7.02 QUALITY ASSURANCE INSPECTOR: Must possess the qualifications of the Gas Turbine Engine Mechanic, must have previously held the position of Line Inspector or equivalent and have the ability to provide certification for required engine types. He must hold any currently effective Transport Canada and/or Company licenses that are required and also have the ability to ensure that approved standards of Quality Assurance are maintained.

Quality Assurance Inspectors must meet the qualifications for their assignments as set forth above and, within thirty (30) calendar days of filling the position, must have successfully passed the Company's applicable examination(s).

7.03 LINE INSPECTOR: Must possess the qualifications of the Gas Turbine Engine Mechanic and have a minimum of four (4) years

experience. The individual must hold a certification capability for the functional work area in which the inspection is required, and have the ability to ensure that approved standards of Quality Assurance are maintained.

Line Inspectors must meet the qualifications for their assignments as set forth above and, within thirty (30) calendar days of filling the position, must have successfully passed the Company's applicable examination(s).

- 7.04 MILLWRIGHT: The individual must have completed a recognized apprenticeship program as a millwright and hold a provincial/inter-provincial Millwright Trade Qualification (TQ). They must possess the ability to carry out any work in their trade with the aid of engineering specifications, manuals or drawings.
- 7.05 LEAD: The Lead is a working member of the team, is the spokesperson for the team and is the primary point of contact for the Team Leader and other teams. Must have proven strong process and technical knowledge to carry out the responsibilities of the position. Must possess excellent leadership skills, organizational ability and demonstrated problem solving skills. The Lead will not participate in formal disciplinary action resulting from action under article 17.11.
- 7.06 TECHNICAL PLANNER: Must possess the qualifications of a Mechanic and have a minimum of five years' experience in the aircraft engine shop environment; or, an equivalent combination of relevant education and experience. Must have the ability to effectively carry out the duties of the position with a minimum of supervision.
- 7.07 MATERIAL COORDINATOR: The individual must have experience or knowledge of material planning, inventory and purchasing concepts as well as familiarization with engine overhaul or manufacturing environment. He/she must have the ability to liaise with other Company personnel, and outside agencies, including the negotiation of contracts with vendors and suppliers, in a positive and professional manner. Must possess at least two years of formal post-secondary training in either a technical or logistical field or an equivalent combination of relevant experience. Must have all the qualifications listed under Buyer and Material Planner and be able to perform those duties as required. He/she must have leadership skills and the ability to direct a team of Buyers and Material Planners as well as Administrative Assistants and the

ability to effectively carry out the duties of the position with a minimum of supervision.

- 7.08 NON-DESTRUCTIVE TESTING MECHANIC: Must possess the qualifications of and have a minimum of three (3) years of experience as a Mechanic in the Company, or, have equivalent experience outside the Company.

Note: The Company commits to ensuring the required training as governed by the Canadian General Standards Board (CGSB) is provided in a timely manner to enable the employee to complete the program within twelve (12) months from his/her start date in the position. This training will consist of theoretical courses provided by the company as well as OJT training under a qualified NDT technician.

Failure to successfully complete any one of the NDT Technician I exams or to successfully demonstrate acceptable ability to perform the work following the twelve (12) months of training will result in the employee being returned to their former Mechanic position.

- 7.09 NON-DESTRUCTIVE TESTING TECHNICIAN: Must possess the qualifications of a Non-Destructive Testing Mechanic. A Non-Destructive Technician will commence receiving the associated rate of pay on the date he/she becomes qualified for the disciplines specified as follows:

NDT Technician I - Level II Magnetic Particle Testing (MT) and Penetrant Testing (PT) based on the current CGSB standards for these particular disciplines.

NDT Technician II - Level II (MT), (PT) and one (1) additional Level II method in either Ultrasonic Testing (UT) or Eddy-Current Testing (ET).

NDT Technician III - Level II (MT), (PT) (UT) and (ET).

The NDT Technician must possess the ability to provide practical training, direct the work of others and effectively carry out the duties of the position with a minimum of supervision.

Notes: 1) Appropriate non-destructive training and certification standards for NDT positions must be in accordance

with the provisions set by the CGSB and OJT established by the Training and Licensing Committee (TLC).

- 2) The company will provide NDT Technicians with the training for re- certification.
- 3) The company will provide familiarization training for NDT Mechanics and Technicians when new equipment is introduced into their functional work area.

- 7.10 ALL MECHANIC POSITIONS: (i.e. Gas Turbine Engine Mechanic, Machinist, Welder, Component Mechanic) Must have served a recognized apprenticeship with the Company to CAMC standards or to standards otherwise specified by airworthiness authorities, or have equivalent experience outside the Company. Must possess the ability and qualifications to carry out any work in his trade with the aid of engineering specifications, manuals or drawings. Mechanics previously referred to as "Viewer Mechanics" will now be termed "Inspector Mechanics"
- 7.11 APPRENTICE: Employed by the Company to learn a trade associated with engine shop operations. Apprentices shall be required to serve an apprenticeship with the Company or may be granted credit for equivalent experience or training as established by the Company after consultation with the TLC. Must possess basic CAMC or equivalent entry qualifications for the appropriate classification. Apprentices must pass periodic exams to continue their apprenticeship. They must also pass the required qualifying exam(s) at the completion of their apprenticeship; or, if they fail in their first attempt, they must pass the exam(s) on their second attempt within six (6) months of their first attempt in order to qualify as a Mechanic.
- 7.12 ADMINISTRATIVE ASSISTANT: Must possess the ability to perform routine to complex clerical duties and demonstrate proficiency in spelling, punctuation and grammar as well as an ability to work in a methodical and orderly manner. Must possess a minimum typing speed of fifty (50) words per minute and be capable of proficient application of common software programs such as Word and Excel in a PC-based environment.
- 7.13 DOCUMENTS CONTROLLER: Must have a minimum typing speed of twenty (20) words per minute, possess a valid provincial Class 5 driver's license and have a working knowledge of the standards,

practices, methods, materials and equipment used in providing material handling and delivery services. Must possess the ability to perform work on computer systems with close attention to detail and accuracy in the preparation, issuing and the finalization of documentation for engine events, engine parts tracking, documentation and control including entering data into the system. Must also have the ability to pass course examinations and recurrent annual examinations where required on receiving procedures, shipping procedures, dangerous goods shipping, WHMIS and related MSDS documentation and forklift operations. The individual must possess the ability to perform minor building and equipment maintenance functions and demonstrate their ability to work in an orderly and timely manner.

- 7.14 PRE-APPRENTICE: Must be familiar with procedures and equipment used by tradesmen and have the ability to act as their assistant.

Pre-apprentices will be actively employed in this classification for a maximum of one (1) year. During this period, the Company will assess whether the employee has demonstrated the aptitude to be considered for the Apprenticeship Program. Pre-apprentices who have demonstrated this aptitude will be given preference for Apprentice vacancies over outside hires.

For the life of Agreement #3, the Company will employ a maximum of ten (10) active employees in the Pre-apprentice classification, however, this maximum may be exceeded by mutual agreement between the Company and the Union.

- 7.15 BUYER: Must have Grade 12 education or equivalent plus formal training at a recognized institution or equivalent experience in an aerospace or purchasing environment. Must have a minimum of three (3) years experience in and practical knowledge of materials management and handling systems or material or production planning processes. In addition, must possess the ability to analyze inventory requirements using Company computer systems. Must also have the ability to research and analyze procurement data and develop alternate sources. Must have the ability to communicate accurately both verbally and in writing, including a professional telephone manner. Must be capable of carrying out the duties of the position with minimum supervision.

- 7.16 MATERIAL PLANNER: Must possess the qualifications of a Buyer. In addition the individual must possess five (5) years experience in material management, inventory MRP or an equivalent inventory related position. Must be able to demonstrate: the ability to

analyze inventory requirements from company produced reports, administrate inventory replenishment controls and generate requests to purchasing, perform MRP forecasts and have practical knowledge of aircraft or engine related parts, documentation, and work processes.

- 7.17 WORK PLANNER: The employee must have completed a recognized apprenticeship program that adheres to CAMC standards or the equivalent, have experience in production and/or repair processes and have the ability to provide technical advice to others. They must also have the ability to perform work on computer systems using standard Electronic Data Processing (EDP) software programs.
- 7.18 PROCESS PLANNER: Must have knowledge of aircraft engine related parts, shop areas, production planning, shop and production planning processes. Must have proven analytical and organization skills. Must have a minimum of five (5) years experience in an aircraft engine shop environment or an equivalent combination of relevant education and experience. Must have the ability to carry out the duties of the position with a minimum of supervision.
- 7.19 TECHNICAL LIBRARIAN: Must possess the ability to work with various EDP systems used in the preparation, issuing and the revision and control of customer specific, OEM and company technical documentation. Must demonstrate proficiency in the use of these EDP systems in the applicable functional work area, possess excellent organizational skills with close attention to detail and accuracy and a minimum typing speed of forty (40) words per minute.
- 7.20 PROCESS CLEANER: Must have a minimum grade twelve (12) education and preferably have completed Grade 12 Chemistry. Must have knowledge of cleaning processes within an aircraft engine shop environment or equivalent combination of relevant education and experience. Ability to follow technical instructions to enter data on computer systems, to liaise with other company personnel in a positive manner, and to work effectively in a team environment.
- 7.21 REFURBISHER: Must have a minimum grade twelve (12) education. Demonstrated manual dexterity. Ability to follow technical instructions to enter data on computer systems, to liaise with other company personnel in a positive manner, and to work effectively in a team environment.

7.22 REFURBISHER TECHNICIAN: Must possess the qualifications of a Refurbisher. Completed training for Refurbisher Technician tasks including basic chemical cleaning, application of surface coatings, ultrasonic thickness measuring, wet abrasive blasting, vapor blasting, blade recontouring, and chemical stripping of surface coatings of parts.

7.23 MACHINIST APPRENTICE: Must have a minimum grade twelve (12) education and have successfully completed the Machinist Pre-Apprentice Program at an approved technical college recognized by ITAC, CAMC and all regulatory authorities. When a Machinist Apprentice attends formal schooling as required by the provincial apprenticeship authority beyond the Pre-Apprentice Program, he/she will continue to be paid at the current hourly rate.

Note: Upon Successful completion of the Machinist Apprenticeship to ITAC and CAMC standards Machinist Mechanics will receive the Mechanic 2 rate of pay.

7.24 In determining qualifications for classification purposes, the Company, at its discretion, may credit a new employee with previous experience and training acquired outside the Company service, provided such experience and training is equivalent in value to the Company to the experience called for in the positions identified in Article 7. The Company will discuss the matter with the Union prior to establishing such credit.

7.25 RATIO: In order to ensure an operationally effective blend of Apprentices and Mechanics is maintained, the Company will employ a maximum of one (1) Apprentice for every five (5) Mechanics in the applicable classification. In the event there are insufficient Mechanics in a particular classification available in the marketplace to meet production requirements, exceptions to the foregoing may be made with the approval of the TLC.

ARTICLE 8

TRAINING & LICENSING COMMITTEE

PREAMBLE:

The purpose of this Training and Licensing Committee (TLC) is to discuss training and licensing related matters, and contribute to the enhancement of the overall effectiveness and quality of training.

- 8.01 The TLC shall be composed of two (2) members nominated by the Company and two (2) members nominated by the Union.
- 8.02 The TLC will review training and licensing issues and make recommendations to the Company. The Committee shall develop and determine the contents of the Training Manual which shall not be revised unless agreed by the TLC or required by a Government Regulatory Authority.
- 8.03 Meetings of the TLC will be established by the Committee members and shall be convened no less than each quarter to review On the Job Training (OJT) or any other related training or licensing issues. No employee shall suffer any loss of pay in the performance of legitimate activities of the TLC.
- 8.04 The TLC shall establish school equivalency and shall assess technical qualifications of apprentices and employees entering trade classifications. The Company shall ensure that Apprentices receive all the training contained in the Training Manual. Apprentices shall not be adversely affected if they do not receive the appropriate training through no fault of their own.

ARTICLE 9
FILLING OF VACANCIES
and
TEMPORARY ASSIGNMENTS

PREAMBLE:

With the basic premise to select the most suitable candidate for the vacant position, it is recognized that the intent is to fill vacancies and promote from within whenever practical. Due consideration will be given to technical qualifications, seniority, experience, training, education, and interpersonal skills.

- 9.01 Vacancies will be filled in the following order:
- (i) Employees holding recall rights to the position in classification seniority order;
 - (ii) Filled in accordance with Clauses 9.02 and 9.03;
 - (iii) Temporary employees or outside hires (i.e. employees hired from outside the Company) with first preference to qualified applicants who are laid off from other IAM&AW District Lodge 140 bargaining units.
- 9.02 All vacancies exceeding ninety (90) calendar days shall be posted internally for ten (10) calendar days. Employees desiring to bid on vacancies shall file their applications and resumes with the designated Human Resources representative during the posting period or in accordance with the provisions of 9.05. All vacancy advertisements will indicate the number of positions required, closing date, award date, and commencement date in the position, which shall serve as the effective date for pay purposes and seniority, if applicable. If a medical examination is required, this shall be stated in the advertisement and the expense shall be borne by the Company.
- 9.03 For advertised vacancies, qualified candidates shall be interviewed and evaluated by a panel consisting of a management representative, a Human Resources representative, and an employee representative identified by the Union. The successful candidate will be selected from among the most qualified bidders. In the event two or more candidates are equal in ability and qualifications, the employee with the greater Company seniority shall have preference.

Where the Company and the Union agree that an applicant for a vacancy has legitimate cause for concern regarding the objectivity of the employee representative assigned to take part in the interviews, the Company and the Union shall determine an appropriate substitute employee representative who shall carry out these responsibilities.

- 9.04 Nothing in the Agreement shall prevent the Company from canceling vacancy advertisements prior to the employee's actual commencement date in the new position.
- 9.05 An employee may file a letter with the designated Human Resources representative and copy the Union prior to going on vacation, stating those vacancies, in order of priority, that he/she wishes to bid on should they be advertised. These letters are to be considered a bid on the vacancy concerned and shall be valid for the period of vacation or assignment.
- 9.06 Where an employee fills a vacancy in another classification, except as provided in Clause 7.01, an observation period of sixty (60) days of actual work will apply in order to give the employee an opportunity to assess the new position and the Company the opportunity to assess and verify his skills, ability and experience to perform the work required. The Union and the applicable Lead will be given the opportunity for input into the assessment during this observation period.

If at any time during or at the conclusion of the observation period, it is determined that the employee does not possess the ability to do the work required in a satisfactory manner, or the employee determines that he wishes to return to his previous position, he shall be permitted to exercise his seniority to return to his previous position and wage level.

9.07 TEMPORARY ASSIGNMENTS AT HOME BASE

A temporary assignment (per either 9.07 (a) or (b) below may not exceed ninety (90) consecutive calendar days unless otherwise locally agreed between the Company and the Union. Temporary assignments will be specified in writing with a copy to the Union.

- (a) Each employee permanently holding a position identified in Clause 7.01 must ensure he/she has arranged a fully qualified back-up to assume his/her responsibilities when he/she plans to be absent for one day or more. This clause

will not prevent the employee permanently occupying such a position from taking his/her vacation as scheduled.

- (b) Employees may be assigned from one functional work area to another to provide temporary assistance to meet operational requirements with no loss of regular wages but it will not be required on a regular or consistent basis. Written notification of the assignment will be provided to the employee with a copy to the Union where the assignment is greater than ten (10) days in duration.
- (c) Temporary positions outside the scope of this Agreement that have been filled by employees identified in Article 13 should not exceed ninety (90) days per calendar year.

