

COLLECTIVE BARGAINING AGREEMENT

Between

Calm Air International Ltd.
(hereinafter referred to as the "Company")
(party of the first part)

-And-

The United Steelworkers, Local 6166
(hereinafter referred to as the "Union")
(party of the second part)

May 1, 2007 to April 30, 2010

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ARTICLE 1 – PREAMBLE

- 1.01 The parties hereto recognize the objective of promoting and maintain the safety of air transportation, the efficiency and economy of operations, and a high quality of customer service. The parties also recognize that compliance with the terms of this Agreement and the development of a spirit of cooperation are essential for the mutual benefit of the parties.
- 1.02 During the life of this Agreement, the Company shall not engage in any lockout, nor shall the Union call or authorize a strike, until all the procedures provided for in this Agreement, and in the Canada Labour Code, for the adjustment and settlement of disputes or for the avoidance of interruption of work, have been exhausted.
- 1.03 The Union and the Company will cooperate and participate in the implementation of the Employment Equity Act.

ARTICLE 2 – DEFINITIONS

- 2.01 **Part-Time Employee** - means an employee who has been so classified by the Company, who works regularly but normally works less than the standard hours of service.
- 2.02 **Full-Time Employee** - means an employee who has been so classified by the Company, who works regularly and normally works the standard hours of service. The Company shall review hours worked by part-time employees at least quarterly, with the goal of converting part-time employees into full-time employees where appropriate.
- 2.03 **Status** - means whether an Employee is Full-Time or Part-Time.
- 2.04 **Employee** - means any person in the employ of the Company who is within the Bargaining Unit covered by this Agreement.
- 2.05 **Company** - means Calm Air International Ltd.
- 2.06 **Union** - means United Steelworkers, Local 6166
- 2.07 **Date of Hire** - means the first day an Employee attends at work.
- 2.08 **General Holiday** - means a Company paid holiday
- 2.09 **Position** - means a position held by an employee in regards to classification and status.
- 2.10 **Shift** - means a scheduled period of time within a day, as described in a work schedule, for which an employee is required to work.
- 2.11 **Vacancy** - means an unfilled position, as determined by the Company, within the scope of this Agreement.
- 2.12 **Work Schedule** - means a projection of all employee's shifts with regards to days worked and days off, including shift commencement and termination dates.

- 2.13 **Base** – Existing bases shall be Churchill and Thompson.
- 2.14 **Seniority** – Unless otherwise stated expressly in the Agreement, seniority shall apply on a base-by-base means (i.e. there shall be different seniority lists for each base).

ARTICLE 3 – UNION RECOGNITION

- 3.01 The Company recognizes the Union as the sole certified bargaining agent, as described on Certificate No. 555-3967, dated December 12, 1995, which reads as follows:

"all employees of Calm Air International Ltd. in the City of Thompson, Manitoba, employed in cargo operations excluding the Cargo Sales and Service Manager and those above".

And certificate No. 8603-U, dated February 19, 2004 which reads as follows:

"all employees of Calm Air International Ltd. In the Town of Churchill, Manitoba, employed in cargo operations excluding the Cargo Manager and the Station Manager".

- 3.02 It is agreed that, for the term of this Agreement, the Employer will not contract out the jobs for which the Union is bargaining agent.
- 3.03 The Company shall provide a bulletin board on which the Union shall have the right to post notices. The use of this bulletin board shall be restricted to the business affairs of the Union and **any notices posted** are to bear the signature of a designated employee representative or a member of the Executive of the Local or National union.

ARTICLE 4 – MANAGEMENT RIGHTS

- 4.01 The Union recognizes that the Company shall have the sole and exclusive right, except as otherwise specifically limited by the express provisions of this Agreement, to determine all matters pertaining to the management of the Company and its affairs, and that the direction of employees is fixed exclusively in the Company, and without restricting the generality of the foregoing the Union acknowledges that it is the exclusive right of the Company:

- (a) to maintain order, discipline and efficiency;
- (b) to hire, appoint, promote, demote, classify, transfer, lay-off or recall employees;
- (c) to discharge, suspend or otherwise discipline employees for just cause;
- (d) to make and enforce rules and regulations to be observed by the employees;
- (e) to determine and change the service and business of the Company and the schedules with respect to same;
- (f) to determine and change the locations where the Company's business is carried on;
- (g) to determine and change the methods of carrying out the Company's business and service;
- (h) to set non-discriminatory standards for the performance of work.

- 4.02 Employees at a base shall report to the Cargo Manager for that base.**

4.03 The Company shall not use management personnel for the purpose of replacing existing bargaining unit employees.

The Company shall make reasonable efforts to provide cross training so that bargaining unit employees are able (where practical) to replace other bargaining unit employees who may be absent.

ARTICLE 5 – UNION SECURITY & CHECK OFF OF UNION DUES

5.01 It shall be a condition of employment that every employee become and remain a member of the Union. Every new, rehired and recalled employee must become a member of the Union as of the date of hire, rehire or recall.

5.02 The Employer shall deduct from the earnings of each employee, in each month regular union dues and regular assessments in the amount certified by the Union to the Employer to be currently in effect under the Union's Constitution. Such deduction shall be made from the last pay period of each month, and shall be remitted within fifteen (15) days and shall be made payable to the International Treasurer of the Union and forwarded to the United Steelworkers of America, Unit "D" Box 34233 Vancouver, B.C. V6J 4N1, accompanied by a list of all Employees from whose wages the deductions have been made, with copies being sent to the Local Union.

