

COLLECTIVE AGREEMENT

Between

HORIZON AIR INDUSTRIES INC.

(hereinafter referred to as “the Company”)

Horizon Air

and

UNIFOR LOCAL 114

(hereinafter referred to as “the Union”)



Effective: February 14, 2016 – February 13, 2019

09771 (09)

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INTRODUCTION

The purpose of this Agreement is to set forth the terms and conditions of employment for the employees covered thereby and to eliminate confusion and misunderstanding with respect to these terms and conditions to the maximum extent possible.

DEFINITIONS

- 1) Employee means any regular, full-time or part-time, employee of the Company who works at the Vancouver or Victoria stations in a classification covered by this Collective Agreement.
- 2) Company means Horizon Air Industries Inc. doing business as Horizon Air.
- 3) Union means Unifor and its Local 114.
- 4) On the payroll means that period of time during which an employee is receiving compensation from the Company for work, vacation, or sick leave.
- 5) Regular employee means an employee who is employed to work a scheduled shift of more than twenty (20) hours or more per week on more than a temporary basis. An employee shall not be hired on a temporary basis for longer than six (6) consecutive months unless that employee was hired as a replacement for an employee on a combined maternity/parental leave of absence that is legally mandated.
- 6) Ground Service (Ramp) Agent means an employee whose primary duties involve the facilitation of the loading and unloading of Horizon Air passengers and their baggage and the marshalling of Horizon Air aircraft.
- 7) Passenger Service (Counter) Agent means an employee whose primary duties involve the interactions with Horizon Air passengers at the ticket counter and departure gates related to their air transportation and the checking of their baggage, or whose primary duties include the processing of claim forms for missing or damaged baggage, or assisting in the weight and balance calculations of, and communicating with, arriving and departing aircraft.
- 8) General Agent means an employee whose primary duties routinely involve a substantial amount of Ground Service Agent and Passenger Service Agent duties.
- 9) Trainer means a General Agent, Ground Service Agent, or Passenger Service Agent who devotes a substantial amount of his or her working time to the

training of other employees and who is designated as such at any time by, and at the discretion of, the Company.

- 10) Spouse means the person of the opposite sex who is legally married to or the same sex partner of an employee under the laws of British Columbia.
- 11) Common-Law spouse means the person of the opposite sex who is living with an employee in a relationship required to be recognized as such by the Canadian Human Rights Benefit Regulations, and with respect to whom the employee has submitted evidence of such relationship satisfactory to the Company.
- 12) Lead Agent means an employee who is responsible for directing the work of others while performing similar work. The responsibility of a Lead Agent to provide direction to others on shift includes making task assignments and the allocation of lunch and rest breaks and overtime. Lead Agents may also be referred to as Team Captains.
- 13) Special Service Assistant means an employee whose primary duties involve assisting passengers with special requirements (e.g. wheelchairs, unaccompanied minors) and/or duties requiring no specialized training (e.g. coffee service).

ARTICLE 1 - UNION RECOGNITION AND SECURITY

1.01 RECOGNITION

Pursuant to the certification from the Canada Labour Relations Board dated November 7, 1991, Board File No. 555-3355, Company recognizes Union as the exclusive collective bargaining agent of the employees covered by this Agreement.

1.02 FURNISHING OF INFORMATION

The Company, at the Union's request, will provide annually a list of members' names, addresses, and phone numbers that are employed by the Company. The Union agrees that it will use the employees' information solely for purposes of representing the Bargaining Unit and will comply with all personal information and privacy legislation.

1.03 UNION REPRESENTATION

The Union shall notify the Company in writing of the names of its designated representatives and the Chief Shop Steward, and of any changes in the personnel.

The Company recognizes that the necessity to perform the role of a Shop Steward or Chief Shop Steward in the settlement of a complaint or grievance can commonly arise during their regularly scheduled working hours and agrees that, subject to service pressures, he/she shall be permitted the necessary time off without loss of pay to perform such functions during a portion of his/her work shift. In addition, the Chief Shop Steward shall be permitted one (1) day off per calendar quarter without loss of pay to address problems for employees in the other base(s). Business passes will be provided where possible. Other Union responsibilities that may be tended to during regularly scheduled working hours, such as scheduling committee meetings with the Company, shall also be permitted without loss of pay. Before leaving their regular Company duties to attend to such matters employees shall obtain permission of their immediate Supervisor(s), and when resuming their regular duties they shall report to their Supervisor(s).