9.08 TEMPORARY ASSIGNMENTS AWAY FROM HOME BASE

- (a) For temporary assignments away from home base, travel time will be at straight time rates. Two (2) hours before flight departure time will be considered as travelling time. Travel time will deem to have ceased when the employee reaches his/her destination accommodation. Employees who are expected to report to work prior to boarding a transcontinental or international flight shall be paid at applicable overtime rates.
- (b) In cases where a customer has an AOG (Aircraft on Ground) situation or other similar, urgent event requiring a Mobile Repair Team, all parties must make every effort to assist and ensure a qualified team is assembled and dispatched as expeditiously as possible. Where this assignment requires waivers to existing Agreement provisions in order to meet the customer's requirements and/or to remain cost-effective, the parties will endeavour to seek any reasonable means to achieve this objective.
- (c) Selection of employees will be subject to qualifications, necessary language requirements, and various Customs, Immigration and Employment requirements appropriate to the country of assignment. Additionally, the employee must be capable of representing the Company's interests in the environment of an overseas assignment, e.g. public relations.
- (d) Employees temporarily assigned away from home base shall be reimbursed for incurred expenses in accordance with the Corporate Expense Policy and Letter of Agreement #5.

ARTICLE 10

PROBATION

- 10.01 All new employees shall be required to serve a probationary period of six (6) months which must include a minimum of one hundred and twenty (120) days worked. In the event that such new employee is absent from work for any reason, excluding regularly scheduled days off, for more than fourteen (14) calendar days during the six-month probationary period, the Company may extend such new employee's probationary period by the number of days such employee is absent in excess of fourteen (14) days. The Company agrees to notify the Senior Steward when a new employee's probationary period has been extended as provided herein.
- 10.02 The Company reserves the sole right to make any decision regarding the suitability of a probationary employee for retention and during probation, seniority rules shall not apply, but seniority, when established, shall commence from the last date of hire. The Training and Licensing Committee will be given an opportunity for input into the assessment of probationary employees, including review of the employees' technical qualifications, prior to a final decision concerning the retention, extension, or dismissal of such employees.
- 10.03 If a temporary employee subsequently becomes a permanent employee and, if he has complied with the requirements of clause 10.01 during his temporary period of employment and, if his service is unbroken, he shall not be required to serve a further probationary period, provided that the work to which he is assigned as a permanent employee is not substantially different from the work he was assigned as a temporary employee.

ARTICLE 11

SUB-CONTRACTING PROVISIONS

PRINCIPLE STATEMENT:

It is recognized that it is mutually desirable that work normally performed by a classification identified in Article 13 or work suitable for incorporation into the bargaining unit not be sub-contracted.

- 11.01 The Company will advise the Union in writing of its' intent to sub-contract, a minimum of fourteen (14) calendar days prior to the actual sub-contracting when the decision changes the business model affecting the IAM membership. Written notification will be given to the Senior Steward. Where full details are available this advisement will contain such information as number of units, services involved, anticipated duration and reasons for the sub-contract, as applicable. Furthermore, a representative of the Union is permitted to attend the daily production meeting in accordance to Clause 16.05.
- The Company agrees to share with the Union any cost benefit analysis information done in conjunction with any sub-contract and to provide the Union with the opportunity to present submissions in support of retaining the work within the bargaining unit.
- 11.02 The Company agrees that the sub-contracting of work, other than to other MTU companies, normally performed by classifications in positions covered by this Collective Agreement constitutes a technological change. Accordingly, the provisions outlined in Clause 20.10 will be applied for those permanent employees affected by the sub-contract.
- 11.03 The Company further agrees that prior to any layoff, the Union will be allowed to review all sub-contracting situations with a view to reassessment of the practicability of performing the work within the bargaining unit.

ARTICLE 12

TEMPORARY EMPLOYEES

- 12.01 A temporary employee is a person who is normally employed on a continuous full-time working basis with the Company for more than one (1) week, but not more than six months duration, unless extended by mutual agreement between the Company and the Union. In the case of combined Maternity and Child-Care/Adoption leaves of absence beyond six (6) months, the period of employment for the temporary employee back-filling such absence may be automatically extended as per the applicable legislative provisions without the temporary employee achieving permanent status.
- 12.02 The time bank referenced in Clause 5.07 does not apply to temporary employees. Furthermore, opportunities to work overtime will not be available to temporary employees unless first offered to qualified, full-time employees in the functional work area. All overtime to be worked by temporary employees must receive prior approval from management.
- 12.03 A temporary employee who becomes a permanent employee and successfully completes his probationary period shall receive seniority credit for the period of his continuous employment from his last date of hire as a temporary employee.
- 12.04 No temporary employees will be employed within a classification while any employees are laid off in that classification unless mutually agreed between the Company and the Union.

ARTICLE 13

SENIORITY

13.01 Company seniority shall be the length of service with the Company regardless of classification.

Company seniority shall govern:

- vacation entitlement
- any other matter mutually agreed between the parties

Company seniority shall be taken into account with respect to:

- personal leave of absence (in accordance with Article 19.01)

13.02 Classification seniority shall be the length of service within an employee's classification and is not transferable from one classification to another. Classification seniority shall govern:

- layoff and recall
- displacement rights
- filling of vacancies (in accordance with Clauses 9.01 and 9.02)
- rest day selection (in accordance with Clause 3.07)
- selection for training (in accordance with LOU #4)
- selection for vacation

13.03 Classifications consist of:

- (a) Gas Turbine Engine Mechanic classification which shall consist of: Quality Assurance Inspectors; Line Inspectors; Non-Destructive Testing Technicians; Non-Destructive Testing Mechanics; Mechanics; Apprentices.
- (b) Material Supply classification which shall consist of: Material Planner, Buyer
- (c) Machinist Mechanic classification which shall consist of: Mechanics; Machinist Apprentices; Non-Destructive Testing Technicians; Non-Destructive Testing Mechanics.
- (d) Welder Mechanic classification which shall consist of: Mechanics; Apprentices; Non-Destructive Testing Technicians; Non-Destructive Testing Mechanics.

- (e) Technical Planner classification which shall consist of:
Technical Planners.
- (f) Documents Controller classification which shall consist of:
Document Controllers
- (g) Administrative Assistant classification which shall consist of:
Administrative Assistants.
- (h) Pre-apprentice classification which shall consist of:
Pre-apprentices.
- (i) Refurbisher classification which shall consist of:
Refurbisher and Refurbisher Technician
- (j) Process Cleaner Classification which shall consist of:
Process Cleaners
- (k) Material Coordinator classification which shall consist of:
Material Coordinators.
- (l) Millwright classification which shall consist of:
Millwrights and Apprentices
- (m) Process Planner classification which shall consist of:
Process Planners
- (n) Work Planner classification which shall consist of:
Work Planners
- (o) Technical Librarian classification which shall consist of:
Technical Librarians
- (p) Component Mechanic classification which shall consist of:
Quality Assurance Inspectors; Line Inspectors; Non-Destructive Testing Technicians; Non-Destructive Testing Mechanics; Mechanics; Apprentices.

Note: A Lead as identified in Clause 7.05 may come from any classification or position contained in this clause. In the event that a reduction of Leads is required, an employee's ability to displace is limited to like positions within the operation. Recall to the position of Lead is also limited to like positions within the operation, however, they also must meet the requirements of Clause 14.07 (b).

- 13.04 In the event more than one employee has the same classification seniority date, the employee with the greater Company seniority will appear first on the classification seniority list. In the event more than one employee has the same Company seniority date, placement will be determined by random selection with a Union representative present.
- 13.05 (a) When an employee accepts a permanent position in the Company that is outside the scope of the Agreement, the employee shall continue to accrue seniority for six (6) calendar months. If the employee returns to the scope of the Agreement within this six (6)-month period, he/she will return to the highest automatic progression attained in his/her former classification. After completion of the six (6)-month period, he/she will forfeit all classification seniority.
- (b) Following the date of ratification, employees who accept a permanent position outside the scope of the bargaining unit may return after they have forfeited classification seniority only if the following terms and conditions are met:
- (i) the Union is satisfied that the employee has a valid reason to return
 - (ii) the employee returns with zero classification seniority
 - (iii) the Union is satisfied no other employee is adversely affected at the time of his/her return
 - (iv) company seniority shall be maintained
- 13.06 (a) When an employee is displaced or laid off in accordance with the provisions of Article 14 and subsequently accepts work in another classification, he/she shall continue to accrue seniority in both classifications until such time as he/she is recalled to his previous classification. At that time, the employee shall have the option of remaining in his/her present position or returning to his/her previous classification. If the employee chooses to return to his/her former classification, he/she shall retain but not accrue seniority on a credit list in the classification not chosen. If he/she chooses to remain in his/her present position, he/she shall retain but not accrue seniority in his/her former classification and continue to accrue seniority in his/her present classification.

(b) When an employee is reclassified in accordance with the provisions of Article 9 from one classification to another as defined in Clause 13.03, the employee shall continue to retain and accrue seniority in his/her previous classification for an additional six (6) calendar months from the date of reclassification. However, once this period has been completed, the employee shall continue to retain but not accrue seniority in his/her previous classification and the retained seniority shall appear on a credit list.

13.07 An employee resigning from the Company or discharged for just cause shall lose all seniority rights accrued to the date of resignation or discharge.

13.08 Employees who take an authorized Leave of Absence to pursue accredited school studies associated with the classifications/positions detailed in Article 13.03 (a – p) shall continue to accrue seniority providing they obtain prior approval from the Union.

13.09 The Company shall, on January 15 of each year, post on its bulletin boards, where employees covered by the terms of this Agreement are located, a complete Seniority List which shall reflect both Company and classification seniority as referred to in this Article, as of November 1 of the preceding year.

Seniority lists shall remain posted on bulletin boards until January 15 of the following year.

13.10 Employees shall have ninety (90) calendar days after the posting of such seniority list in which to protest in writing to Human Resources any alleged omissions or errors affecting their seniority. The Union shall receive a copy of the protest.

In the event that an employee does not file a written protest with the Company within the time limits stipulated above, he/she shall not be entitled, upon subsequent correction of the seniority list, to any retroactive application on a position bid and filled in the interim period unless by agreement between the Company and the Union.

13.11 While on Company assignment, including Employer initiated training, employees shall maintain and continue to accrue seniority, as well as service for pay purposes, during the period in which they are missing, interned, a hostage or prisoner of war.

- 13.12 Employees transferring into the NDT department will retain and continue to accrue seniority in their previous classification. This classification seniority will prevail for all seniority provisions while in NDT. Following ratification for Agreement #3, the provisions of this clause will not apply to anyone newly entering the NDT classification.

ARTICLE 14

LAYOFF AND RECALL

LAYOFF

- 14.01 The Company will layoff by reverse order of classification seniority within a position. This shall not prevent the Company from transferring employees from one functional work area to another. Employees will be given as much advance notice of the layoff as practically possible but not less than fourteen (14) calendar days.
- 14.02 To mitigate layoffs, the employer, where practical, shall offer leaves of absence without pay or may offer V. S. I. P. opportunities in accordance with LOU 2 (Voluntary Separation Incentive Program).
- 14.03 An employee laid off from his current permanent position may exercise his/her seniority to bump the most junior employee in any other position he/she has previously held on a permanent basis, provided he/she has sufficient seniority to do so, or, he/she may elect to take layoff to the street.
- 14.04 An employee who has received notice of layoff must advise the Company with respect to his/her choice provided in Clause 14.03 above within seven (7) calendar days of the date of such notice.
- 14.05 An employee who is being laid off shall, at the time of layoff, file his/her current address and phone number with the Company. Thereafter, the employee must keep the Company informed of any change to his/her address or phone number by registered mail to the Human Resources Department within five (5) days of the change. Should the employee plan to be temporarily away from his/her address or phone number for more than three (3) days, he/she shall verbally advise Human Resources and the Senior Steward of the duration of such absence and an alternate address and phone number at which he/she may be contacted for recall. This information must be contained in all layoff notices.
- 14.06 Subject to the provisions of this Article, during a period of layoff, an employee will continue to accrue Company and classification seniority.

14.07 The Company and the Union recognize that there is a difference between a "laid off employee" and an employee who holds "laid off status":

- (a) A "laid off employee" is one who has been laid off from a position within a classification covered by this Agreement and who is not employed in any capacity in a classification covered by this Agreement. Such employee retains recall rights and continues to accrue seniority in the classification from which he/she was laid off.
- (b) An employee on "laid off status" is one who has been laid off from a position within a classification covered by this Agreement, but who has retained employment in another position within the same classification or another classification covered by the Agreement. Such employee continues to accrue seniority in the classification from which he/she was laid off plus seniority in his/her current classification and, subject to Clause 14.05 and 14.10(b), shall retain recall rights to the position in the functional work area from which he/she was laid off.

Note: Reference Article 23 for benefit coverage while on layoff.

RECALL

14.08 Employees shall be advised of recall by telephone with confirmation of such recall forwarded by registered mail or courier to the last address filed by the employee with the Company, with a copy to the Senior Steward. Attempts to contact the employee for recall shall be made over a period of three (3) consecutive days excluding general holidays. The employee shall advise the Human Resources representative of his/her intention to accept or decline recall within forty-eight (48) hours of notification of recall. The employee must return to work within fourteen (14) days of upon acceptance of recall unless otherwise agreed between the Company and the employee.

Should the Company be unable to contact the employee within the three (3) day period for recall to a position estimated to last less than six (6) months, the employee shall be deemed unavailable for that recall and the next appropriate individual may be recalled. Such employee shall remain on the seniority list for subsequent recalls but shall not be entitled, on this occasion, to displace the junior employee recalled in his/her place. Employees who fail to

advise the Company of their intention to accept or decline recall within forty-eight (48) hours of first contact, shall be deemed to have declined recall.

Note: The notification timelines of this clause exclude Saturdays, Sundays and Statutory Holidays.

- 14.09
- (a) Employees shall be recalled to the position(s) from which they have been laid off in order of classification seniority.
 - (b) Employees who have been laid off from a position and have been unable to retain employment in other positions previously held on a permanent basis will have recall rights to all such positions.
 - (c) Recall shall be for a period of five (5) years. Where an employee is not recalled within five (5) years their record shall be closed.
 - (d) Should there be a significant downward fluctuation in workload where layoffs are imminent, the Company may approach the Union for consideration regarding use of negative Time Bank referenced in Article 5.07 below thirty-seven and one half (37.5) hours as a means of mitigating the need for layoffs.
- 14.10
- (a) A laid off employee who does not accept a recall to a position from which he/she was laid off, which is estimated to last six (6) months or more, will forfeit recall rights to that position. Should the employee hold recall rights to only one position and he/she fails to accept recall, which is estimated to last six (6) months or more, the employee's record shall be closed.
 - (b) An employee on laid off status who does not accept a recall to a position from which he/she was laid off, estimated to last six (6) months or more, will forfeit recall rights to that position. If the position declined is not in the classification in which he/she is currently active, he/she shall retain but not accrue seniority in the former classification.
- 14.11
- Where there are laid off employees and/or employees on laid off status in a classification, the Company will offer temporary recall to such employees in classification seniority order prior to resorting to the provisions of Article 12. The normal period of temporary recalls will not be greater than six (6) months nor less than fourteen (14) calendar days unless this period of time is

reduced by agreement between the Company and the Union. The duration of recall will be detailed in the recall notification letter as being either from fourteen (14) days up to ninety (90) days or from ninety (90) days up to six (6) months as applicable.

It is understood between the parties that temporary recalls of less than fourteen (14) calendar days in duration will be filled in the following manner:

- a) Offered to those employees holding recall to the position, who meet the provisions of Clause 14.07 (b).
- b) Offered to those employees that possess the required skills and/or capabilities provided for in Article 7.