ARTICLE 6 – REPRESENTATIVES, STEWARDS & MEMBERS OF COMMITTEES

6.01 The Union shall notify the Company in writing of the names of its designated representatives and the general chairperson, and of any changes in the personnel thereof.

ARTICLE 7 – COPIES OF AGREEMENT

7.01 One copy of this Agreement and any subsequent changes will be furnished to each employee within sixty (60) calendar days of ratification. The size and the method of producing the Agreement shall be agreed to by the parties and the cost of printing will be borne equally by them.

ARTICLE 8 – NO DISCRIMINATION

8.01 The parties agree that there should be no discrimination or harassment in the workplace contrary to law, and that they and all employees shall cooperate in efforts to ensure that in fact there is no such inappropriate behaviour.

Neither the Company nor the Union will unlawfully discriminate in any manner against any employee of race, creed, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, Union membership or activity, place of residence, political activities, disability (mental or physical) or conviction for an offence for which a pardon has been granted.

In light of the above, the parties state as follows:

- (a) any employee who believes that he/she has been harassed or discriminated against is encouraged to report such misconduct to the Company and the Union;
- and

- (b) such reports shall be dealt with in confidence and as expeditiously as possible, respecting the dignity of the complainant and the right of the alleged harasser to due process.

ARTICLE 9 – SENIORITY

- 9.01 Seniority means the length of service with the Company and shall commence from the most recent date of hire by the Company to a position within the bargaining unit.

Updated seniority lists shall be posted every six (6) months, on March 1 and September 1.

Full-time employees shall be senior to part-time employees.

Seniority lists shall be posted not later than March 1 of each year. Each employee will be permitted a period of fifteen (15) calendar days after posting to protest in writing to the Company any error or omission affecting her/his seniority. All requests for corrections shall be actioned and finalized by the Company, after consultation with the Union, during the ten (10) calendar days following March 15. The corrected list shall then be posted not later than March 31, and will be considered as final and binding and will remain in effect until the following year.

In cases where employees are hired on the same day, the sequence of seniority shall be determined by payroll number.

Seniority shall be accrued and retained during:

- (a) absences due to layoff;
- (b) authorized leaves of absence (including for sickness, maternity or child care);
- (c) suspensions, either with or without pay; and
- (d) legal strikes or lockouts.

- 9.02 **Probation**

- a) All new employees shall be required to serve a probationary period. Full-time employees shall serve a probationary period of three (3) months active employment at work. Employees other than full-time shall serve a probationary period of 480 hours of active employment at work. An employee will not acquire seniority rights until successful completion of the probationary period. Seniority shall then be calculated from the date of hire.

- b) A person employed by the Company who is not within the scope of this Agreement and who transfers to a position coming within the scope of this Agreement, will be required to serve a probationary period as described in Article **9.02**, unless the Company waives the right to that probationary period.

- c) Probationary employees may be dismissed without cause. They shall have access to the grievance procedure but not the arbitration procedure.

- 9.03 **Promotions**

Any person who is promoted out of the bargaining unit shall, if he remains promoted after six (6) months, lose all seniority and if he later rejoins the bargaining unit he will be treated as a new employee.

In any event he will not be allowed bumping rights.

ARTICLE 10 – LAYOFF AND RECALL PROCEDURES

- 10.01 The Company and the Union agree that employment security, though not a guarantee, should increase according to seniority.
- 10.02 When the Company determines that there is to be a reduction of employees it will be in reverse order of overall seniority (Thompson and Churchill seniority lists), provided that after an orientation/training period of up to two (2) weeks the remaining employees are qualified to perform the required work.
- 10.03 The most junior employee(s) who is/are affected by the reduction of staff, will receive notice of the reduction of staff at least fourteen (14) calendar days in advance of the reduction.
- 10.04 An employee on layoff shall file, in writing a letter of preference, her/his address and telephone number with the Company, and shall be responsible for keeping the Company informed of any changes. Such letter of preference shall not supersede the recall procedure outlined in 10.07.
- 10.05 The Company will consider requests for Leaves of Absence in order to avoid the layoff of other employees.
- 10.06 Employees will be recalled from layoff in accordance with overall seniority (Thompson and Churchill seniority lists), provided that after an orientation/training period of up to two (2) weeks they are qualified to perform the required work.
- 10.07 An employee who is on lay off shall be eligible for recall for a maximum of two (2) years, after which he /she shall lose all seniority and rights of recall, and be deemed to have left the employ of the Company.
- 10.08 Severance
Employees are entitled to severance pay as per the Canada Labour Code.

ARTICLE 11 - GRIEVANCE PROCEDURE

- 11.01 Any employee or a representative of the Union may initiate a grievance in accordance with the provisions of this Article involving the interpretation or alleged violation of the Agreement. The Company or the Union may initiate a policy grievance in writing on any difference concerning the interpretation or alleged violation of this Agreement.
- 11.02 The grievance must first be discussed with the Cargo Operations Manager for adjustment, within seven (7) calendar days of the incident or awareness of the incident (or when the employee should reasonably have been aware of the incident). If the matter has not been resolved within seven (7) calendar days of that discussion, a grievance shall be filed in writing in accordance with the following, otherwise the matter is deemed to be withdrawn.
- 11.03 Step One: A written grievance shall be presented to the Manager of Human Resources or his designate, whose decision shall be rendered in writing within seven (7) calendar days.
- 11.04 Step Two: Within seven (7) calendar days of receipt of the decision under Step One, a designated representative of the Union may present the grievance in writing to the Vice President of Operations or his designate whose decision shall be rendered in writing within seven (7) calendar days.