1.04 UNION MEMBERSHIP

The Company encourages all employees to become and remain members in good standing in the Union so that they may be full participants in the affairs of the Union as such affect their employment with the Company. The Company shall not discriminate against any employee because of his or her membership in the Union. In order to introduce new employees to the Union and the Shop Steward at the station, the Company shall provide to each new employee, introductory information about the Union and the station Shop Steward provided by the Union.

1.05 UNION ACCESS

Accredited Representatives shall have access to the premises of Company for the purposes of dealing with the Company on issues arising under this Agreement. Unless otherwise mutually agreed, advance notice of such intended visit must be given the Customer Services Manager in charge of the station. The visit shall not interfere with Company operations.

1.06 BULLETIN BOARDS

The Company agrees to provide space on which the Union may place a notice board or space on its bulletin board in an area accessible to employees at each station covered by this Agreement on which the Union may post appropriate notices relating to Union meetings and other Union matters.

1.07 TECHNOLOGICAL CHANGE

The Company and the Union shall comply with the Canada Labour Code provisions regarding technological change. When technological change is considered, discussions on the proposed change will be arranged with the Unifor Local or National Staff

Representative. Not less than ninety (90) days written notice will be given with a description and with appropriate details as to the consequent changes in working conditions and the expected number of employees who may be affected. The notice shall contain information describing the nature of the change and the expected date of implementation. The parties will meet to discuss the impending change and address ways to minimize the impact on the employees. Employees who may be laid off or displaced as a result of technological change and who wish to sever their relationship with the employer will be paid a severance pay based on their years of service as follows:

The greater of two (2) days wages at the employee's regular rate of wages for his regular hours of work for each year of service or five (5) days wages at the employee's regular rate of wages for his/her regular hours of work.

1.08 TIME OFF FOR UNION BUSINESS

A Shop Steward or an employee who is an elected officer of the Union may be granted leave for Union business involving the Company subject to the following conditions:

- (a) A request shall be submitted in advance by the Shop Steward to his or her Customer Services Manager and shall include the date and time of release from duty, the date and time of return to duty, and the nature of the business for which release is requested.
- (b) For time off in excess of one (1) day, a request made at least six (6) weeks in advance or more shall be approved.
- (c) Any other request shall be approved when staffing levels permit coverage of all dropped shifts without payment of overtime, or when the Union has provided the Company with a trained and able volunteer (or volunteers) willing to cover all the dropped shifts, and able to do so without violation of the Canada Labour Code.
- (d) The volunteer(s) shall be responsible to cover the shift(s) but shall not be considered to have shift-traded.
- (e) The Company will pay:
 - 1. the normal salary for the days missed to the excused Shop Steward,
 - 2. coverage pay to the volunteer(s) who perform duty for the excused Shop Steward as specified by the Union for each shift fully covered, and

3. overtime pay to any employee who is called because of the need to provide coverage for a volunteer who fails to cover the trip(s) for which the employee volunteered.
- (f) The employee shall be kept on the Company's payroll and the Union shall reimburse the Company for all time off for Union business as set forth in this section.
- (g) The Company shall invoice the Union for any overtime pay or coverage pay paid pursuant to paragraph (f) plus an additional charge of twenty percent (20%) to cover payroll based taxes and benefits and administrative costs, and the Union shall pay the Company within thirty (30) days of receipt of the Company's invoice. The additional charge of twenty percent (20%) will apply to all Union business in excess of three (3) days during any one (1) pay period. The invoice shall provide an explanation of overtime pay to include the shift(s) that were required to be covered as a result of a volunteer's failure to cover his or her assigned shifts, and/or the volunteer's claim for coverage pay in which he or she shall list the shifts covered. The Company shall provide the Chief Shop Steward copies of the invoices.
- (h) If the Union business is cancelled, the excused Shop Steward may regain responsibility for his or her shift(s) by providing notification in time for the shift supervisor to avoid payment to any other employee who may have been scheduled to work the shift.
- (i) Department seniority shall continue to accrue during a leave for Union business and if the time off is two (2) weeks or less, the employee shall be retained in an active employment status. Leaves longer than two (2) weeks duration shall be unpaid and the employee shall not be retained in an active employment status.
- (j) Department seniority shall continue to accrue during a leave for Union business up to twenty-six (26) weeks in any calendar year, and the combined maximum for all employees taking leave pursuant to this Section shall be fifty-two (52) in any calendar year.
- (k) Nothing in this section will preclude shift-trading in accordance with the provisions of this agreement for the purpose of allowing any employee time for Union business.

1.09 UNION DUES COLLECTION

During the term of this Agreement, the Company will deduct from the pay of all employees covered by this Agreement the Union membership dues and initiation fees. The Company shall remit to the Financial Secretary/Treasurer of Local 114 the total

amount so deducted by the 15th day of the following month. The Company agrees to put into effect any changes in the amount of monthly Union dues to be deducted upon receipt of notification in writing from the Union.