14.12 When a laid off employee is recalled, he/she will be entitled to benefit coverage as outlined below:

- | | |
|----------------------|--|
| Group Life Insurance | - effective date of return |
| Medical / Dental | - effective first of the month following date of return |
| Extended Health Plan | - effective first of the month following date of return |
| Disability Plan | - effective date of return providing the period of layoff has not exceeded twelve (12) months. If the period of layoff has exceeded twelve (12) months, coverage will be effective on the first of the month following three (3) months' active service. |

In the event an employee is recalled and his/her coverage in one or more of the above categories is still active (i.e. has not lapsed), he/she will continue to receive benefit coverage from the date he/she returns to work so that there will be no interruption of coverage.

ARTICLE 15

LAYOFF/REDUNDANCY PAY

- 15.01 A permanent employee covered by this Agreement who has completed one (1) year of continuous service under this Agreement immediately prior to being laid off through no fault or action of his/her own, including layoff resulting from merger, shall receive layoff pay as provided in Clause 15.02, subject to the limitations and conditions set forth herein, but he/she shall receive no layoff pay if any one or more of the following conditions exist:
- (a) He/She exercises his/her seniority in order to remain in the employ of the Company and is successful in doing so.
 - (b) He/She accepts any other employment with the Company or refuses to accept a job in his/her own or comparable work and pay classification under this Agreement.
 - (c) He/She fails to exercise his/her seniority, which would enable him/her to remain in the employ of the Company.
 - (d) The layoff is caused by an act of God, a national war emergency, revocation of the Company's operating certificates or certificate.
 - (e) The layoff is caused by a strike, or lockout or picketing of the Company's premises.
 - (f) He/She is on leave of absence on the effective date of layoff. In the case of an employee on leave of absence due to illness on the date of layoff for his/her seniority position, these layoff provisions will become effective on the date that he/she is able and reports for work following termination of such leave of absence.
 - (g) His/Her service is terminated as a result of discipline, retirement, correctable medical reasons or resignation other than as a direct result of, or during layoff.

Note: The service requirement referenced in Clause 15.01 includes service at Canadian Airlines International Ltd. for those individuals who became employees of the Company at the time the Company was formed.

- 15.02 The amount of layoff pay due under this Article shall be based on the length of actual straight-time continuous service with the Company under this Agreement and shall be computed on the basis of the employee's regular straight-time weekly rate at time of layoff.
- Employees shall receive one (1) week of layoff pay for every completed year of service to a maximum of twenty (20) weeks' pay. For partially completed years, layoff payment will be based on the number of completed months rounded to the nearest tenth of a year and paid on a pro-rated basis, e.g. if the employee has completed two (2) years and six (6) months of service at the time of layoff, he/she will be entitled to receive 2.5 weeks of layoff pay.
- 15.03 The employee eligible for layoff pay shall receive such pay starting at the time of layoff, and payments for the amount due shall be at regular pay periods and continue until all layoff pay credit is used, except that in no event shall any such pay be due after the effective date of recall by the Company.
- 15.04 In the event that a laid off employee is recalled or obtains other employment with the Company without having used all his/her layoff pay, the unused time will be credited to his/her account; however, service for additional layoff pay credits will only be accumulated from his/her date of recall to a position covered by this Agreement.

ARTICLE 16

UNION REPRESENTATION

- 16.01 The Union will select and designate from the hourly employees such representative(s) as may be necessary for the purpose of representing the hourly employees under the terms of this Agreement
- 16.02 The Union shall advise the Company of the names of its representatives. The Company shall advise the Union of the names of its representatives who serve on any joint committees.
- 16.03 The Union acknowledges that the stewards and Union officials will continue to perform their regular duties on behalf of the Company and that they shall report to their Team Leader or Manager and obtain permission before leaving their jobs for the purpose of Union business, including the investigation or settlement of grievances. Such permission shall not be unreasonably withheld.
- 16.04 A Shop Steward or any member of the executive is a representative of the Union when dealing with the Company unless he/she specifically states that he/she is unable to act as such in a particular situation.
- 16.05 Union appointed personnel, who by prior agreement with the Company are requested by the Company to meet with them, will not suffer a loss of pay as a result of such meeting. Nor shall they suffer any loss of pay related to the investigation or settlement of grievances during their regularly scheduled shift. It is agreed to release one Shop Steward for every ten (10) members for one (1) hour per month of production time per Shop Steward, which will be billed to the Union based on actual attendance at the monthly Shop Steward's Meeting. In the event that there is an operational requirement that may prevent the release of any or all of the elected Shop Stewards in a functional work location, the Team Leader is required to consult with the Senior Steward in advance of denying any release. It is further agreed that the Stewards will have the ability to adjust their scheduled shifts to attend monthly Shop Stewards meetings provided prior permission has been approved for the shift adjustment by the employees Team Leader or Manager.
- 16.06 The parties recognize the desirability of maintaining adequate opportunities for Union representatives, specifically the Senior

Shop Steward, the Senior Safety Representative and members of the Local Lodge Executive (excluding Trustees and Sentinels), to communicate with the Company and their membership during corporate working hours. Therefore, individuals occupying the above positions will have day shift with weekends off. This clause will be revisited if the structure of the Local Lodge changes to significantly impact the operation of the Company.

- 16.07 The Company will grant full-time Union paid representatives leave of absence without pay.
- 16.08 The Company will continue to pay the monthly normal straight time salaries of three (3) designated employees who are members of the IAM&AW Negotiating Committee while engaged in direct Collective Agreement negotiations with the Company.
- 16.09 The Joint Grievance Review Committee shall consist of three (3) designated members from salaried employees and three (3) representatives from hourly employees. The hourly representatives shall include the Senior Steward and two (2) representatives elected by the employees.
- 16.10 The Company and the Union shall meet every two (2) months to review issues of major concern other than collective agreement issues. The Union will designate three (3) members one of whom will be the Senior Steward.
- 16.11 The joint Training and Licensing Committee (TLC) shall be comprised in accordance with Clause 8.01.
- 16.12 The Senior Union Safety Representative shall be a member of the Joint Health and Safety Committee. This committee may put forward recommendations to change the Health and Safety Policy Manual to the Health and Safety Policy Committee comprised of the Senior Shop Steward and a designated management representative. No changes shall be made by the Health and Safety Policy committee to the Health and Safety Policy Manual without first consulting the Joint Health and Safety Committee.
- 16.13 The position of Senior Steward shall be provided five and one-half (5 1/2) hours per day to conduct Union business. The Senior Steward shall be a member of the Joint Grievance Review Committee, the Health and Safety Policy Committee and will be standing member attending meetings between the company and the Union in accordance with article 16.10. The Senior Steward shall become a full time position, funded by the employer when

the bargaining unit membership reaches three hundred fifty (350) active employees.

It is recognized that on occasion more than five and one-half (5 1/2) hours per day may be required for a specific purpose. In that event the company will not withhold permission unreasonably for additional time off with pay as required.

ARTICLE 17

COMPLAINT RESOLUTION PROCESS

For the purpose of this Agreement, a grievance is defined as any difference between the Company and the Union and/or those parties on whose behalf this Agreement was entered into concerning the interpretation, application, administration or alleged violation of this Agreement.

The parties recognize that in the best interests of the employees, the Union and the Company, the emphasis in this Article should be placed on resolving complaints at the lowest possible level and in an expedited manner.

17.01 INDIVIDUAL/GROUP GRIEVANCES

Individual or group grievances arise when an employee, or employees, believe his or their rights, as set out in the Collective Agreement, have been violated.

STEP ONE:

A meeting to resolve the issue will be held between the Shop Steward, employee(s), and the Company within five (5) days after the occurrence or awareness of the situation causing the complaint. If the parties are unable to resolve the complaint, a grievance form will be filed with a joint written summary of the Company's and the Union's positions prior to the end of the meeting.

All documentation will be forwarded immediately to the Joint Grievance Review Committee.

STEP TWO:

Within ten (10) days of receipt, the Joint Grievance Review Committee will meet for potential resolution.

If resolved to the satisfaction of all three parties, the grievance shall be concluded, in writing, at that meeting.

If the parties are unable to resolve the grievance, another joint written summary of positions will be created at that meeting and forwarded immediately to District Lodge No. 140 and Human Resources along with all relevant documentation.

STEP THREE:

Within ten (10) days of receipt of the compiled summaries, District Lodge No. 140 will advise the Company whether the grievance is to be discontinued or will proceed to arbitration.

District Lodge No. 140 and the Company will have five (5) days to schedule an arbitration.

17.02 POLICY GRIEVANCES

Any matters affecting the Union, or matters of interpretation, or any subject in which the Union or Company may have an interest, could be the subject of a policy grievance.

STEP ONE:

A meeting to resolve the issue will be held between the Senior Steward and the Company. If the parties are unable to resolve the issue at this meeting, a joint written summary of positions will be created and forwarded immediately to District Lodge No. 140 and Human Resources.

STEP TWO:

A meeting will be held between District Lodge No. 140 and Human Resources within ten (10) days of receipt.

If the parties are unable to resolve the issue, a grievance will be filed. District Lodge No. 140 and Human Resources will have fifteen (15) days in which to schedule an arbitration.

17.03 DISCIPLINE GRIEVANCES

Discipline grievances arise when an employee feels that he/she has been unjustly disciplined.

STEP ONE:

A meeting to resolve the issue will be held between the Senior Steward or designate, the Company, and the employee within three (3) days of the imposed discipline. If the parties are unable to resolve the issue, a grievance form will be filed with a joint written summary of the Company's and the Union's positions and relevant documents prior to the end of the meeting. This will be forwarded immediately to the Joint Grievance Review Committee.

STEP TWO:

Within five (5) days of receipt, the Joint Grievance Review Committee will meet to attempt to resolve the issue.

If resolved to the satisfaction of all three parties, the grievance shall be concluded, in writing, at that meeting.

If the parties are unable to resolve the grievance, another joint summary of positions is created at that meeting which will then be forwarded immediately to District Lodge No. 140 and Human Resources.

STEP THREE:

Within ten (10) days of receipt of the compiled summaries, District Lodge No. 140 will advise the Company whether the grievance is to be discontinued or will proceed to arbitration. District Lodge No. 140 and the Company will have five (5) days to schedule an arbitration.

- 17.04 Grievances arising from discipline as a result of action taken under the Joint Harassment Policy, shall be forwarded immediately to the District Lodge for processing.
- 17.05 All time limits mentioned in this Article will be full calendar days and exclude Saturday, Sunday and General Holidays.
- 17.06 The parties may waive any step in this procedure and/or extend the time limits by written agreement. If an extension is requested, the time limits will be frozen until such time as a response is received. The settlement requested must be in keeping with the provisions of the Collective Agreement and, if there is a dispute, the settlement would be subject to review by an arbitrator.
- 17.07 If the parties cannot reach agreement on a settlement of the dispute at the final step of the grievance procedure, the case may be referred to arbitration per the following:
 - (a) An Arbitration Board per procedures in Clause 17.08, or
 - (b) Agreement between the parties to submit the dispute to single arbitrator, or
 - (c) Agreement between the parties to submit the dispute to an Expedited arbitration process as follows:

- 1) Grievances shall be presented by a designated representative of the Union and a designated representative of the Company (i.e. not outside representatives such as lawyers).
- 2) All presentations are to be short and concise with:
 - (i) Comprehensive opening statement dealing with the facts and provisions of the Collective Agreement upon which reliance is placed.
 - (ii) Limited use of precedential authorities.
 - (iii) Parties endeavouring to conclude cases within one (1) day.

Nothing in the foregoing limits either party from introducing all the evidence they believe relevant to this case.

- 3) Decisions will be:
 - (i) Rendered verbally to parties within three (3) days of hearing.
 - (ii) Confirmed, in writing, within two (2) calendar weeks of hearing.
 - (iii) The written decision shall set forth a brief explanation of the facts and the terms of the Agreement and/or law, relied upon for the decision.
 - (iv) Without precedent or prejudice to future proceedings unless otherwise agreed by the parties.
 - (v) Binding on both parties.
 - (vi) Consistent with the terms of the Agreement.
- 4) Fees and expenses of the arbitrators shall be shared equally by the parties.
- (d) It is understood that changes to this procedure may be made at any time by agreement between the parties. Additionally, the hearings will be governed by the following guidelines,

which can be amended by agreement between the parties at any time:

- (i) A brief of pertinent documents will be jointly presented to the Chairperson.
- (ii) If possible, a statement of agreed to facts will be jointly presented to the Chairperson.
- (iii) Responses to opening statements will cover any facts which are in dispute and any additional facts available.
- (iv) The hearing will be conducted in an informal manner with limited objections by the parties and without concern for procedural irregularities.
- (v) Hearsay evidence and extrinsic evidence will be allowed to be entered without objection from the opposing party and given the appropriate weight by the Chairperson.
- (vi) Witnesses will only be used to enter evidence relative to facts in dispute or for expert explanations and their testimony will be guided to the issues of fact.
- (vii) Arguments will be presented only to points in issue.
- (viii) Case authorities will be kept to a minimum and will go only to points at issue.
- (ix) Mediation of the issue by the Chairperson will be permitted if the parties both agree, but the parties must have authority to settle the issue at the table.

17.08 If an Arbitration Board is desired, the Union will notify the Company, in writing, within five (5) days of receipt of the final Company response. The notification will include the name of the Union representative who will act as one of the Board members. Within seven (7) days of the receipt of this notice, the Company will notify the Union, in writing, of the Company representative chosen to sit on the Board.

As soon as possible, after the receipt of this last notice, the two (2) representatives shall meet and endeavour to reach agreement on the selection of a third member who shall act as chairperson. Should the representatives fail within five (5) days to agree on a chairperson, the Minister of Labour for Canada shall be requested by the above-mentioned representatives to appoint to the Arbitration Board a third member who shall act as chairperson. After the Arbitration Board has been formed by the foregoing parties, it shall meet and hear evidence of both parties and render a decision within sixty (60) days after the appointment of the chairperson or such longer period as may be mutually agreed upon. A majority decision shall constitute the decision of the Board, but failing such a majority, the decision of the chairperson shall govern. The decision rendered shall be final and binding on both parties.

The award shall be stated in writing and furnished to the Company and the Union. The Board of Arbitration shall not have jurisdiction to establish new provisions or to change by its decision, in whole or in part, any provision of the existing Agreement.

Witnesses who are deemed by the Union to be essential to their case presentation, excluding the arbitration hearing, and whose participation will not unduly interfere with the service of the Company, will be granted time off with pay for a time sufficient to permit them to participate.

At any arbitration hearing, the Union may have the assistance of the employee, or employees, concerned and any necessary witnesses and they will be granted the necessary time off without pay.

The fees and expenses of the arbitrator or the chairperson of the Arbitration Board shall be equally shared by the parties. The fees and expenses of the Arbitration Board representatives shall be paid by the respective parties.

17.09 All meetings between Company representatives and representatives of the Union shall normally be scheduled to commence between 0800 and 1600 without loss of time to representatives of the Union. If the Union representatives call such meetings, overtime will not be paid.

A Union representative or his deputy must be present when an employee is required to make statements at hearings on matters

affecting the Agreement, Company working rules, compensation, and/or accidents or incidents from which discipline may arise.

- 17.10 Nothing in this Article shall be construed to prevent the Company from suspending, with pay, an employee pending a hearing. Notice of such suspension shall be in writing by hand-delivered letter or, if necessary, by registered mail to the employee's home. The Union shop steward must be handed a copy of such letter forthwith.
- 17.11 No disciplinary action shall be taken by the Company prior to giving the employee the opportunity to have his case presented at a hearing. Notification of such hearing shall be given in writing within fifteen (15) days of the time when the Company became aware of the incident. The notification shall outline the nature of the incident and be given to the employee and the shop steward; except that in the absence of the employee, such notification shall be given to the shop steward and a copy mailed to the employee's last known address.
- 17.12 An employee will be informed of any correspondence of a disciplinary nature against the employee which the Company wishes to place on their employee record, subject to their rights under this Article. When a notation of discipline is made against the record of an employee, he will be furnished with a copy and a copy will be sent to the Union. Disciplinary letters will be removed from an employee's record after eighteen (18) months from date of origin. An employee may peruse his record not more than twice annually. Only the pertinent material and information contained in the record under the jurisdiction of the Human Resources Department will be used in disciplinary action against the employee.
- 17.13 All hearings shall be scheduled to commence between the hours of 0800 - 1600 on weekdays (i.e. Monday to Friday inclusive) and every reasonable effort will be made to schedule such hearings during the employee's scheduled working hours. Exceptions to the above will be made when the employee is unavailable due to assignment, sickness, vacation, etc.
- 17.14 It is agreed that employees covered by this Agreement will not be required or allowed to impose formal disciplinary action, arising from action under clause 17.11, upon other employees covered by this Agreement. However, employees are expected to give relevant evidence at hearings and investigations.