- 11.05 In presenting written grievances, such documents shall state the matters in dispute and the nature of relief or remedy sought.
- 11.06 The time limits specified may only be extended by express mutual consent between the Company and the Union, which shall not be unreasonably withheld. This will be done in order to allow the parties the opportunity for full discussion of all grievances, and ideally their settlement, without recourse to arbitration.
- 11.07 A grievance not settled at Step Two of the process may be progressed by the Union to Arbitration in accordance with this Agreement.

ARTICLE 12 – ARBITRATION

- 12.01 Notice of Intent to proceed to arbitration by the Union shall be presented to the Company within twenty-five (25) calendar days of receipt of the Company's Step Two response. Should such notice not be received, then the grievance will be considered withdrawn.
- 12.02 A grievance referred to arbitration will be heard by a single arbitrator. The Company and the Union having expressed confidence in certain persons as set forth in an attached Letter of Understanding, agree that they shall be called upon to arbitrate on a rotating basis.

The Company and the Union shall endeavour to arrange a hearing date with such arbitrator as soon as possible.
- 12.03 The time limits specified in this Section may only be extended by express mutual consent between the Company and the Union. Such consent will not be unreasonably withheld.
- 12.04 The parties shall be given the opportunity to present evidence, documentary or oral, make representations, and call, examine, and cross-examine witnesses. Throughout the arbitration process the parties shall have the right to be represented by whosoever they may choose and designate.
- 12.05 The decision of the arbitrator shall not in any case add to, subtract from, modify, rescind, or disregard any provision of this Agreement. The arbitrator's decision shall be final and binding on all parties, and shall be rendered in writing and with reasons, as soon as possible after the hearing.
- 12.06 The expenses, fees and costs of the arbitrator shall be shared equally by the parties.
- 12.07 At any hearing(s) held throughout the Arbitration procedures, all witnesses and representatives who are employees of the Company shall be given time off without pay. Expenses and lost time of witnesses and representatives for either party shall be borne by that party. Time off will not be unreasonably withheld.

ARTICLE 13 - DISCIPLINE AND DISCHARGE

- 13.01 All disciplinary action, including discharge, must be for just cause. Prior to disciplining or discharging an employee the Company will provide the employee the opportunity to explain his/her position as to the matters in issue. If the employee wishes, a Union representative may be present.
- 13.02 An employee may request the presence of an employee of the Company or a duly accredited representative(s) of the Union at any disciplinary meeting or in the course of any investigation that could lead to discipline of the employee.

- 13.03 An employee who has been disciplined or discharged may file a grievance in accordance with Article 11. However, by mutual agreement between the Company and the Union, grievances under the provisions of this Article may proceed directly to Step Two of the Grievance procedure or to Arbitration.
- 13.04 Any suspension pending investigation will be considered as part of the discipline imposed, if any.
- 13.05 When an employee is suspended or discharged, the employee and the Union will be so notified in writing, with reasons.
- 13.06 **The Company shall issue any disciplinary letter to the employee and the Union within seven (7) days of imposing discipline, or concluding an investigation into possible discipline. The Company shall keep the employee and the Union reasonably informed as to the status of any ongoing investigation.**

Disciplinary documents will be removed from an employee's files(s) and considered inadmissible as evidence in any disciplinary proceedings after two (2) years provided two (2) years have elapsed without further disciplinary action. **The Company shall issue a letter to the employee and the Union when such removal takes place.**

- 13.07 In the event that discipline or discharge is modified through either the Grievance or Arbitration procedures, the original advice shall be removed from the employee's personnel file, and replaced with the modified advice where the employee is not completely exonerated.
- 13.08 Theft is agreed to be just cause for dismissal, and an arbitrator shall have no jurisdiction to substitute any lesser penalty should it be determined that an employee has committed theft. Should the arbitrator conclude that the employee has not committed theft, then the arbitrator shall have no jurisdiction to substitute any remedy other than reinstatement with full back pay.

The parties agree that any arbitration on this issue shall commence within 30 days of the dismissal.

ARTICLE 14 - TRANSFERS, CHANGES OF STATUS/CLASSIFICATION

- 14.01 Employees who wish to change status (i.e. part-time or full-time) or transfer to another classification, shall file a letter of preference with the Manager of Human Resources. Employees shall list, in order of preference, the status and/or classification to which they wish to move.
- 14.02 Selection of employees for vacancies shall be governed by seniority and qualifications. The qualified employee with the most seniority shall be given preference.
- 14.03 Employees who have transferred from one classification to another, and who are unable to perform satisfactorily the duties of the new position within the first three (3) months, as determined by the Company, shall return to their former position.

14.04 TEMPORARY VACANCIES

A temporary vacancy will be for a period of six (6) months or less, except in the case of coverage for an employee absent due to illness, where the temporary vacancy shall be for the duration of the absence.

Temporary vacancies will be offered to qualified employees in accordance with seniority. Employees will have the right to refuse temporary assignments, provided

that junior qualified employee(s) will be required to accept the temporary assignment, if no such senior employee(s) is/are willing to accept such work.

An employee who accepts a temporary assignment under this Article shall not establish recall rights to that assignment by serving in such temporary assignment. At the end of the temporary assignment, the employee shall return to his/her previous position.

Where a temporary position not arising from the absence of an employee due to illness extends beyond six (6) months, and the parties have not mutually agreed in writing that this position may be extended, the Company must either immediately cancel the temporary vacancy and release the temporary employee, or declare a permanent vacancy with the incumbent temporary employee having no prior claim or preference to the position.