- 17.15 If it is found that an employee has been unjustly suspended, such employee shall be reinstated with full pay for all time lost. If it is found that a penalty of suspension or discharge has been imposed which is too severe in light of the circumstances, the employee may be completely exonerated or given a lesser suspension or given a lesser disciplinary measure such as a letter of warning or letter of reprimand.

ARTICLE 18

VACATIONS

- 18.01 For the purpose of calculating and recording annual vacations, a "vacation year" has been established. The year begins January 01 and ends December 31.
- 18.02 Vacation entitlement listed below will be increased by one (1) day for each general holiday that occurs during their vacation period to be taken at the end of their vacation period unless mutual agreement has been made to obtain a day in lieu:

During the vacation year in which the employee begins	The employee will be entitled to	With the following pay applicable (subject to Clause 23.10)
YEARS OF SERVICE	TIME ENTITLEMENT	PAY ENTITLEMENT
1	None	(per Clause 18.04)
2	(per Clause 18.03); plus 1 week (7 calendar days) after twelve (12) months' service	(per Clause 18.03)
3 - 5	3 weeks (21 calendar days)	3 weeks regular earnings or the provisions of the British Columbia Employment Standards Act whichever is greater
6 - 10	4 weeks (28 calendar days)	4 weeks regular earnings
11 - 15	5 weeks (35 calendar days)	5 weeks regular earnings
16 & over	6 weeks (42 calendar days)	6 weeks regular earnings

- Notes: 1) Notwithstanding the provision that all vacation earned in one vacation year is to be taken in the following vacation year, it is recognized that the employees formerly covered by the CPAL/IAM&AW Collective Agreement No. 26 are currently taking one week vacation in the year in which it is earned. It is agreed that this practice will continue for those employees but will not be instituted for any employees who were not covered by Agreement No. 26.
- 2) Notwithstanding the above, employees will be granted vacation entitlement and vacation pay based on current wages or the provisions of the British Columbia Employment Standards Act, whichever is greater.
- 3) An employee's vacation week shall be defined as thirty-seven and one-half (37 1/2) hours except as otherwise provided in Clause 3.02(b)(v).
- 4) Employees with at least three (3) weeks vacation entitlement may elect to split one (1) week of their entitlement into sections of one or more days. Such vacation will be selected after all full-week vacation rounds have been completed. (Reference clause 18.07).
- 18.03 Employees with less than one (1) year of service shall be entitled to fourteen (14) calendar days free of duty in the following vacation year. Wages for this period shall be four percent (4%) of total wages during the year in which the vacation was earned.
- 18.04 Employees leaving the service of the Company who have completed thirty (30) days but less than one (1) year of continuous service with the Company, excluding any layoff period or authorized leave of absence, shall be entitled to four percent (4%) of total wages earned during their period of employment as vacation pay.
- 18.05 Employees leaving the service who have completed one (1) year of continuous service with the Company, excluding any layoff period or authorized leave of absence (at a time when an unused period of vacation stands to their credit), shall be paid the amount due them in lieu of vacation calculated to the date of their leaving the service as provided for above.

- 18.06 Employees within the same position in each functional work area shall be given preference for vacation selection by classification seniority, in accordance to the existing practice.
- 18.07 (a) A vacation list will begin circulation by November 1 in every year within each functional work area. All employees within each functional work area will be required to indicate their first choice by no later than November 15th, their 2nd choice by no later than November 30th, their 3rd choice by no later than December 15th and their 4th choice and subsequent choices by December 31st. The approved vacation list shall be posted by no later than January 15th of the following year. Employees who have not made their choice in each selection round, shall forfeit such choice and following the last selection round, the unbid vacation may be assigned after March 31st.
- (b) Employees may split their vacation entitlement into minimum one (1)-week segments.
- (c) Bid vacation periods will not be altered after having been approved without local agreement between the Company and the Union.
- (d) The Time Bank week of vacation referenced in clause 5.07(c) shall be second choice extended vacation. Time set aside for this extended vacation provision will not be used for any other purpose, and the flex time bank may again be built up to a maximum of one hundred and fifty (150) hours.
- 18.08 No employee shall have more than four (4) calendar weeks off as annual vacation during the period starting July 1 ending August 31.
- 18.09 An employee who is unable to commence or complete his/her scheduled vacation period due to injury or illness, including Workers' Compensation, shall be awarded a new vacation period upon return to duty. The employee must provide a doctor's certificate to verify all absences under this article that exceed 3 consecutive days including Saturday, Sunday and General holidays. However, if the employee does not return to duty on or before December 1 of any year, he/she shall have the option to receive the pay in lieu of the vacation earned but not taken.
- 18.10 Employees will be permitted to defer one (1) week of annual vacation to the following year should they have insufficient hours in their time bank on October 1st to request extended vacation (ref

5.07c). Deferred vacation shall be bid at the same time and with the same priority as extended vacation in accordance with Clause 18.07(d). Employees will not be allowed to work through any vacation period and receive the vacation pay credits due to them.

18.11 The number of employees permitted on vacation at any one time within each position in each functional work area will be governed by the following table of ratios:

Total number of vacation weeks per position in the functional work area:	Number of employee permitted on vacation at any one time within the position in the functional work area:
1 - 32	1
33 - 54	2
55 - 76	3
77 - 98	4
99 - 120	5
121 - 142	6
143 - 164	7
165 - 186	8
187 - 208	9
209 - 230	10
231 - 252	11
253 - 274	12
275 - 296	13
297 - 318	14
319 - 340	15
341 - 362	16
363 - 384	17
385 - 407	18

- 18.12 (a) An employee who moves voluntarily to a new functional work area after the vacation list is posted shall not be allowed to exercise his/her seniority to disrupt the list but shall accept an open vacation period. This Clause shall not prevent the employee from requesting and the employer from granting vacation in excess of the vacation ratio if operational requirements permit.
- (b) An employee who is bumped or assigned to a new functional work area shall retain his/her vacation selection.

ARTICLE 19
LEAVES OF ABSENCE

19.01 PERSONAL LEAVE OF ABSENCE

- (a) Consistent with work schedule requirements, an employee, upon written request, may be granted personal leave of absence, including for education purposes, without pay for a period not to exceed thirty (30) days. This period may be extended by mutual consent of the Company and the Union.
- (b) When such leave is granted, the employee shall retain his seniority rights. In no case shall personal leave of absence be given to an employee for the purpose of working for another employer or for self-employment.

19.02 (a) BEREAVEMENT/EMERGENCY LEAVE

- (i) The Company shall pay for lost time of three (3) working days occasioned by a death or life-threatening illness/injury in the employee's immediate family.
- (ii) A period of leave in excess of three (3) days, necessitated by the distance to be traveled, shall be allowed for out-of-town travel on the basis of one (1) additional day with pay for travel in excess of one hundred and sixty (160) kilometers or, two (2) additional days with pay when travel outside of British Columbia is required.

(b) COMPASSIONATE LEAVE

An employee will be granted time free of duty up to three (3) calendar days with no loss of pay when there are legitimate compassionate grounds involving his immediate family. If additional time off is required for this purpose, such time may be withdrawn from the employee's Time Bank (subject to the allowable minimum), his Sick Bank (to the extent of his credits), or taken without pay at the employee's option.

Note: For the purposes of Article 19, immediate family is defined as husband, wife, common-law spouse, children, parents, legal guardian, brother, sister, grandparents, grandchildren, person lawfully in loco parentis, parent-in-law.

19.03 MATERNITY, CHILD, PARENTAL AND ADOPTION LEAVE

Every Employee who has six hundred (600) hours of service with the company is entitled to apply for and shall be granted a leave of absence and the following rules shall apply for maternity, parental, adoption and child care leave. Such leave shall be in accordance with applicable legislative provisions.

- (a) The Company shall not dismiss, suspend, layoff, demote, discipline, nor deny promotion or training because the employee has applied for leave under these Clauses.
- (b) No employee can be laid off while on leave under these Clauses 19.04, 19.05, 19.06 and 19.07. However, this shall not prevent the Company from laying off active employees who are senior to him/her during his/her leave of absence under this Clause.
- (c) Every employee who intends to take a leave of absence under these Clauses 19.04, 19.05, 19.06 and 19.07 shall:
 - (i) Give at least four (4) weeks notice in writing to the Company unless there is a valid reason why such notice cannot be given.
 - (ii) Inform the Company in writing of the length of leave intended to be taken.

Note: Nothing in the foregoing shall prohibit the employee from returning to work prior to the expiration of the leave of absence provided the employee supplies four (4) weeks' written notice to the Company of their intended date of return to work.

- (d) The Company must inform in writing, every employee who takes leave under these Clauses (19.04, 19.05, 19.06 and 19.07) of every employment bid, promotion or training opportunity for which the employee is qualified. The employee must request this in writing and ensure the Company has a current address for the employee.
- (e) Every employee who takes leave under these Clauses (19.04, 19.05, 19.06 and 19.07) is entitled to be reinstated in the position that that employee occupied when the leave

commenced. If for a valid reason, the Company cannot reinstate an employee in that position, the Company shall reinstate the employee in a comparable position with not less than the same wages, benefits, and same location or awarded a position as per 19.03(d) above.

- (f) The pension, health and disability benefits and the seniority of any employee who takes or is required to take a leave of absence from employment under this Clause shall accumulate during the entire period of the leave.
- (g) Where monetary contribution is normally required of an employee for the employee to be entitled to a benefit referred to in 19.03(f) above, the employee is responsible for and must, within a reasonable time after commencing the leave, pay that monetary contribution.
- (h) For the purposes of calculating the pension, health and disability benefits of an employee who fails to pay the monetary contribution required by 19.03(g) above, employment on the employee's return to work shall be deemed to be continuous with employment before his/her absence.
- (i) For the purposes of calculating benefits of an employee who takes or is required to take a leave of absence from employment under this Clause, other than benefits referred to in 19.03(f) above, employment on the employee's return to work shall be deemed to be continuous with employment before his/her absence.

19.04 MATERNITY LEAVE

- (a) Where an employee is pregnant, that employee is entitled to apply for and shall be granted a leave of absence in accordance with applicable legislative provisions.
- (b) An employee applying for leave under this Clause, shall provide the Company with a medical certificate stating expected confinement date.
- (c) The Company shall not require an employee to take a leave of absence because the employee is pregnant; however, if an employee is unable to perform an essential function of her job and no appropriate alternative job is available for that employee, that employee may be required by the Company to take the leave but the burden of proving this rests with the Company.
- (d) If an employee is unable to work because of an illness, whether or not it is related to her pregnancy, she shall be allowed to use her sick leave under this Agreement. This shall not be construed to mean that she shall be allowed sick leave while on Maternity or Child Care Leave.
- (e) Employees who have completed six (6) months will receive full pay for the two (2) week waiting period in accordance to the Employment Insurance guidelines governing Supplementary Unemployment Insurance Benefits.

19.05 CHILD CARE LEAVE

Where an employee has or will have the actual care and custody of a new born child, that employee is entitled to and shall be granted a leave of absence in accordance with legislative provisions, of up to thirty-five (35) weeks, commencing as the employee elects.

- (a) In the case of a female employee:
 - on the expiration of any leave of absence taken by her under Clause 19.04.
 - on the day the child is born, or
 - on the day the child comes into her actual care and custody, and
- (b) in the case of a male employee:
 - on the day the child is born, or

- on the day the child comes into his actual care and custody.

- (c) The combined amount of leave of absence from employment that may be taken by two (2) employees of this Company under this Clause shall not exceed the maximum entitlement of one employee.

19.06 ADOPTION LEAVE

- (a) Where an employee commences legal proceedings under the laws of a province to adopt a child or obtains an order under the laws of a province for the adoption of a child, the employee is entitled to and shall be granted a leave of absence from employment in accordance with applicable legislative provisions.
- (b) The combined amount of leave of absence from employment that may be taken by two (2) employees of this company under this clause shall not exceed the maximum entitlement of one employee.

19.07 PARENTAL LEAVE

An employee shall be paid at his/her regular rate of pay for three (3) working days due to the absence of that employee or his spouse due to the birth of their child or an adopted child coming into their care and custody. This Clause will not apply during any approved absence from work.

19.08 WEDDING DAY

An employee will be granted a leave of absence with pay for the wedding day of the employee or a member of his/her immediate family.

ARTICLE 20

GENERAL

20.01 RETURN TO WORK AFTER WCB-RELATED ABSENCE

Employees who return to work after a job-related injury or illness covered by Workers' Compensation and find, upon medical advice by a qualified medical practitioner, that they can no longer carry out the duties of their previous job, will be given such light work as they are able to perform, if such work is available, or allowed the reasonable opportunity to qualify for other work covered by this Agreement. In this circumstance, the employee will retain his/her current rate of pay until such time as the rate of pay in the newly assigned position catches up to their current rate.

20.02 MODIFIED RETURN TO WORK PROGRAM AND THE DUTY TO ACCOMMODATE

Recognizing the benefits of a formal rehabilitation program for employees who have been injured on the job or are recuperating from personal injury or illness, the Company and Union commit to work together proactively in accordance with and for the purposes of achieving the objectives of the Company's Modified Return to Work Program. No employee shall suffer any loss of wages or benefits during the transition into a modified return to work agreement, provided that they have fulfilled all of their obligations in accordance with the Modified Return to Work Program.

20.03 DOCTOR'S APPROVAL

Employees shall be permitted to return to work when approved by a doctor satisfactory to both the Company and the employee without signing any release pending the disposition or settlement of any claim for damage or compensation.

20.04 WCB OR INDEPENDENT DOCTOR

If the Company does not agree with the decision of a WCB doctor regarding an employee's ability to resume his duties, the Company, the Union and the employee will select an independent doctor to give a binding decision.

20.05 ATTENDING COURT

When attending court as witness for the Company, employees shall continue to receive the applicable wage as though working. Necessary expenses incurred by the employee will be reimbursed by the Company on a receipted basis.

20.06 JURY DUTY OR SUBPOENAED WITNESS

An employee required to perform jury duty, appear for jury selection or appear as a subpoenaed witness will continue to receive his normal straight-time wages. He/She shall turn over to the Company all monies received from the court for such service, excluding payment for meals, lodging, transportation and parking.

NOTE: It is understood that when subpoenaed as a witness, the employee will take all reasonable steps to claim payment of wages from the party requesting the subpoena. The Company will provide a suitable form letter for this purpose.

20.07 WCB HEARINGS

Employees required by the Workers' Compensation Board to attend WCB hearings will continue to receive the applicable wage as though working.

20.08 TOOL KITS

The Company will reimburse an employee who is required to have a tool kit in the performance of his duties for the loss or damage of such tool kit, or major portion thereof, subject to the following:

- (a) Any reimbursement will not exceed the replacement value of tools.
- (b) Each employee shall submit an identifiable inventory of the contents of a tool box. Each tool box shall have a lock and shall be left locked at a place designated by the Company.
- (c) The inventory form referred to in paragraph (b) shall contain the following information:
 - 1) Quantity
 - 2) Description
 - 3) Identifying mark

4) Signed by:

Employee Company

Distribution: Employee
 Employee Record

(d) An employee will not be entitled to the reimbursement provided in this Article when the loss or damage is caused by negligence or wrongdoing by the employee.

20.09 ORDERS IN WRITING

All orders to an employee notifying him of promotion, demotion, layoff, leave of absence, recall, and change in pay or classification shall be stated in writing with a copy to the Union and such employee shall be given as much advance notice as possible. The Employer acknowledges the requirement to provide such notice to the Union in writing in a timely manner.

20.10 TECHNOLOGICAL CHANGE

(a) The Company and the Union acknowledge the requirement to comply with the following provisions applicable to Technological Change.

(b) Technological change means:

- (1) The introduction by the employer into his work, undertaking, or business, of equipment or material of a different nature or kind than that previously utilized by him in the operation of the work, undertaking or business; and
- (2) A change in the manner in which the employer carries on the work, undertaking or business that is directly related to the introduction of that equipment or material.

(c) (1) Where the Company proposes to effect a technological change and such action results in the displacement of employees who have completed their probationary period or necessitates new job classifications and wage rates, the Company shall give notice to the Union not less than one hundred

and twenty (120) days prior to the date on which the technological change is to be effected.

- (2) The notice referred to in (1) above shall be in writing and shall state:
 - (i) the nature of the technological change;
 - (ii) the date upon which the employer proposes to effect the technological change;
 - (iii) the approximate number and type of employees likely to be affected by the technological change;
 - (iv) the effect that the technological change is likely to have on the terms and conditions or security of employment of the employees affected;
 - (v) such other information as may be required by regulations.
- (3) A meeting shall be scheduled with the Union within fourteen (14) days after the notice referred to in Clause 20.10 (c) (1) above has been issued for the purpose of discussing and negotiating such conditions which result from the proposed changes as may affect employees. If the parties are unable to reach an agreement as to the applicable conditions the matter shall, at the request of either party, be submitted to mediation/arbitration within ten (10) working days following the last meeting on the matter.
- (d)
 - (1) Where technological change may require additional knowledge and skill on the part of employees, such employees shall be given the appropriate training where practical, to qualify employees to retain their employment. A reasonable time will be afforded to employees in which to qualify. Any instruction or training shall be done at the employees regular rate and during scheduled working hours.
 - (2) If by reason of technological change the employee cannot be retrained in accordance with Clause 20.10 (d) (1) above, the employee shall:

- (i) be given an opportunity to fill any vacancy for which he is qualified in accordance with Article 9, or
- (ii) follow the procedure as outlined in Article 14.

Any vacancy created as a result of the above shall then be filled in accordance with Article 9.

- (e) (1) A permanent employee laid off as a result of technological change who wishes to maintain his Company relationship in accordance with Article 14, will be entitled to the provisions of Article 15.
- (2) A permanent employee laid off as a result of technological change and who no longer desires to maintain employment with the Company will be paid severance pay equal to two (2) weeks' salary for each year of service to a maximum of twenty-five (25) weeks.

Note: If, during the life of this Agreement, there is a requirement for the use of metric tools and/or equipment, the matter will be handled under the procedure outlined in this Article.

20.11 BULLETIN BOARDS

Places shall be provided where proper notices of direct interest to employees may be posted by the representatives of the Union. Such notices shall bear the signature of one of the members of the Executive Board.

20.12 PRINTING AND DISTRIBUTION OF COLLECTIVE AGREEMENT

Within three (3) months of notice of ratification, the Company will be responsible for arranging the printing of this Agreement and supplying all employees with a copy at no cost to the employee. Costs associated with the printing of the Agreement shall be shared equally between the Company and the Union.

20.13 ELECTRONIC SURVEILLANCE

- (a) Information gathered through any form of electronic surveillance, i.e. computer terminals, workload statistics,

telephone systems record, shall not be used to measure productivity for disciplinary purposes against any member of the bargaining unit unless substantiated by other evidence.

- (b) Notwithstanding the above, where there are unforeseen circumstances related to a breach of security, the Company will enter into discussions with the Union prior to determining what, if any, special security measures should be activated.

ARTICLE 21

NO STRIKE -- NO LOCKOUT

- 21.01 The parties agree that there shall be no strike or lockout as defined under the British Columbia Labour Code during the term of this Agreement.
- 21.02 Should any legal labour disruption occur in another company that directly impacts the operation of the Company, the Union and employees will uphold their respective obligations under the British Columbia Labour Code and under this Agreement. In these circumstances, employees shall continue to perform all work that was already under contract prior to the dispute.
- 21.03 It is agreed that neither the Company nor the Union will discriminate against any employee who crosses or refuses to cross a legal picket line in order to carry out their work assignment.

ARTICLE 22
HEALTH AND SAFETY

PREAMBLE:

The Company will take all necessary precautions to protect the health and safety of its employees and will comply with all provisions concerning the health and safety of employees as governed by all applicable legislative and regulatory authorities.

22.01 Where in the interests of safety, the Company requires the wearing of protective footwear, the Company will reimburse the employee, on receipt of proof of purchase or repair, the cost of same up to a maximum of one hundred and twenty-five dollars (\$125.00) once every twenty-four (24) months. If, as a result of work related conditions, an employee's protective footwear becomes unserviceable, and it must be replaced, the Company will pay to the employee the benefit outlined above, prior to the expiration of the twenty-four (24)-month period.

The areas where such footwear is required will be determined by the Company Safety Representative in consultation with the Union Safety Representative.

22.02 The Company shall supply on a continuous return basis up to six (6) coverall, shirt and pant combinations or smocks at no cost to the employee. Employees who are required to work outdoors will be provided with jackets suitable to the weather conditions at no cost to the employee. The Company will arrange to launder and repair such clothing.

22.03 Ear-muff type hearing protectors will be made available to all employees on a return basis at work locations where required by the applicable legislation. Where an employee requests not to use ear-muff type hearing protection, custom molded hearing protectors will be provided.

22.04 All employees in a functional work area where the maximum noise tolerance is exceeded, as specified by the applicable legislation, will be given an annual hearing test.

22.05 Individual lockers will be provided for each employee required to wear Company supplied clothing and special safety devices.

- 22.06 A pregnant employee who is concerned that working with chemicals or with Video Display Terminals may be injurious to her unborn child or to herself by reason of her pregnancy and provides a medical certificate attesting to her concern, the Company shall make every reasonable attempt to modify either the employee's job or workplace to alleviate her concern. If this is not practical, then the employee may elect one of the following options:
- (a) Pre-natal extended leave of absence without pay.
 - (b) Exchange of positions with another employee in the same classification on a voluntary basis until the pregnant employee commences maternity leave.
 - (c) Transfer to a vacancy covered by this Agreement for which she is qualified. She will be paid the rate of pay applicable to the new position.
 - (d) Exchange positions with the junior employee in the same classification employed at a work site not having such exposure on a displacement basis.
- 22.07 If an employee has a particular and adverse reaction to continuous and consistent exposure at a workplace to certain hazardous chemical substances and provides a medical certificate attesting to his/her concern, the Company shall modify either the employee's job or workplace to alleviate his/her concern. If this is not practical, then the employee may elect one of the following options:
- (a) Exchange of positions with another employee in the same classification on a voluntary basis.
 - (b) Exchange of positions with the junior employee in the same classification employed at a work site not having such exposure on a displacement basis.
 - (c) Transfer to any vacancy covered by the Collective Agreement for which he is qualified. He will be paid the rate of pay applicable to the new position.
 - (d) Leave of absence without pay.
- 22.08 Where the company requires the wearing of safety eyewear, non-prescription safety goggles will be provided by the company for all employees. Where an employee prefers to wear prescription

safety glasses they must inform their Team Leader. As per the "Work Instruction - Safety Glasses", the company will provide a list of available optometrists, reimburse the employee for the cost of the eye exam, and reimburse the employee to a maximum of \$175.00 once every 2 years for the prescription safety glasses.

ARTICLE 23

EMPLOYEE BENEFITS

23.01 PENSION PLANS

The MTU Pension Plan is established as a continuing policy by MTU Maintenance Canada Ltd. for the terms and conditions of which are set out in the pension plan for employees of MTU Maintenance Canada Ltd. and shall not be amended except in accordance with the rules outlined therein.

The Company will maintain a Defined Benefit Pension Plan (The "MTU Maintenance Canada Ltd. Pension Plan") to cover those employees of the Company covered hereunder who previously participated in the Pension Plan for Technical Services and Clerical employees as represented by the International Association of Machinists & Aerospace Workers of Canadian Airlines International Ltd. (the IAM/CAI Pension Plan); or the Pension Plan for Management employees of Canadian Airlines International Ltd. (MGMT/CAI Pension Plan) who elect to participate in the MTU Maintenance Canada Ltd. Pension Plan. The Company will ensure the Plan is funded to a solvency basis at all times as per the BC Pension Standards Branch Act.

The Company shall, subject to the Income Tax Act, provide adjustments to the amount of retirement otherwise payable under the Plan to eligible retirees, former members and the surviving spouses of deceased members or retirees. Ad hoc increases shall be subject to the conditions detailed in Letter of Agreement #4.

When the Plan is in a state of solvency of less than ninety eight percent (98%) based on a snapshot date of December 31st of each year, the funds which otherwise would have been paid out as ad hoc adjustments will be paid into the Plan. This snapshot calculation will be based on an estimate using criteria agreed between the parties.

The Company shall also establish a Defined Contribution Retirement Savings Plan (the "D.C. Plan") to cover employees commencing employment on or after November 09, 1998, and to cover any other employees who currently do not participate in the IAM/CAI Pension Plan (the "Eligible Employees") applicable to both union and non-union employees. The D.C. Plan will contain

provisions regarding contributions from both the Company and the Eligible Employees.

The Company will provide investment and retirement seminars on a yearly basis.

23.02 WCB CLAIMS

Except as provided elsewhere in this Article, an employee who files a WCB claim will be paid directly by the Provincial Workers' Compensation Board once it is accepted. In those cases where the employee has met his/her onus with respect to proper and timely submission of the correct forms, or cases where the adjudication of the claim is delayed due to the complexity of the claim or as a result of the Company not providing the necessary information in a timely manner, the employee will receive the WCB benefit directly from the Company for a maximum of sixty (60) days or until the employee's claim has been adjudicated, whichever comes first. This period may be extended by mutual agreement between the parties. In these cases, the employee will immediately reimburse the Company the amount owing.

23.03 MEDICAL SERVICES PLAN

The Company will assume one hundred percent (100%) of the cost of the Overall Medical Services Plan premiums in the Province of British Columbia. It is understood by both parties that this participation by the Company will not be compounded by any compulsory Provincial or Federal medical plan, either in existence or introduced at a later date.

23.04 DENTAL PLAN

- (a) The Company will assume one hundred percent (100%) of the cost of a Group Dental Plan. It is understood by both parties that this participation by the Company will not be compounded by any compulsory Provincial or Federal Dental Plan, either in existence or introduced at a later date.
- (b) It is further understood by both parties that the Company shall have full trusteeship of the Dental Plan and that the present benefit level will be maintained.
- (c) Effective the first of the month following three (3) months of service, Dental Plan benefits will be paid in accordance with the Dental Association fee schedule of British Columbia.

- (d) Payment by the Dental Plan described above for benefits listed under Plan "A" will be one hundred percent (100%).
- (e) Payment by the Dental Plan described above for benefits listed under Plan "B" will be seventy-five percent (75%).
- (f) The maximum annual benefit per employee and per listed beneficiary, under Plans "A" and "B" described above, will be two thousand dollars (\$2,000.00).
- (g) Payment by the Dental Plan described above for benefits listed under Plan "C" will be fifty percent (50%). The lifetime maximum benefit per covered member will be one thousand, two hundred and fifty dollars (\$1,250.00).

"Orthodontic Treatment" means treatment by a dentist for the correction of malposed teeth. Services for purely cosmetic purposes will not be covered. Benefits do not include replacement costs for lost or stolen appliances.

23.05 Extended Health Benefit Plan

- (a) The Company will assume one hundred percent (100%) of the cost of an Extended Health Plan. It is understood by both parties that this participation by the Company will not be compounded by any compulsory Provincial or Federal Medical Plan, either in existence or introduced at a later date.
- (b) It is further understood by both parties that the Company shall have full trusteeship of the Extended Health Benefit Plan and that the present benefit level will be maintained.
- (c) The Extended Health Benefit Plan will provide coverage for corrective lenses in accordance with the provisions of the vision care rider. The maximum amount claimable during any consecutive twenty-four month period will be two hundred dollars (\$200.00). The employee will be reimbursed for the cost of eye exam every two (2) years.

23.06 Group Life Insurance

- (a) Group Life Insurance coverage for employees coming within the scope of the Agreement will be based on three (3) times annual salary. The Company will pay one hundred percent (100%) of the premiums up to a maximum of \$25,000.00.

The cost of coverage in excess of \$25,000.00 will be assumed by the employee.

- (b) Employees may elect to increase their life insurance by an additional one (1) times their annual salary.

Employees may elect to change their previous election at any time. Any employee electing this increased coverage following a period without such coverage must submit an Evidence of Insurability document at his own expense. The Insurance Underwriter will have the power of decision regarding the applicant's insurability.

100% of the premiums will be paid by the employee so electing, however the premiums will be variable on the basis of smoker and non-smoker, age related rates.

- (c) Group Life Insurance coverage of two thousand dollars (\$2,000.00) shall be established for spouses of permanent employees coming within the scope of the Agreement, with the Company paying one hundred percent (100%) of the premiums.

23.07 INCOME LOSS INSURANCE PLAN

The employee will assume one hundred percent (100%) of the cost of the Salary Continuation Plan premium. The Company agrees to provide payroll deduction of these premiums in trust, which shall be submitted to the benefit provider within two (2) weeks of each deduction. It is further agreed that the Union will have full trusteeship of this Plan.

23.08 SICK LEAVE

- (a) A permanent employee absent from work due to illness or injury (other than illness or injury covered by Workers' Compensation) will be allowed sick leave with pay as outlined below.
- (b) An employee will be credited with one day of sick leave for each month worked in any year.
- (c) In the first, second and third absences from work due to illness or injury not covered by Workers' Compensation in any calendar year, employees will be entitled to sick leave

with pay to the extent of the sick leave credits accumulated by the employee in accordance with item (b) above.

- (d) For fourth and subsequent absences from work due to illness or injury not covered by Workers' Compensation in any calendar year, employees will be entitled to sick leave with pay for only the second and subsequent days of such periods of absence, except as provide in item (e) below. An occurrence is defined as any absence exceeding the duration of one (1) day's scheduled shift. Absences less than an employee's scheduled shift will not constitute an occurrence.
- (e) Any employee who has accumulated forty-eight (48) days or more of sick leave credit at the time of the absence will be entitled to sick leave with pay on all absences due to illness or injury not covered by Workers' Compensation.
- (f) Employees who are suffering from a suitably verified illness which requires recurring treatment will be entitled to all absences related to that illness to the extent of the sick leave credits accumulated by the employee in accordance with item (b) above.

The employee receiving treatment must submit in a timely manner to the employer a doctor's certificate outlining the visits/treatment and the anticipated time frame. In regards to recurring illness, the employee will be required to substantiate with a doctor's certificate that the illness is a recurrence of an illness for which the employee has already been absent. Absences as a result of a documented and recognized disability will not require a medical certificate for each absence but the employee must provide and renew a medical certificate on a yearly basis. All costs for obtaining medical certificates will be reimbursed in accordance with this article.

- (g) Sick leave will be accumulated to a maximum of seventy-two (72) days.
- (h) The Company may require a doctor's certificate in support of any absence due to sickness or injury in excess of three (3) days. In the event the Company requires such a certificate it must so advise the employee in time to enable him to consult with a doctor during his illness and such certificates

will be at Company expense upon presentation of a valid receipt.