ARTICLE 15 - HOURS OF WORK

15.01 The standard hours of work shall be forty (40) hours per week. This shall typically but not necessarily be eight (8) hours per day exclusive of an unpaid uninterrupted thirty (30) minute meal period. For employees working as Supervisors, Crew Chiefs, Shipper Receivers and Counter Staff, this shall typically but not necessarily be ten (10) hours per day exclusive of an unpaid uninterrupted thirty (30) minute meal period. However, nothing in the Agreement shall constitute a guarantee of work or of hours of work.

15.02 (a) The Company will schedule full-time employees to an average of forty hours (40) per week.

(b) The Company will schedule and/or assign work to employees who are not full time based on operational requirements, seniority, and preferences of employees. **For part time employees, four hundred eighty (480) hours of active employment at work shall be equivalent to three (3) months of service.**

15.03 Work schedules will be determined in the following manner:

(a) Shift schedules will be developed by the Company, taking into consideration operational requirements, and the input of employees. The Union may request a meeting with the Company to review scheduling/staffing concerns. If required the Union representative may request a second meeting which will include the Cargo Operations Manager.

(b) At least ten (10) hours of rest will be scheduled between shifts.

(c) Schedules will be posted a minimum of fourteen (14) calendar days prior to implementation and assignments finalized seven (7) calendar days prior to their effective date.

(d) Unless mutually agreed scheduled days off shall be consecutive and no less than two (2) in duration.

(e) Employees shall not be scheduled to work alone. In exceptional circumstances (such as absenteeism due to illness) the Company shall make all reasonable efforts to ensure that employees still do not work alone.

15.04 **Rest Breaks:**

A fifteen (15) minute paid break will be provided for each complete four (4) hour block of a shift or in the case of a ten (10) hour shift, for each complete five (5) hour block of that shift. These breaks will be taken subject to operational requirements.

15.05 (a) If the Company decides that a change in working hours is required employees will be provided with at least three (3) calendar days notice of a shift change and not less than fourteen (14) days notice of a change of days off. These limits may be reduced by mutual agreement between the affected employee(s) and the Company. Where more than one employee is working the same shift, the change will be offered in order of seniority to qualified employees working the same shift provided that the change does not result in overtime which could otherwise be avoided, and the junior qualified employee(s) will be required to take the change, if no such senior employee(s) is/are willing to accept the change.

(b) If the need to change working hours arises due to circumstances beyond the Company's control, or operational requirements that do not permit the notice required in Article 15.05, then the Company will only be required to provide as much notice as practicable in the circumstances. Where more than one employee is working the same shift, the change will be offered in order of seniority to qualified employees working the same shift provided that the change does not result in overtime which could otherwise be avoided, and the junior qualified employee(s) will be required to take the change, if no such senior employee(s) is/are willing to accept the change.

15.06 If an employee is injured while on duty and so cannot complete the shift, he/she will be paid for only the hours actually worked, except that if the injury requires hospitalization or immediate care by a physician, the employee will be compensated for the full shift on that day.

15.07 **SHIFT TRADES**

An employee may arrange for another employee to work his/her shift subject to the following conditions:

(a) The employee covering the shift must be qualified to perform the required work, and no additional cost will be incurred by the Company.

(b) A written request is provided to the designated Company representative at least twenty-four (24) hours in advance, signed by the employees involved. If the request is approved by the Company the employees involved shall assume full responsibility for the shifts for which they have agreed to work. Approval by the Company for shift trades will not be unreasonably withheld.

(c) All credits and pay will be earned by the employee actually doing the work.

ARTICLE 16 - OVERTIME

16.01 Overtime must be authorized in advance by the Company except in cases of emergency. Non-bargaining unit staff shall administer overtime and call-ins.

16.02 Any hours worked by an employee in excess of his/her regularly scheduled shift or forty (40) hours per week shall be compensated at the rate of time and one half (1 ½) his/her regular rate.

16.03 Full time employees called to work on a scheduled day off, or called back for work following completion of their shift will receive payment for the greater of actual time

worked at 1 1/2 X or three (3) hours straight time. Where the minimum is paid, the employee may be required to work the corresponding hours.

Call-ins will be distributed on the same basis as overtime, as per Article 16.05.

16.04 Overtime shall be voluntary except where operational requirements dictate otherwise.

16.05 The opportunity to work overtime shall be distributed equitably among qualified employees. Overtime shall be offered on a rotating basis in order of seniority, firstly to those employees already at work and then to others not at work. Records will be kept of overtime opportunities accepted and declined. Junior qualified employee(s) will be required to work overtime, if no such senior employee(s) is/are willing to accept such work.

An exception to the above process will be for the morning shift, and if it becomes necessary to call an employee in, such call in will be offered on a rotating basis in order of seniority, firstly to qualified part-time employees, and thereafter to qualified full-time employees. Records will be kept of overtime opportunities accepted and declined. Junior qualified employee(s) will be required to work overtime, if no such senior employee(s) is/are willing to accept such work.

16.06 Overtime will be computed and paid or banked to the nearest thirty (30) minutes.

16.07 Unless the Company and the affected employee specifically agree to banking of overtime hours, overtime will be compensated by pay, which will be paid in the normal course. Banking of hours may take place in accordance with the following:

(a) Employees must clearly indicate their desire to bank overtime on their daily time cards.

(b) The maximum accumulated banked hours is limited to eighty (80) hours at any given time. Any overtime worked in excess of that amount will be paid. e.g. $53.33 \times 1.5 = 80$ hrs.

(c) Employees banking overtime will be expected to eventually take the time off, although on request will be allowed to be paid out instead.

(d) Employees will give as much notice as possible when requesting banked overtime leave.