Note: The Company and the Union have agreed to jointly develop a "Sick Time Incentive Program" with an implementation target of less than six (6) months.

23.09 GRACE PERIODS

For the purpose of automatic wage progression and vacation pay the following will apply:

(a) Grace for the duration:

- occupational injury
- Union leave of absence
- jury duty
- maternity leave
- child care leave

(b) Seventy (70) calendar day grace period:

- authorized sick leave
- non-occupational injury

(c) No grace period:

- layoff
- suspension
- personal leave of absence

23.10 BENEFIT COVERAGE DURING ABSENCES

In the event an employee is absent due to illness or non-occupational injury, the Company will continue to pay medical premiums for a maximum of six (6) months. Further, the Company will continue to pay Group Life Insurance premiums for 24 months. However, if the employee is declared permanently and totally disabled, the Company will pay the Group Life Insurance premiums for the duration of the absence. The Company will continue to pay 100% of the premiums for dental and extended health benefit plans for the first 12 weeks of illness or non-occupational injury. After the 12 weeks, the employee is responsible for and must, within a reasonable time, pay 100% of the dental and extended health premiums, unless at the

commencement of the absence, the employee notified the Company that he/she does not wish to continue contributions after the 12 weeks. The employee may continue participation in the pension plan upon payment of normal contributions.

In the event that an employee is absent due to occupational injury, all benefit plans, i.e. pension, Group Life, medical, dental and extended health will continue to be paid by the Company for the duration of treatment and rehabilitation under WCB unless the employee does not pay the employee's contributions, if any, within a reasonable time.

In the event an employee is absent due to personal leave of absence, layoff, or suspension, the employee may, at his/her option, continue in all benefit plans at 100% cost to the employee for duration of absence, except Short Term and Long Term Disability Plans.

In the event an employee is absent due to maternity or child care leave, all benefit plans, i.e. pension, medical, dental and extended health will be paid by the Company for the duration of the absence, unless the employee does not pay the employee's contributions, if any, within a reasonable time.

When an employee is on jury duty, the benefits will be maintained with the current cost sharing arrangement between the Company and the employee.

If an employee is absent for any of the above reasons and does not wish to continue any of his/her contributions during that period, he/she must notify the Company. For the purposes of calculating the benefits in this case, the employment on return to work shall be deemed to be continuous with employment before the employee's absence.

ARTICLE 24

WORKPLACE CONDUCT

- 24.01 The Company and the Union recognize the right of employees to work in a harassment-free environment and are committed to providing a workplace that is supportive of the dignity, self-esteem and contribution of all employees.
- 24.02 Any such complaints shall be processed in accordance with the policies that have been jointly developed and/or modified by the Company and the Union.

ARTICLE 25

DEDUCTION OF DUES

- 25.01 Membership in the Union shall be available to any employee eligible under the constitution of the Union.
- 25.02 The Company shall deduct from the pay period which contains the twentieth (20th) day of the month, from wages due and payable to each employee coming within the scope of the Collective Agreement an amount equivalent to the uniform monthly union dues of the Union, subject to the conditions and exceptions set forth hereunder.
- 25.03 Deductions shall commence on the first pay period which contains the twentieth (20th) day of the month in the month employment last commences in a position covered by this Agreement or such other date as may be mutually agreed to by the Company and the Union, subject to the provisions of Clause 25.04.
- 25.04 Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Company, pension deductions and deductions of provident funds shall be made from wages prior to the deduction of dues. If the remaining monies are insufficient to permit the deduction of the full amount of dues, no such deductions shall be made and the Company shall not carry forward and deduct from any subsequent wages the dues not deducted.
- 25.05 The amounts of dues so deducted from wages, accompanied by a statement of deductions from individuals, shall be remitted by the Company to the Union not later than twenty-one (21) calendar days following the pay period in which the deductions are made.
- 25.06 Employees covered by Clauses 9.07(c) and 13.05(a) shall continue to pay Union dues.
- 25.07 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 of remittances. However, in any instance in which an error occurs in the amount of any deduction of dues from an employee's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its

remittance to the Union, the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions of this Article shall terminate at the time it remits the amounts payable to the Union.

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

ARTICLE 26

RENEWAL AND TERMINATION

- 26.01 This Agreement shall become effective as of November 2, 2006, and shall continue in full force and effect until November 1, 2011, and shall renew itself without change each succeeding November 02 unless written notice of intended change is served by either party hereto not less than sixty (60) days, nor more than one hundred and twenty (120) days, prior to November 02 in any year.
- 26.02 In the event of notice as provided in Clause 26.01, this Agreement shall remain in full force and effect while negotiations are being carried on for the arrangement of a further Agreement.
- 26.03 There shall be no retroactive application of the terms of the Agreement to employees not on the payroll as of November 02, 2006.

THIRTY-SEVEN & ONE HALF (37.5) & FORTY (40) HOUR WORKING WEEK

Rates of Pay Effective November 02, 2006

POSITION		Existing Pay Scale	New Pay Scale	WEEKLY 37.5 HRS	WEEKLY 40 HRS
QA Inspector		\$31.66	\$33.36	\$1,250.93	\$1,334.32
Line Inspector		\$28.49	\$30.08	\$1,127.89	\$1,203.08
NDT Mechanic		\$28.52	\$26.96	\$1,011.00	\$1,078.40
Pre-Apprentice		\$12.54	\$13.24	\$496.41	\$529.51
NDT Technician I		\$29.25	\$30.85	\$1,157.01	\$1,234.14
NDT Technician II		\$29.74	\$31.34	\$1,175.24	\$1,253.59
NDT Technician III		\$30.34	\$31.98	\$1,199.31	\$1,279.26
Material Planner		\$27.62	\$28.85	\$1,081.70	\$1,153.82
Technical Librarian		\$22.65	\$23.71	\$889.19	\$948.47
Technical Planner	1st 52 weeks	\$28.12	\$29.36	\$1,101.11	\$1,174.52
	2nd 52 weeks	\$28.93	\$30.20	\$1,132.55	\$1,208.05
	3rd 52 weeks	\$29.76	\$31.06	\$1,164.76	\$1,242.41
Material Coordinator	1st 52 weeks	\$30.94	\$32.29	\$1,210.95	\$1,291.68
	2nd 52 weeks	\$31.82	\$33.20	\$1,245.11	\$1,328.11
	3rd 52 weeks	\$32.74	\$34.16	\$1,280.81	\$1,366.20
Mechanic	1st 52 weeks	\$22.75	\$24.14	\$905.11	\$965.45
	2nd 52 weeks	\$23.58	\$25.00	\$937.32	\$999.81
	3rd 52 weeks	\$24.00	\$25.43	\$953.62	\$1,017.20
	4th 52 weeks	\$26.30	\$27.81	\$1,042.89	\$1,112.42
Apprentice	1st 26 weeks	\$14.89	\$15.67	\$587.62	\$626.80
	2nd 26 weeks	\$15.54	\$16.34	\$612.85	\$653.71
	3rd 26 weeks	\$16.55	\$17.39	\$652.05	\$695.52
	4th 26 weeks	\$17.56	\$18.43	\$691.25	\$737.33
	5th 26 weeks	\$18.59	\$19.50	\$731.23	\$779.98
	6th 26 weeks	\$20.03	\$20.99	\$787.12	\$839.59
Buyer	1st 52 weeks	\$21.87	\$22.89	\$858.53	\$915.77
	2nd 52 weeks	\$22.74	\$23.79	\$892.30	\$951.79
	3rd 52 weeks	\$23.64	\$24.73	\$927.23	\$989.05
	4th 52 weeks	\$24.60	\$25.72	\$964.49	\$1,028.79
	5th 52 weeks	\$25.58	\$26.73	\$1,002.53	\$1,069.36
Documents Controller	1st 26 weeks	\$15.80	\$16.62	\$623.33	\$664.88
	2nd 26 weeks	\$16.71	\$17.56	\$658.65	\$702.56
	3rd 26 weeks	\$17.73	\$18.62	\$698.24	\$744.79
	4th 26 weeks	\$18.74	\$19.67	\$737.44	\$786.60
	5th 26 weeks	\$20.08	\$21.05	\$789.45	\$842.08
	6th 26 weeks	\$21.34	\$22.36	\$838.35	\$894.24
	7th 26 weeks	\$22.65	\$23.71	\$889.19	\$948.47

Administrative Assistant	1st 26 weeks	\$14.06	\$14.81	\$555.41	\$592.43
	2nd 26 weeks	\$15.31	\$16.10	\$603.92	\$644.18
	3rd 26 weeks	\$16.58	\$17.42	\$653.21	\$696.76
	4th 26 weeks	\$18.14	\$19.03	\$713.76	\$761.35
	5th 26 weeks	\$19.51	\$20.45	\$766.94	\$818.06
Refurbisher	1st 26 weeks	\$13.49	\$14.22	\$533.28	\$568.84
	2nd 26 weeks	\$14.52	\$15.29	\$573.26	\$611.48
Refurbisher Technician	1st 26 weeks	\$16.08	\$16.90	\$633.81	\$676.06
	2nd 26 weeks	\$17.12	\$17.98	\$674.17	\$719.12
	3rd 26 weeks	\$18.15	\$19.04	\$714.15	\$761.76
Process Planner	1st 52 weeks	\$28.12	\$29.36	\$1,101.11	\$1,174.52
	2nd 52 weeks	\$28.93	\$30.20	\$1,132.55	\$1,208.05
	3rd 52 weeks	\$29.77	\$31.07	\$1,165.15	\$1,242.83
Process Cleaner	1st 26 weeks	\$18.15	\$19.04	\$714.15	\$761.76
	2nd 26 weeks	\$18.67	\$19.58	\$734.33	\$783.29
	3rd 26 weeks	\$19.19	\$20.12	\$754.52	\$804.82
	4th 26 weeks	\$19.71	\$20.66	\$774.70	\$826.34
Millwright	1st 52 weeks	\$23.47	\$24.56	\$921.02	\$982.42
	2nd 52 weeks	\$24.29	\$25.41	\$952.85	\$1,016.37
	3rd 52 weeks	\$24.71	\$25.84	\$969.15	\$1,033.76
	4th 52 weeks	\$27.02	\$28.23	\$1,058.81	\$1,129.39
Work Planner	1st 26 weeks	\$28.93	\$30.20	\$1,132.55	\$1,208.05
	2nd 26 weeks	\$29.77	\$31.07	\$1,165.15	\$1,242.83
Machinist Apprentice	1st 26 weeks	\$14.89	\$15.67	\$587.62	\$626.80
	2nd 26 weeks	\$15.54	\$16.34	\$612.85	\$653.71
	3rd 26 weeks	\$16.55	\$17.39	\$652.05	\$695.52
	4th 26 weeks	\$17.56	\$18.43	\$691.25	\$737.33
	5th 26 weeks	\$18.59	\$19.50	\$731.23	\$779.98
	6th 26 weeks	\$20.03	\$20.99	\$787.12	\$839.59
	7th 26 weeks	\$22.75	\$24.14	\$905.25	\$965.60
	8th 26 weeks	\$22.75	\$24.14	\$905.25	\$965.60

THIRTY-SEVEN & ONE HALF (37.5) & FORTY (40) HOUR WORKING WEEK

Rates of Pay Effective November 02, 2007

POSITION		HOURLY EFF NOV 2	WEEKLY 37,5 HRS	WEEKLY 40 HRS
QA Inspector		\$34.03	\$1,276.02	\$1,361.09
Line Inspector		\$30.68	\$1,150.56	\$1,227.26
NDT Mechanic		\$27.50	\$1,031.22	\$1,099.97
Pre-Apprentice		\$13.50	\$506.43	\$540.19
NDT Technician I		\$31.47	\$1,180.01	\$1,258.68
NDT Technician II		\$31.97	\$1,198.76	\$1,278.67
NDT Technician III		\$32.62	\$1,223.24	\$1,304.78
Material Planner		\$29.43	\$1,103.51	\$1,177.08
Technical Librarian		\$24.18	\$906.91	\$967.37
Technical Planner	1st 52 weeks	\$29.95	\$1,123.02	\$1,197.89
	2nd 52 weeks	\$30.80	\$1,155.15	\$1,232.16
	3rd 52 weeks	\$31.68	\$1,188.05	\$1,267.25
Material Coordinator	1st 52 weeks	\$32.94	\$1,235.09	\$1,317.43
	2nd 52 weeks	\$33.86	\$1,269.90	\$1,354.56
	3rd 52 weeks	\$34.84	\$1,306.62	\$1,393.73
Mechanic	1st 52 weeks	\$24.62	\$923.36	\$984.91
	2nd 52 weeks	\$25.50	\$956.25	\$1,020.00
	3rd 52 weeks	\$25.94	\$972.70	\$1,037.54
	4th 52 weeks	\$28.37	\$1,063.73	\$1,134.65
Apprentice	1st 26 weeks	\$15.98	\$599.38	\$639.34
	2nd 26 weeks	\$16.67	\$625.01	\$666.67
	3rd 26 weeks	\$17.74	\$665.17	\$709.51
	4th 26 weeks	\$18.80	\$704.95	\$751.94
	5th 26 weeks	\$19.89	\$745.88	\$795.60
	6th 26 weeks	\$21.41	\$802.87	\$856.39
Buyer	1st 52 weeks	\$23.35	\$875.54	\$933.91
	2nd 52 weeks	\$24.27	\$909.97	\$970.63
	3rd 52 weeks	\$25.22	\$945.92	\$1,008.98
	4th 52 weeks	\$26.23	\$983.79	\$1,049.38
	5th 52 weeks	\$27.26	\$1,022.42	\$1,090.58
Documents Controller	1st 26 weeks	\$16.95	\$635.72	\$678.10
	2nd 26 weeks	\$17.91	\$671.67	\$716.45
	3rd 26 weeks	\$18.99	\$712.22	\$759.70
	4th 26 weeks	\$20.06	\$752.38	\$802.54
	5th 26 weeks	\$21.47	\$805.16	\$858.84
	6th 26 weeks	\$22.81	\$855.27	\$912.29
	7th 26 weeks	\$24.18	\$906.91	\$967.37

Administrative Assistant	1st 26 weeks	\$15.11	\$566.48	\$604.25
	2nd 26 weeks	\$16.42	\$615.83	\$656.88
	3rd 26 weeks	\$17.77	\$666.32	\$710.74
	4th 26 weeks	\$19.41	\$727.90	\$776.42
	5th 26 weeks	\$20.86	\$782.21	\$834.36
Refurbisher	1st 26 weeks	\$14.50	\$543.92	\$580.18
	2nd 26 weeks	\$15.60	\$584.84	\$623.83
Refurbisher Technician	1st 26 weeks	\$17.24	\$646.43	\$689.52
	2nd 26 weeks	\$18.34	\$687.74	\$733.58
	3rd 26 weeks	\$19.42	\$728.28	\$776.83
Process Planner	1st 52 weeks	\$29.95	\$1,123.02	\$1,197.89
	2nd 52 weeks	\$30.80	\$1,155.15	\$1,232.16
	3rd 52 weeks	\$31.69	\$1,188.43	\$1,267.66
Process Cleaner	1st 26 weeks	\$19.42	\$728.28	\$776.83
	2nd 26 weeks	\$19.97	\$748.94	\$798.86
	3rd 26 weeks	\$20.52	\$769.59	\$820.90
	4th 26 weeks	\$21.07	\$790.25	\$842.93
Millwright	1st 52 weeks	\$25.05	\$939.42	\$1,002.05
	2nd 52 weeks	\$25.92	\$971.93	\$1,036.73
	3rd 52 weeks	\$26.36	\$988.38	\$1,054.27
	4th 52 weeks	\$28.79	\$1,079.80	\$1,151.78
Work Planner	1st 26 weeks	\$30.80	\$1,155.15	\$1,232.16
	2nd 26 weeks	\$31.69	\$1,188.43	\$1,267.66
Machinist Apprentice	1st 26 weeks	\$15.98	\$599.38	\$639.34
	2nd 26 weeks	\$16.67	\$625.01	\$666.67
	3rd 26 weeks	\$17.74	\$665.17	\$709.51
	4th 26 weeks	\$18.80	\$704.95	\$751.94
	5th 26 weeks	\$19.89	\$745.88	\$795.60
	6th 26 weeks	\$21.41	\$802.87	\$856.39
	7th 26 weeks	\$24.62	\$923.36	\$984.91
	8th 26 weeks	\$24.62	\$923.36	\$984.91

THIRTY-SEVEN & ONE HALF (37.5) & FORTY (40) HOUR WORKING WEEK

Rates of Pay Effective November 02, 2008

POSITION		HOURLY EFF NOV 2	WEEKLY 37.5 HRS	WEEKLY 40 HRS
QA Inspector		\$35.05	\$1,314.41	\$1,402.04
Line Inspector		\$31.60	\$1,185.02	\$1,264.02
NDT Mechanic		\$28.33	\$1,062.19	\$1,133.00
Pre-Apprentice		\$13.91	\$521.44	\$556.20
NDT Technician I		\$32.41	\$1,215.53	\$1,296.56
NDT Technician II		\$32.93	\$1,234.84	\$1,317.16
NDT Technician III		\$33.60	\$1,259.95	\$1,343.94
Material Planner		\$30.31	\$1,136.73	\$1,212.52
Technical Librarian		\$24.91	\$933.95	\$996.22
Technical Planner	1st 52 weeks	\$30.85	\$1,156.82	\$1,233.94
	2nd 52 weeks	\$31.72	\$1,189.65	\$1,268.96
	3rd 52 weeks	\$32.63	\$1,223.64	\$1,305.22
Material Coordinator	1st 52 weeks	\$33.93	\$1,272.31	\$1,357.13
	2nd 52 weeks	\$34.88	\$1,307.84	\$1,395.03
	3rd 52 weeks	\$35.89	\$1,345.70	\$1,435.41
Mechanic	1st 52 weeks	\$25.36	\$950.95	\$1,014.34
	2nd 52 weeks	\$26.27	\$984.94	\$1,050.60
	3rd 52 weeks	\$26.72	\$1,001.93	\$1,068.73
	4th 52 weeks	\$29.22	\$1,095.79	\$1,168.84
Apprentice	1st 26 weeks	\$16.46	\$617.23	\$658.38
	2nd 26 weeks	\$17.17	\$643.88	\$686.80
	3rd 26 weeks	\$18.27	\$685.21	\$730.89
	4th 26 weeks	\$19.36	\$726.15	\$774.56
	5th 26 weeks	\$20.49	\$768.25	\$819.47
	6th 26 weeks	\$22.05	\$826.96	\$882.09
Buyer	1st 52 weeks	\$24.05	\$901.89	\$962.02
	2nd 52 weeks	\$25.00	\$937.43	\$999.92
	3rd 52 weeks	\$25.98	\$974.12	\$1,039.06
	4th 52 weeks	\$27.02	\$1,013.13	\$1,080.68
	5th 52 weeks	\$28.08	\$1,052.92	\$1,123.11
Documents Controller	1st 26 weeks	\$17.46	\$654.69	\$698.34
	2nd 26 weeks	\$18.45	\$691.77	\$737.89
	3rd 26 weeks	\$19.56	\$733.49	\$782.39
	4th 26 weeks	\$20.66	\$774.82	\$826.47
	5th 26 weeks	\$22.11	\$829.28	\$884.56
	6th 26 weeks	\$23.49	\$881.04	\$939.77
	7th 26 weeks	\$24.91	\$933.95	\$996.22

Administrative Assistant	1st 26 weeks	\$15.56	\$583.62	\$622.53
	2nd 26 weeks	\$16.91	\$634.22	\$676.50
	3rd 26 weeks	\$18.30	\$686.37	\$732.12
	4th 26 weeks	\$19.99	\$749.71	\$799.69
	5th 26 weeks	\$21.49	\$805.72	\$859.43
Refurbisher	1st 26 weeks	\$14.94	\$560.06	\$597.40
	2nd 26 weeks	\$16.07	\$602.55	\$642.72
Refurbisher Technician	1st 26 weeks	\$17.76	\$665.90	\$710.29
	2nd 26 weeks	\$18.89	\$708.38	\$755.61
	3rd 26 weeks	\$20.00	\$750.10	\$800.10
Process Planner	1st 52 weeks	\$30.85	\$1,156.82	\$1,233.94
	2nd 52 weeks	\$31.72	\$1,189.65	\$1,268.96
	3rd 52 weeks	\$32.64	\$1,224.03	\$1,305.63
Process Cleaner	1st 26 weeks	\$20.00	\$750.10	\$800.10
	2nd 26 weeks	\$20.57	\$771.34	\$822.76
	3rd 26 weeks	\$21.14	\$792.59	\$845.42
	4th 26 weeks	\$21.70	\$813.83	\$868.08
Millwright	1st 52 weeks	\$25.80	\$967.56	\$1,032.06
	2nd 52 weeks	\$26.70	\$1,001.16	\$1,067.90
	3rd 52 weeks	\$27.15	\$1,018.16	\$1,086.03
	4th 52 weeks	\$29.65	\$1,112.01	\$1,186.15
Work Planner	1st 26 weeks	\$31.72	\$1,189.65	\$1,268.96
	2nd 26 weeks	\$32.64	\$1,224.03	\$1,305.63
Machinist Apprentice	1st 26 weeks	\$16.46	\$617.23	\$658.38
	2nd 26 weeks	\$17.17	\$643.88	\$686.80
	3rd 26 weeks	\$18.27	\$685.21	\$730.89
	4th 26 weeks	\$19.36	\$726.15	\$774.56
	5th 26 weeks	\$20.49	\$768.25	\$819.47
	6th 26 weeks	\$22.05	\$826.96	\$882.09
	7th 26 weeks	\$25.36	\$950.95	\$1,014.34
	8th 26 weeks	\$25.36	\$950.95	\$1,014.34

**APPENDIX B
TABLE OF RATIOS FOR WORKING DAYS TO REST DAYS**

This chart reflects the shifts commonly entertained for discussion pursuant to Clause 3.01(c).

SHIFT:	RATIO:	
	DAYS WORKED:	DAYS OFF:
4 ON/3 OFF	1	1
(.75)	2	2
	3	2
	4	3
5 ON/2 OFF	1	1
(.4)	2	1
	3	1
	4	2
	5	2
5 ON/3 OFF	1	1
(.6)	2	1
	3	2
	4	2
	5	3
4 ON/2 OFF	1	1
(.5)	2	1
	3	2
	4	2
6 ON/4 OFF	1	1
(.66)	2	1
	3	2
	4	3
	5	3
	6	4
4 ON/4 OFF	1	1
(1.0)		
3 ON/4 OFF	1	1
(1.33)	2	3
	3	4

M.T.U. MAINTENANCE CANADA LTD.

SCHEDULE OF BENEFITS

BASIC LIFE INSURANCE

Eligibility Period

Full time and Part time Employees	Immediately upon date of employment
Temporary Employees	1 st of the month following 3 months of employment

Benefit Amount 3 times annual earnings rounded to the next
higher \$500 if not already a multiple thereof

Maximum Benefit \$500,000

**Qualifying Period
for waiver of
Premiums** 6 months

**Conversion
Privilege** Included

Termination Age The earlier of attainment of your 65th birthday
or retirement

SPOUSAL LIFE INSURANCE

Eligibility Period

Full time and Part time Employees	Immediately upon date of employment
Temporary Employees	1 st of the month following 3 months of employment

Benefit Amount \$5,000

**Waiver of Premium
Benefit** Included

Termination Age The earlier of attainment of your 65th birthday
or retirement or the date the spouse no longer
meets the definition of spouse.

EXTENDED HEALTH CARE

Eligibility Period

Full time and Part time	1 st of the month coincident with or next following your date of employment.
Temporary Employees	1 st of the month following 3 months of employment

Deductible \$25 per person or family each calendar year

Reimbursement:

In-Province eligible expenses	80%
Out-of-Province Non-Emergency Eligible expenses:	80%
Out-of-Province Emergency Eligible expenses	100%
Medi-Assist Basic	Included

*After \$1,000 has been paid for a person in a calendar year, further eligible expenses submitted by on behalf of that person within the calendar year will be reimbursed at 100% subject to the maximums stated below and within the policy.

Summary of Eligible Expenses:

Including oral contraceptives, fertility drugs (to a lifetime maximum of \$6,000) and drugs that must be injected and syringes for self administered injections of covered drugs. Excluding any drug that does not have a DIN, vaccines used to prevent disease and drugs used to treat erectile dysfunction.

Hospital	Semi-private or private accommodation
Private Duty Nursing Care	Unlimited, included in the overall plan maximum.

EXTENDED HEALTH CARE (continued)

Acupuncture	\$225 per person per calendar year
Chiropractor	225 per person per calendar year, plus \$15 for x-rays
Massage Practitioner	\$225 per person per calendar year
Naturopath	\$225 per person per calendar year (excluding x-rays)
Podiatrist	\$225 per person per calendar year, plus \$15 for x-rays
Psychologist	\$225 per person per calendar year (including Clinical Counselors and Social Workers)
Speech Language Pathologist	\$225 per person per calendar year
Orthopaedic Shoes	2 pair per person in a calendar year
Orthotics	2 pair per person per 36 months
Hearing Aids	\$400 per person per 5 years Including batteries, tubing, and ear molds at the time the hearing aid is purchased)
Diabetic – blood - glucose monitoring machines	Included
Smoking Cessation Products	\$500 per person per lifetime
Stump Socks	Unlimited per person per calendar year
Surgical Stockings	\$250 per person per calendar year

EXTENDED HEALTH CARE (continued)

Mastectomy Brassieres	\$250 per person per calendar year
Wigs and Hairpieces	\$500 per person per lifetime
Vision Care	\$200 per person per 24 months Plus an additional benefit of \$200 every 2 years for contact lenses when prescribed for severe corneal astigmatism, severe scarring, keratoconus, or aphakia or when vision in the better eye cannot be corrected to the 20/40 level of glasses.
Survivor Benefit	24 months
Plan Maximum	Out of country lifetime maximum – unlimited. All other expenses - \$100,000 per insured person
Termination Age	Attainment of your 65 th birthday

DENTAL CARE

Eligibility Period

Full time and Part time Employees	1 st of the month coincident with or next following 3 months of employment
Temporary Employees	1 st of the month following 3 months of employment

Deductible Nil

Reimbursement	Plan A	Plan B	Plan C
	Basic Services	Major Restorative Services	Orthodontics
	100%	75%	50%

Financial Limit \$2,000 per calendar year (combined Basic and Major maximum) \$1,250 per lifetime

Summary of Eligible Services:

Services covered by the Plan are those services that are routinely performed in the offices of general practicing dentists. Covered services are those services listed in the applicable Fee Schedules and are reimbursed as specified within those Fee Schedules. Please note there may be further limitations in the Fee Schedules than those listed here. We suggest contacting the carrier for any limitations regarding Dental services prior to having services performed.

Oral Examinations: Complete Recall 1 per 3 year period
Once every 6 months

X-rays Complete Mouth Series 1 per 2 year period

Preventative Services:
Polishing Once every 6 months
Topical Fluoride Once every 6 months

Survivor Benefits 24 months

Termination Age The earlier of attainment of your 65th birthday or retirement

OPTIONAL LIFE INSURANCE

Plan	Employee/Spouse
Benefit Amount	Multiples of \$10,000 as selected, to a Maximum of \$300,000
Non Evidence Limit	Medical evidence will be required for all Amounts of insurance.
Termination	Employee Insurance terminates at age 65 or earlier retirement.

OPTIONAL DEPENDANT CHILD LIFE INSURANCE

Benefit Amount	\$5,000
Waiver of Premium Benefit	Included
Termination Age	The earlier of attainment of your 65 th birthday or retirement or the date the dependent child no longer meets the definition of dependent.

OPTIONAL AD&D

Plan 1 – Employee Only You may select any amount of benefit in units of \$50,000 with a minimum of \$50,000 and to a maximum of \$300,000.

Plan II- Family Plan You may select any amount of benefit in units of \$50,000 with a minimum of \$50,000 and to a maximum of \$300,000 and your family will be insured for the following:

Spouse Your spouse will be insured for either 50% of the benefit if you have dependent children or 60% of the benefit if you do not have dependent children.

Children Each dependent child will be insured for either 10% of the benefit if there is a spouse or 25% of the benefit if there is no spouse.

Termination Age The earlier of attainment of your 65th birthday or retirement.

LETTER OF UNDERSTANDING NO. 1

ADMINISTRATIVE MATTERS

During negotiations for Agreement No. 3, the Union and the Company acknowledge that certain matters may have been overlooked.

For the term of Agreement No. 3, the parties agree to meet and attempt to jointly resolve such matters without the intervention of a third party.

In the event the parties, after making their best efforts, are unable to find an agreeable resolution, then either or both parties may refer the matter to an independent third party for assistance in identifying a binding resolution.

LETTER OF UNDERSTANDING NO. 2

VOLUNTARY SEPARATION INCENTIVE PROGRAM

The Voluntary Separation Incentive Program (VSIP) is intended for employees who may wish to retire or otherwise voluntarily separate from employment with the Company in order to mitigate the layoff of surplus employees.

1. Initial selection for acceptance for VSIP will be made from employees in the affected position where the surplus has been identified. If sufficient volunteers cannot be found from the affected position, the Company may consider volunteers from all other positions in the classification.
2. Acceptance will be in order of classification seniority.
3. Determination of acceptance of applications for VSIP will be solely at the discretion of the Company. The release date will be based on operational requirements.
4. Employees who voluntarily sever, will mitigate a layoff (thus preserving employment for another employee) and will be eligible for Unemployment Insurance in accordance with Unemployment Insurance regulations.
5. The amount of VSIP will be calculated on the basis of one (1) week's pay for each completed year of service up to a maximum of twenty (20) weeks' pay.
6. For purposes of VSIP calculation, a completed year of service shall be defined as including any lost time due to those leaves identified in Article 19 with the exception of Clause 19.01 (Personal Leave of Absence).
7. Employees who are participants in the IAM pension plan and who would reach a pension milestone of either 70 points, 80 points, or age 55, may elect to participate in VSIP and remain on the payroll for payment of severance monies associated with the program until the milestone is reached. Once the milestone is reached, the remaining monies shall be paid out in a lump sum.
8. Employees who elect to remain on the payroll to reach a milestone will be eligible for all benefits at 100% employee cost except for STD, LTD and WCB, which are not available.

9. Employees who are within forty (40) weeks of normal retirement who are accepted for VSIP will be limited in lump sum payment to one half the weeks left to retirement, e.g. if an employee has thirty (30) weeks until retirement, VSIP will be equivalent to fifteen (15) weeks' pay.

LETTER OF UNDERSTANDING NO. 3

TERMS OF REFERENCE FOR IMPLEMENTATION OF NEW POSITIONS & RESPONSIBILITIES

The following constitutes an agreement reached between the parties with respect to instituting the new positions and responsibilities detailed below. These terms will become effective concurrent with Agreement No. 1 and remain in effect until this Agreement expires.