(e) Every reasonable effort will be made to accommodate employee requests for time off, which will be granted, subject to operational requirements.

ARTICLE 17 - GENERAL HOLIDAYS

17.01 The "Holiday Year" shall run January 1 through December 31.

17.02 An employee will earn ten (10) statutory holidays per year, at the rate of five -sixths (5/6) day per month of completed service.

17.03 Two (2) of the statutory holidays will be used for Christmas Day and New Year's Day. An employee will be able to bid statutory holidays by notifying the designated Company representative of his/her preferences, in writing.

17.04 Statutory holidays earned but not booked prior to December 31 will be assigned on the schedule by the Company, to be taken by March 31.

- 17.05 Each statutory holiday shall have the value of one working day for an employee, i.e. eight (8) or ten (10) hours for a full time employee (as the case may be) and one-twentieth (1/20th) of the wages he/she has earned for the thirty (30) calendar days prior to the statutory holiday for an employee other than full-time.
- 17.06 Any employee the Company requires to work on a general holiday will be paid one and one half (1 1/2) times the applicable rate for work done on that day.
- 17.07 The opportunity to work on a general holiday shall be distributed equitably among qualified employees. It shall be offered on a rotating basis in order of seniority, firstly to qualified employee(s) in the required classification(s) for whom the day of the general holiday was a regularly scheduled work day, and thereafter to such employees, by seniority and qualifications, for whom the day of the general holiday was not a regularly scheduled work day. Records will be kept of opportunities accepted and declined. Junior qualified employee(s) will be required to work overtime, if no such senior employee(s) is/are willing to accept such work.

ARTICLE 18- VACATIONS

- 18.01 The "Vacation Year" will run April 1 through March 31.
- 18.02 Annual Vacation will be based on completed years of cumulative service as of March 31. Annual vacation entitlement will be granted based on the following scale:

<u>Completed years of</u>	
<u>Cumulative Service</u>	<u>Vacation</u>
After 1 year	15 working days
After 15 years	20 working days
After 25 years	25 working days
- 18.03 Part-time employees will receive vacation pay of six percent (6%), eight percent (8%) or ten percent (10%), depending on the length of service. This will be added to each pay cheque, or paid out in a lump sum in the first pay period after March 31, if the employee so requests. In addition, such employees may receive the appropriate vacation time off, without pay. Full-time employees will receive the appropriate vacation time off, with pay. If vacation accrual is increased for other non-managerial employees during the term of this Agreement, then the increase will be passed on to this bargaining unit.
- 18.04 The Company will define the number of employees permitted to be on vacation at any particular time.
- 18.05 Vacation may not be accumulated from year to year, without the agreement of the employee and the Company. **The intention is that employees shall take vacation on an annual basis, and only in exceptional circumstances will they accumulate it from year to year or they will be allowed a cash out of unused vacation time.**
- 18.06 The Company agrees that vacation will be scheduled by April 30 of each year. In order to achieve this, the Company will distribute vacation request forms no later than February 1. Employees will indicate the periods of vacation they wish to schedule. Vacation request forms will be turned in to the Company by February 28. Any full-time employee who has not made a vacation selection by April 30 will be assigned vacation. Each employee will be allowed to schedule vacation in up to two (2) periods of not less than five (5) vacation days each, in accordance with that employee's wishes and seniority.

- 18.07 Vacation will be awarded in order of seniority. **Pay increments and vacation entitlement will be based on actual service. Time away from work for reasons such as layoff or suspensions will not be considered.**

ARTICLE 19 - LEAVE OF ABSENCE

19.01 **Voluntary**

- (a) The Company may, upon written request and at its discretion, grant an employee a leave of absence without pay. This leave will be for no longer than six (6) months, during which time the employee will retain and accrue seniority.

The Company may, upon written request and at its discretion, grant an employee an extension to a leave of absence, or a leave of a period longer than six (6) months. Mutual agreement with the Union shall be required to determine whether seniority shall be accrued, or retained, for that additional time of leave.

- (b) Requests for leaves of absence will be considered by the Company in order of seniority.

19.02 **Maternity and Child Care**

Maternity Leave

- (a) Every employee who has completed six (6) consecutive months of continuous employment is entitled to a leave of absence for pregnancy upon presentation of a medical certificate and a written application submitted at least four (4) weeks before such leave is to commence.
- (b) The period of maternity leave shall consist of a period not exceeding seventeen (17) weeks. Maternity leave shall begin no earlier than eleven (11) weeks before the anticipated date of delivery set out in the medical certificate and shall terminate no later than seventeen (17) weeks following the actual date of confinement.
- (c) At the expiration of the leave the employee shall be reinstated to the position held at the commencement of the leave (if the position still exists).

19.03 **Parental Leave**

- (a) Every employee who has completed six (6) months of continuous service is entitled to a leave of absence up to a maximum of thirty-seven (37) weeks in the year following either:
- (i) the day the child is born, or
 - (ii) the day the child comes into the employee's actual care and custody.
- (b) Every employee who qualifies for parental leave must submit a written application at least four (4) weeks before the leave is to commence.
- (c) At the expiration of the leave the employee shall be reinstated to the position held at the commencement of the leave (if the position still exists) or where this is not possible to a comparable position with the same wages and benefits.
- (d) Either one parent may take all of the parental leave or both parents may share the parental leave. In either case, the total parental leave cannot exceed twenty-four (24) weeks.

19.04 Jury and Witness Duty

An employee who is required to perform jury duty, or witness duty on behalf of the Company, on a day that she/he normally would have worked will be paid by the Company as if she/he had worked that day. Employees shall remit any compensation received from the court, with a copy of the subpoena, to the Company.

19.05 Bereavement Leave

Within the seven (7) calendar days following a death in his immediate family, an employee shall be entitled to bereavement leave of up to five (5) calendar days duration. Of this leave the employee will receive payment for up to three (3) days for which he was scheduled to work.

An employee who is not entitled to bereavement leave shall be granted one (1) day's leave without pay for the purpose of acting as a pallbearer at a funeral.

"Immediate family" means the employee's spouse (including common law spouse), child, parents, brother, sister, step-parents, grandparents, brother/sister in-law or father/mother in-law and any relative permanently residing in the employee's home or with whom the employee resides.

19.06 Union Business

An employee elected or appointed to a full-time position with the Union, necessitating a leave of absence, will be granted that leave without pay. Requests for such leave shall be made at least thirty (30) days prior to commencement. The Company shall receive at least thirty (30) days notice of the employee's return to work. The Union will reimburse the Company for the Company portion of benefits costs, and the employee shall continue to pay her/his cost of benefits to the Company. During this leave, the employee shall accrue seniority. Pass privileges on Company aircraft shall be continued for the first one hundred and eighty (180) days of the leave, and may only be used for leisure purposes, as per the pass policy. Unless the Company otherwise agrees, only one (1) employee will be allowed this leave at any given time.

Time-off for Union business will be granted at no cost to the Company, subject to the Company's operating requirements. The Union shall be billed at straight time for the time off, which shall be paid by the end of the month following the month in which the time off is granted.

19.07 Continuation of Benefits While On Leave

Excluding short term and long-term disability, and subject to agreement from the insurer, an employee who is on a leave of absence may elect to maintain the remaining benefits normally covered by payroll deduction by paying for 100% of the total cost of the benefits. The total cost for the benefits must be prepaid prior to leaving, either for the duration of the leave or three (3) month blocks, whichever is the lesser. Failure to prepay the cost will result in cancellation of benefits and may subject the employee to waiting periods upon reinstatement as stipulated in the insurance carrier's contracts with payment for such benefits to be prepaid at least three (3) months in advance.

This does not apply to employees on leave for Union business.

ARTICLE 20 – SICK LEAVE

20.01 Sick Leave

- (a) An employee unable to report for duty due to illness or injury shall notify the Company as required as far in advance as possible of his/her reporting time, and in any event no less than one (1) hour in advance.
- (b) When an employee has been off sick and subsequently advises the Company that he/she is fit to resume duty, he/she will be returned to his/her position held prior to the injury or illness, after no more than three (3) calendar days notice.
- (c) If an employee is sick and unable to work to the extent that he receives short-term disability coverage under the Group Benefits Plan, the Company will pay him for up to three (3) sick leave days lost during the waiting period under the Plan.**

ARTICLE 21 - HEALTH AND SAFETY

21.01 The Company and the Union agree to promote and encourage safety practices that will ensure the safety and health of all employees, pursuant to the Canada Labour Code and all other applicable legislation. An employee representative will participate in the regularly scheduled Company Safety and Health committee meetings. Each employee is encouraged to take all reasonable steps to ensure the safety and health of the workplace, and is encouraged to bring all safety and health concerns to the attention of the Safety & Health Committee. Upon request by a designated Union representative, a Worker Safety & Health Representative may inspect any areas in which Union members are required to work.

21.02 Safety & Health Committees

A Safety, Health & Environment Committee shall be maintained and/or established pursuant to the requirements of the Canada Labour Code. Employees shall be represented on the Committee through representatives appointed by the Union, and shall include a representative from each of the Thompson and Churchill bases. These representatives shall participate in monthly Safety, Health & Environment meetings. Minutes of these meetings shall be supplied by the Company to members of the Committee and the Union, and shall also be posted on the Union bulletin boards. Representatives shall be paid for attending these meetings, and also shall be paid for performing inspections as required under this Agreement. Representatives shall also be entitled to two (2) days off per year with pay, to participate in recognized Safety, Health & Environment training.

21.03 The Company shall post and keep posted the names of all the members of the Safety, Health & Environment Committee on the Union bulletin boards.

21.04 The Union shall have the right to discuss matters dealing with Safety, Health & Environment conditions at any time.

21.05 In the event of a serious accident or incident, which could have injured an employee, the Company shall notify the Union immediately to ensure the representative appointed by the Union can view the accident and/or incident site.

21.06 The Company will provide bulletin boards for the purpose of posting the names of representatives appointed by the Union, meetings, minutes, inspection reports, and any other applicable information regarding Union activities.

- 21.07 An employee may refuse to perform work where he/she has reasonable grounds to believe and does believe that the particular work is dangerous to his/her safety or health, or the safety or health of another employee or any other person.

Where an employee refuses work, the employee shall forthwith report his/her refusal to the immediate supervisor, foreman or any other person in charge of the workplace.

The person receiving the report or a person designated by him/her, shall together with the employee and (at the option of the employee another employee, including but not limited to an employee who is a member of the Safety, Health & Environment Committee, representing the employee) make an immediate inspection of the worksite and take or cause to be taken as is necessary to remedy the dangerous condition.

Until the dangerous condition is remedied:

- (a) the employee may continue to refuse to perform the particular work that the employee believed to be dangerous;
- (b) the Company shall not assign or require any other employee to perform the particular work unless that employee has been informed by the first employee, or a safety and health officer designated under statute, of the employee's refusal to perform the work and the reasons therefore.

Following completion of an inspection, if the dangerous condition is not remedied, any of the persons carrying out the inspection may notify a workplace safety and health officer of the refusal to work.