1. For the purposes of this Letter of Understanding, "red-circled" shall mean that the employee will not progress up the increment scale of his/her new position until the rate of pay for the new position equals or exceeds the rate of pay of the employee's former position but he/she shall continue to receive the benefit of general wage increases provided in Agreement No. 3. An employee shall cease to be red-circled if he/she voluntarily vacates his/her red-circled position.
2. All incumbent Foremen, NDT Technician III, Shop Production Planners IV, Lead Records Controllers, Shop Technicians and Material & Production Planners II and III at the time the Company commences operation, shall be red-circled and shall perform the duties normally associated with their new classification.
3. All incumbent Inspectors/Foremen who currently hold the prerequisite qualifications for the Quality Assurance Inspector position shall perform those responsibilities in accordance with the Maintenance Policy Manual (MPM) or equivalent developed by the Company.
4. Incumbent Inspectors/Foremen who do not currently hold the qualifications for the Quality Assurance Inspector position shall be red-circled and shall perform those job functions that will normally be the responsibility of the Line Inspector.
5. Incumbent Inspectors/Foremen who do not currently hold the prerequisite qualifications for Quality Assurance Inspector will continue to receive all training required to fulfill this obligation. Should the employee elect not to qualify as a Quality Assurance Inspector, he/she shall be returned to the Line Inspector position with the associated rate of pay.
6. Incumbents of the Aircraft Maintenance Planner III position who are currently performing the technical writing function shall fill a Technical Planner vacancy and, as long as they remain in this position, be red-circled at their current Aircraft Maintenance Planner III rate of pay.

LETTER OF UNDERSTANDING NO. 4

CRITERIA GOVERNING SELECTION FOR TRAINING

Selection for training within a position shall be carried out in a fair and equitable manner subject to the following considerations:

- possession of any prerequisite qualifications
- availability of the employee to attend training at the scheduled time
- whether the employee has previously failed a related exam within the previous 12 month period
- classification seniority order where other factors are equal
- the efficient operation of the Company and maintaining of contracts

LETTER OF INTENT NO. 1

SUBJECT: **Introduction of Other Classifications into the Bargaining Unit**

This will confirm the Company's and the Union's intent to discuss classifications not already specified in Article 13, which either party may consider to be appropriate to consider for incorporation into the bargaining unit. In the event the parties determine one or more additional classifications are appropriate for inclusion in the bargaining unit, the parties will establish any appropriate terms including amendments, or additions, or deletions to the existing language to provide for effective incorporation of the classification(s) into this Agreement.

LETTER OF INTENT NO. 2

SUBJECT: **Introduction of New Skills and Functions**

The Company and the Union will meet to discuss the introduction of new skills and functions into the Company e.g. CNC VTL. Such discussions will occur prior to the introduction with the intent to identify the appropriate assignment of the work to be performed and training required.

**LETTER OF AGREEMENT NO. 1
BETWEEN
MTU MAINTENANCE CANADA LTD.
AND
INTERNATIONAL ASSOCIATION OF MACHINIST
& AEROSPACE WORKERS
DISTRICT LODGE 140 & LOCAL LODGE 764**

The following constitutes an agreement reached between the parties with respect to the reclassification of Logistics Planner as Material Coordinators and Buyer Analysts as Buyer and Material Planner. The changes and modifications proposed to the job descriptions and qualifications in the Collective Agreement are intended to achieve the following:

1. Increased flexibility of hiring while maintaining acceptable skill levels for the positions.
2. To enable full engine ownership for the Material Coordinator across all facets of an engine's parts availability profile.
3. To provide a career path for incumbents and potentials to develop across the positions.
4. To define a difference in emphasis between positions primarily dedicated to planning (Material Planner) and buying (Buyer).
5. To provide maximum flexibility to employees and the company to meet the requirements of production.

Both parties agree that each position will have both primary and secondary functions, which will overlap and are highlighted in the matrix on the next page:

Guidelines for Primary and Secondary Roles of Buyer and Material Planner

P = Primary S = Secondary	Buyer	Material Planner
Daily review of shortages for engine/component build	P	S
Sourcing parts or services, market or contract	P	S
Place purchase order through cimos and other electronic medium	P	S
Trace open purchase order, expedite and hotslip	P	S
Update internal info systems	P	S
Select vendor and place repair purchase orders	P	S
Invoice review and variances	P	S
Supplier non conformance actions	P	S
Supplier performance review	P	S
Inventory replenishment requirement analysis and PO request	S	P
Setting of minimum stock controls	S	P
Cimos inventory value control (pcat5/oem)	S	P
Store number control	S	P
Coordinate, budget and provision new engine/component materials	S	P
Pma parts, control, te interface	S	P
Surplus/excess/obsolete materials review	S	P
Pool, float, consignment control	S	P
Create/responsible for, inventory performance/measurement/stores reports	S	P
Engine or kit BOM creation, review and update/correction	S	P
MRP for engine build materials forecasting; design and control	S	P
Weekly review of shortages / irregularities	S	P

Primary functions are defined as those, which constitute the major portion of the employee's workload. Secondary functions are those which an employee is capable of doing and may perform as required, but which do not constitute the major portion of the employee's workload.

Allocation of Overtime:

To meet operational requirements, the employer will make all reasonable efforts to assign overtime opportunities first to employees whose primary function most closely matches the work to be performed.

Review

The parties agree to meet to assess the implementation of the guidelines toward the fulfillment of the intentions of this letter within 6 months of the signing of Collective Agreement No. 3.

**LETTER OF AGREEMENT NO. 2
BETWEEN
MTU MAINTENANCE CANADA LTD.
AND
INTERNATIONAL ASSOCIATION OF MACHINIST
& AEROSPACE WORKERS
DISTRICT LODGE 140 & LOCAL LODGE 764**

The Company shall, subject to the income tax act, provide adhoc adjustments to the amount of retirement income otherwise payable under the Plan to eligible retirees, former members, and the surviving spouses of deceased members or retirees. The following conditions shall apply to these increases:

- a. The Plan must be in a state of solvency of no less than ninety eight (98%) based on a snapshot date of December 31st of each year based on an estimate using criteria agreed between the parties. The estimate will be provided to the Pension Committee by January 31st of each year and adjustments shall be May 1st of each year.
- b. Once granted under the plan, such adhoc adjustments shall remain in effect for the remaining life time of the recipient and shall be payable in the same form of lifetime retirement income elected by the pension recipient for his/her other pension benefits under the Plan.
- c. To be eligible for an increase, a retiree, former member, or surviving spouse, must as of the effective date of the increase be in receipt of monthly pension under the defined benefit provisions of the Plan and, for a retiree or former member only, must be at least age 60 on the first retirement income payment date following or coincident with the effective date of the increase
- d. Each adhoc adjustment shall be an increase to the recipients pension equal to 50% of the lesser of 8% and the annual percentage increase in the average monthly Consumer Price Index for Canada during the calendar year prior to the effective date of the increase compared to the previous calendar year.
- e. However, if the retiree, former member, or surviving spouse commenced receipt of pension payments within the 12 month period preceding the first retirement income payment date following or coincident with the effective date of the increase, the adhoc adjustment shall be prorated to reflect the number of months of retirement to the first retirement income payment date following or coincident with the effective date of the increase.

These amendments will, subject to the income tax act and provincial legislation be incorporated in to the plan text for the life of Collective Agreement No. 3

**LETTER OF AGREEMENT NO. 3
BETWEEN
MTU MAINTENANCE CANADA LTD.
AND
INTERNATIONAL ASSOCIATION OF MACHINIST
& AEROSPACE WORKERS
DISTRICT LODGE 140 & LOCAL LODGE 764**

This Letter of Agreement is entered into for the purpose of establishing an individual letter of contract form in accordance with Article 2.03 of the Collective Agreement for employees who are sent on assignments outside the territorial limits of Canada. The terms and conditions for employees who are sent on such assignments will be in accordance with the collective agreement with the following exceptions:

1. Hours of Service:

Employees will work hours established at the location to which they are assigned. Where such hours exceed 7.5 hours in a day, or more than 5 days in a week without 2 consecutive days of rest, the employee shall be paid overtime in accordance with the Collective Agreement. The Team Leader in the location of assignment must approve the overtime.

2. Training:

Where the employee is out of country specifically to take training, the employee will be paid 7.5 hours per day. No overtime will be paid in this case.

3. General Holidays:

- Where a holiday occurs in the country of assignment but not in the collective agreement, the employee will receive the day off with holiday pay.
- Where a holiday occurs in the collective agreement but not in the country of assignment, the employee will receive straight time pay and 7.5 hours in their time bank. If the employee was able to take the day off, then the employee will only receive holiday pay.
- Where a holiday occurs in the collective agreement and in the country of assignment, the employee will receive the day off with holiday pay.
- Employees will have the option of taking November 11th off.

4. Recording Time:

Employees will be asked to record all hours worked and have the Team Leader in the location to which they have been assigned approve this time, prior to returning to Canada. Employees will submit any overtime incurred upon their return to Canada.

5. Vacation:

Where an employee wishes to take vacation while assigned out of country, they should receive approval from their host and home Team Leader to do so. The employee will be responsible for hotel and rental car charges and no travel allowances will be paid during the vacation period.

6. Travel Documents:

It is the employee's responsibility to ensure they have the appropriate travel documents and to cooperate in obtaining the applicable work permits as listed by the Company to enter the country to which they are assigned.

7. Expenses - Reimbursement:

Reimbursement is based on MTU-C's travel policy.

8. Vaccinations:

The Company will inform the employee of any vaccinations required prior to entering the country of assignment. Should the Medical Services Plan not cover the cost of the required vaccination, the Company will reimburse the employee for the cost of such vaccination.

9. Legal Matters:

It is the responsibility of the employee to obey all laws in place in the country to which they have been assigned. The employee will be responsible for all costs incurred in the event that laws are broken. The Company shall bear all legal costs for any matters arising from the performance of the normal job duties of the employee.

10. Representation:

The International Association of Machinists and Aerospace Workers District Lodge 140 will continue to represent the employee while they are on the out of country assignment.

11. Accommodation:

Reasonable single occupancy accommodation will be provided including their own bathroom and a telephone. In the event that single occupancy accommodation is unavailable, the employee has the right to refuse the out-of-country assignment.

12. Transportation:

Reasonable transportation will be provided on a shared basis.

13. Labour Disputes:

In the event of a labour dispute at the assignment location beyond the employee's control, the employee will continue to be paid 7.5 hours per day.

14. Airfare for Assignments exceeding 90 days:

This clause applies for out-of-country assignments that exceed 90 days. For each consecutive 90-day period that the employee is on the out-of-country assignment, the Company will provide one economy class ticket, which can be used by the employee to return to Vancouver, or for the employee's spouse to travel from Vancouver to the employee's out-of-country assignment location. The Travel Coordinator must arrange for this airfare. This airfare may not be redeemed for a cash equivalent.

15. Seniority:

While on the assignment employee seniority will be governed in accordance with Article 13.11.

16. Sickness or Injury:

An Employee who becomes sick or injured as a result of having been or being outside of Canada on Company business, due to causes related to his/her occupation or to the living and health conditions peculiar to the countries in which he/she performed services, shall be properly hospitalized and treated at Company expense. The Company will recover all allowable costs from the applicable Medicare and Extended Health Plans.

If the sickness or injury necessitates treatment or convalescence's in Canada, such employee shall be returned by the Company to Canada and settlement leave shall not commence until the employee is declared fit for duty. This same provision shall apply to recurrences of the same sickness or injury as long as the employee remains an employee of the company.

If it is mutually desirable and advantageous to both the company and the employee in the case of a long convalescence, the employee's settlement leave and/or earned vacation leave may be deferred to allow the employee to return to work. The deferred time off would then be taken later at a mutually agreed upon time.

An employee who becomes sick or injured while on assignment away from home base shall receive his normal basic home salary until compensation liability has been established. Once compensation is established any monies paid by the Company to the employee after the

effective date of compensation will be reimbursed to the Company by the employee.

17. Compensation When Absent:

Any employee who, engaged in the Company's operations, is interned, captured held as hostage or a prisoner of war, shall receive his normal basic home base salary until released. If such employee becomes involuntarily missing because of an act of aggression or war he shall receive his normal basic home base salary until proof of his death is established in fact or until there is reasonable presumption of death, in which event the Company shall, in addition to the above compensation, be paid the applicable death benefits provided under Article 23 of Collective Agreement No. 2, and if applicable point No. 19 below, This compensation will be paid to the beneficiary or beneficiaries designated in writing by the employee prior to his disappearance as outlined in the letter Payroll & Benefit Continuation Plan.

As an alternative to paying compensation in accordance with the rate of pay provided for in the proceeding paragraph, the Company may pay the difference between the amount of such compensation and the amount of any compensation provided for by any law in respect of persons interned, captured, held as a prisoner or hostage of war, or missing as a result of an act of war.

18. Payroll & Benefits Continuation Plan:

Before embarking, the employee would be required to complete and sign the letter entitled Payroll & Benefit Continuation Plan The compensation allowable under the proceeding paragraphs to an employee who is missing shall be credited to such employee on the books of the Company and shall be disbursed by the Company in accordance with the Payroll & Benefits Continuation Plan letter on the employees file.

Any payments due to an employee under this letter of agreement which are not covered by the Payroll & Benefits Continuation Plan letter on the employees file shall be held by the Company for any such employee and in the event of his death shall be paid to the legal representative of his estate.

19. Personal Insurance:

It is recognized that employees' private life insurance policies may be invalid under certain conditions such as in a war zone or a hostile zone. In this event the Company will guarantee payment of the total amount of such private insurance policies up to a maximum of one hundred thousand dollars \$100,000.00 if the employee is killed on Company assignment.

**LETTER OF AGREEMENT NO. 4
BETWEEN
MTU MAINTENANCE CANADA LTD.
AND
INTERNATIONAL ASSOCIATION OF MACHINIST
& AEROSPACE WORKERS
DISTRICT LODGE 140 & LOCAL LODGE 764**

Subject: Benefit Review

In recognition of the ratification of a 5 year Collective Agreement effective November 2, 2006 to November 1, 2011 the parties agree to the following in regard to benefit coverage in the Collective Agreement.

At a time mutually agreed after October 1st, 2009 the parties will review the costs to the employer and the subsequent benefits to the employees in regard to the following:

- Extended health care – Eligible expenses
- Dental plan – Annual maximum limits
- Life insurance
- Prescription safety eyewear (Clause 22.08)
- Safety boots
- Any other items mutually agreed

The purpose of the parties review will be to evaluate the possibility of amending the employee benefit levels to factor in the cost of living increase over the first 3 years of the Collective Agreement.

The review will be concluded by December 1, 2009 at which time either party may refer to the outstanding item(s) to a 3rd party for an interest arbitration decision.

**LETTER OF AGREEMENT NO. 5
BETWEEN
MTU MAINTENANCE CANADA LTD.
AND
INTERNATIONAL ASSOCIATION OF MACHINIST
& AEROSPACE WORKERS
DISTRICT LODGE 140 & LOCAL LODGE 764**

Subject: High Speed Grinder Operation

In accordance with the preamble of Article 7, the parties recognize that due to operational continuity, it may be necessary for one classification to temporarily perform duties assigned to another classification on an ad hoc basis, provided that they possess the required skills and/or capabilities.

Where such a reassignment is contemplated, the employer shall meet and advise the Union in advance. No employee shall be laid off or fail to be recalled as a result of the temporary reassignment of responsibilities.

Should there be an economic downturn, the Company will not use mechanics in place of a machinist(s).

In the event a temporary reassignment of duties is necessary, the following process will be applied in this order:

1. Offered to the classification (position) normally performing the function during scheduled working hours.
2. Offered to those employees covered by the Collective Agreement possessing the required skills and/or capabilities.

The employer commits to offering and then providing adequate training to all employees within the classification normally performing the function. All training will be offered in accordance with Letter of Understanding #4.

**LETTER OF AGREEMENT NO. 6
BETWEEN
MTU MAINTENANCE CANADA LTD.
AND
INTERNATIONAL ASSOCIATION OF MACHINIST
& AEROSPACE WORKERS
DISTRICT LODGE 140 & LOCAL LODGE 764**

Subject: Extension of Recall

For those employees who were laid off in 2003, the recall period of five (5) years, as noted in clause 14.09 (c) shall be extended for the life of Collective Agreement No. 3.