Subject to the above, nothing prevents the doing of any work or thing that may be necessary in order to remedy a condition that is or is liable to be unusually dangerous to the safety or health of an employee.

- 21.08 The Company shall provide and replace as necessary due to normal wear and tear CSA approved standard hearing protection for each employee who performs duties on the ramp. Costs due to loss or damage caused by wilful misconduct or gross negligence shall be borne by the employee.

- 21.09 Save in exceptional circumstances, a new hire employee (other than a van driver) will receive upon hiring:

- two (2) pairs winter issue coveralls
- three (3) pairs summer issue coveralls
- one (1) pair of windpants
- one (1) bomber jacket
- one (1) arctic parka
- one (1) approved rain gear
- two (2) toques**
- two (2) sweat shirts**
- twelve (12) pairs of gloves**

- 21.10 Van Drivers will receive the following:

- two (2) pairs winter issue coveralls
- three (3) pairs summer issue coveralls
- one (1) pair of wind pants
- one (1) bomber jacket
- one (1) arctic parka

three (3) pair dress pants/slacks
three (3) white shirts
three (3) sweaters for winter
two (2) ties
one (1) approved rain gear.

- 21.11 Every two (2) years uniform apparel must be returned for new articles. Rain gear must be returned for new gear every three (3) years. **Toques, sweatshirts and gloves must be returned for new articles every year.**
- 21.12 Upon submission of receipts the Company shall reimburse an employee to a maximum of three hundred (\$300.00) dollars towards the purchase of protective footwear, each contract year. Any non-CSA approved shoes such as runners, sandals or any other form of informal footwear will not be acceptable footwear for work.
- 21.13 There will be a moment of silence each year at noon on April 28 in honour of the Day of Mourning, to remember those workers across Canada who have been killed or seriously injured while on the job, and to remind all of us that we need to strive every day for a safer, healthier and better environment for all workers.
- 21.14 Whenever reasonably practical in extreme weather airplanes shall be loaded in hangars. If that is not reasonably practical, then the applicable health and safety legislation will be followed.**

ARTICLE 22 – TECHNOLOGICAL CHANGE

- 22.01 Technological change will be handled in accordance with the Canada Labour Code. The Company shall provide the Union with the necessary information pertaining to the technological change so as to ensure that full discussion will take place on the effects on those employees affected by the technological change.

ARTICLE 23 - GENERAL

- 23.01 Any Letter of Understanding negotiated between the Company and the Union shall be deemed to form part of this Agreement. This letter must be signed by both parties.
- 23.02 The Company shall supply the Union, on an annual basis, with a bargaining unit employee address list, and a current seniority list, including employees not on active payroll, with the reasons for the absence.
- 23.03 The Union and the Company will meet twice per year, or more often if required, to discuss matters of mutual concern. Topics for discussion shall not include matters submitted to the grievance or arbitration provisions of this Agreement, except with the mutual agreement of both parties. The dates of these meetings will be established by mutual agreement.
- 23.05 Where the Company provides a pilot a meal, and a loadmaster is working on the same flight, he/she shall also receive a meal.
- 23.06 The Company shall provide a meal to any employee who works more than three (3) hours of overtime after completing his regular shift. This meal may be eaten in the lunchroom.**

The Company shall provide two (2) passes per year for two (2) people (four passes in total) for Union travel between Thompson and Churchill.

23.08 The Company will pay for up to a **total of eight (8) days (two (2) days for preparation and two (2) days for bargaining) for two (2) employees of the Union's bargaining team (one (1) from each base).**

Positive space passes on Company aircraft, subject to operational requirements, will be granted to ensure the timely attendance of up to two (2) employees at collective bargaining meetings with the Company.

Positive space passes on Company aircraft and paid time off, subject to operational requirements, will be granted to ensure the timely attendance of up to two (2) employees at two (2) Union / Management meetings per year.

ARTICLE 24 - DURATION AND RENEWAL

24.01 This Agreement shall be in effect from **May 1, 2007** and continue in full force and effect until **April 30, 2010**.

This Agreement shall remain binding until its expiry date and from year to year thereafter, unless notification in writing to reopen this Agreement is served by either of the parties hereto, such notification to be served no earlier than one hundred and twenty (120) calendar days and no later than thirty (30) calendar days prior to the expiration date in any year. In the event such notice is given of intended changes, this Agreement shall remain in full force and effect while negotiations are being carried on for a new Agreement.

IN WITNESS WHEREOF the parties hereto have signed this Agreement on this _____ day of _____, **2007** at Thompson, Manitoba.

For
CALM AIR INTERNATIONAL LTD.

For
THE UNITED STEELWORKERS, LOCAL
6166

APPENDIX A - BENEFITS

Group Insurance

A.1 As a condition of employment and except as provided below, employees will participate in the group insurance plan as arranged by the Company for all of its employees, which will be the minimum coverage available to the employees.

Part time employees will be required to participate in the group insurance plan, provided that they work at least twenty (20) hours per month, for three (3) consecutive months.

A.2 The Company shall inform the Union of the costs per employee for each of the insurance benefits, and further, shall inform the Union of any changes in underwriter(s).

A.3 The cost of the group insurance plan will be shared by the employees and the Company. The employees' share is one hundred percent (100%) of the cost of the short term and long term disability coverage, and the Company's share is one hundred percent (100%) of the cost of the life insurance, the dental plan and the drug plan, in accordance with past practice. However, and in any event, the employees shall pay at least fifty (50%) percent of the total cost of all insurance plans and benefits.

A.4 Any benefit and/or insurance provided through the group insurance plan shall be as described in the respective policy or policies of insurance. The specific application and administration of all group insurance benefits, and all matters with respect to the group insurance plan, shall be governed by the terms of the contract(s) with the insurance carrier(s).

In the event of a dispute concerning the payment of benefits under such policies or plans, it shall be adjusted between the employee and the insurance carrier concerned, and not by the grievance and arbitration provisions of this Agreement. However, if requested to do so the Company will intervene and attempt to settle the dispute between the employee and the insurance carrier(s).

A.5 In the event that the insurance carriers, benefit plan coverage or premiums are to be amended during the term of this collective agreement the Company will notify the Union sixty (60) days prior to the effective date of any such changes. The Union may elect within forty-five (45) days of notification by the Company to withdraw from the group insurance plan. In the event that the Union makes this election the Company agrees to contribute their current share of the premiums on a monthly basis to a group insurance plan of the Union's choice.

A6 PRESCRIPTION GLASSES

The Company shall provide, through insurance or otherwise, a vision benefit of up to three hundred dollars (\$300) per employee every two (2) years, which can be used for glasses or eye examinations.

APPENDIX B - WAGE RATES

<u>May 1, 2007 Rates</u>	<i>Start</i>	<i>after3 months</i>	<i>after12 months</i>	<i>after24 months</i>
Supervisor	\$19.16	\$19.16	\$19.16	\$19.16
Crew Chief	\$16.15	\$16.15	\$16.15	\$16.15
Counter Staff /Shipper Receiver	\$15.65	\$15.65	\$16.00	\$16.00
Ramp / Asst. Crew Chief/ Cargo Attendant / Warehouse / Loadmaster / Van Driver Van Driver	\$12.93	\$13.52	\$14.20	\$15.07

<u>May 1, 2008 Rates</u>	<i>Start</i>	<i>after3 months</i>	<i>after12 months</i>	<i>after24 months</i>
Supervisor	\$19.91	\$19.91	\$19.91	\$19.91
Crew Chief	\$16.90	\$16.90	\$16.90	\$16.90
Counter Staff / Shipper Receiver	\$16.40	\$16.40	\$16.75	\$16.75
Ramp / Asst. Crew Chief/ Cargo Attendant / Warehouse / Loadmaster / Van Driver	\$13.68	\$14.27	\$14.95	\$15.82

<u>May 1, 2009 Rates</u>	<i>Start</i>	<i>after3 months</i>	<i>after12 months</i>	<i>after24 months</i>
Supervisor	\$20.91	\$20.91	\$20.91	\$20.91
Crew Chief	\$17.90	\$17.90	\$17.90	\$17.90
Counter Staff /Shipper Receiver	\$17.40	\$17.40	\$17.75	\$17.75
Ramp / Asst. Crew Chief/ Cargo Attendant / Warehouse / Loadmaster / Van Driver Van Driver	\$13.68	\$14.27	\$14.95	\$15.82

TRAINING

Should the Company determine that employees are required to train other employees, it will pay a premium of .50 cents per hour for such training.

NORTHERN ALLOWANCE

Churchill employees shall receive a monthly northern allowance of **\$350.00**

Thompson employees shall receive a monthly northern allowance of \$175.00

TEMPORARY PROMOTION

An employee assigned by the Company to a higher paying classification for at least one (1) full shift shall receive the higher rate of pay for such work.

PASS PRIVILEGES

The Company will not provide employees with lesser pass privileges than those afforded other Company non-managerial employees.

HUMANITY FUND

The Company will deduct from the pay of each employee one cent for each hour worked.

These funds will be paid every three (3) months by a separate cheque to the Steelworkers' Humanity Fund and forwarded to the United Steelworkers of America, 234 Eglinton Ave. E., Toronto, Ontario, M4P 1K7.

If an individual employee should so request in writing no such deduction will be made from his/her pay.

PENSION

All employees shall enrol in the Company's Pension Plan, administered by Sun Life, after one (1) year of continuous service with the Company. Effective May 1, **2007** employees participating shall contribute an amount equal to **four percent (4%)** of regular wages to be matched by the Company. All conditions of the plan shall be as per the Master Agreement with Sun Life, and in accordance with all applicable laws. The Company shall advise the Union of any changes in the Master Agreement or in the Plan Administrator.

Part time employees will be required to participate in the Company's Pension Plan after two (2) years of continuous service with the Company, provided that they earn at least thirty-five (35%) of the Year's Maximum Pensionable Earnings as set under the Canada Pension Act.

LETTER OF UNDERSTANDING No. 1

This Letter of Understanding is between Calm Air International Ltd. (the Company) and the United Steelworkers, Local 6166 (the "Union") regarding:

SELECTION OF ARBITRATORS

This Letter of Understanding is to be read in conjunction with Article 12.02 regarding selection of arbitrators.

The parties have agreed that grievances referred to arbitration shall be referred to the following persons on a rotating basis:

Blair Graham, Q.C.

Arne Peltz

Gavin Wood

LETTER OF UNDERSTANDING No. 2

This Letter of Understanding is between Calm Air International Ltd. (the Company) and the United Steelworkers, Local 6166 (the "Union") regarding:

TRANSPORTATION TO AND FROM WORK FOR CHURCHILL EMPLOYEES

The parties agree to create a Committee consisting of 2 representatives from the Union, and 2 from the Company, with the purpose of meeting as mutually agreed and reasonably required to review the issue of transportation to and from work for Churchill employees, and make recommendations on how the issue can be fairly resolved.

The Committee will complete its work within 6 months (by November 1, 2007), and time spent at these meetings will be considered as time worked.