1.10 TRANSPORTATION

The Company shall allow pass travel for Union business on Horizon Air as follows:

- (a) Up to twelve (12) round-trip Union business passes will be provided each calendar year at no cost. These passes may be used for travel by Shop Stewards to meetings with the Company or other purposes approved by the Company. All requests for Union business passes shall be made by the Chief Shop Steward to the Vice President Customer Services Division or designee. The boarding priority for these passes will be the same as for Company business travel.
- (b) Pleasure Passes may be used for other Union business trips by employees. The Chief Shop Steward shall provide to the Vancouver and Victoria Station Customer Services Managers a summary of all Pleasure Pass Union business travel monthly, listing the persons who traveled, the date of travel, and the business conducted.
- (c) A National Representative of the Union may use the Union business passes as described in paragraph (a) above if he or she is on the seniority list of an airline with which the Company maintains an interline agreement.

1.11 JOB SECURITY

When the Company plans to contract out work that would result in the layoff of any full-time or part-time employee, it will:

- (a) provide the Union with a minimum of thirty (30) day advance notice, in writing, of the proposed change;
- (b) schedule a meeting with the Union prior to the proposed change to explain why the Company plans to contract out the work and to consider any Union proposals that might make not contracting out more advantageous to the Company than contracting out as planned.

If, following (a) and (b) the Company still plans to contract out the work, it will schedule a meeting with the Union for the purpose of ensuring that the layoff procedures of the contract are properly applied and that all benefits of the contract applicable to the laid off employees are made available.

Notwithstanding the foregoing, the Company shall not subcontract the Passenger Services Agent work at either Vancouver or Victoria while the Company still operates thirty-five (35) flights per week or more into such station unless the minimum notice given to the Union pursuant to paragraph a. above is one hundred and twenty (120) days.

1.12 SUPERVISORS AND MANAGERS

Company managers and supervisors may perform or assist in performing any work only in situations where the requirements of the service are such that customer delays or inconveniences could reasonably be expected to occur without their intervention. Requirements of the service, is defined as a situation which call for immediate action which could not be predicted or pre-planned. Supervisors and Managers may be in the operation to remain current in all aspects of the operation, so long as their participation in the operation does not affect scheduled employee hours.

Victoria: The Company shall not employ more than two (2) supervisors who work scheduled shifts. Only one (1) supervisor (or the Manager) shall be scheduled to work on a day or evening shift on any day except for one (1) day per week when there may be overlapping assignments so that Management meetings may be scheduled.

1.13 UNION LAPEL PINS

If an employee so chooses, he/she may wear the official Unifor pin in one (1) of the following areas:

1. The right side of the, sweater, or jacket;
2. On the uniform shirt collar;
3. As a tie tac.

ARTICLE 2 - MANAGEMENT RIGHTS

Unless expressly abridged by a specific provision of this Agreement, the Management of Company; the direction and control of the work force; the right to determine the means, methods, processes, materials and schedules of operation; the right to alter, rearrange, change, extend, curtail, or discontinue its operation, partially or completely; the right to determine the location of the business; the right to determine the size and assignment of the work force; the right to contract and subcontract for material, services, supplies and equipment; the right to establish standards of performance, behaviour and conduct and to determine whether any individual meets such standards; the right to establish, eliminate, amend and require employees to observe Company

rules and regulations; the right to promote, demote or, with notice or pay in lieu of notice and severance payment made in accordance with the Canada Labour Code, terminate employees; and the right to suspend, discharge or otherwise discipline employees for just cause, shall be the right, solely and exclusively of Company.

The foregoing enumeration of rights is not intended to be all-inclusive, but is intended to be representative of the type of rights normally inherent to Company. Company's not exercising rights, powers, authority and function reserved to it or its exercising them in a particular way shall not be deemed a waiver of such rights, power, and authority.

In the exercise of its rights as described herein, the Company shall provide to the Union upon request the reason for any action that causes the termination of any employee.

ARTICLE 3 – SENIORITY

3.01 CONTINUOUS EMPLOYMENT

Continuous employment means, for any employee, the uninterrupted period of time since last being placed on the payroll of the Company that he or she is on the payroll of the Company. The absence of an employee from the payroll shall be deemed not to have interrupted continuity of employment where:

- (a) the employee is absent from the payroll as a result of a lay-off that is not a termination under this Collective Agreement; or
- (b) the employee is on an approved leave of absence under this Collective Agreement and in compliance with its terms; or
- (c) the Company, in its sole discretion, permits or condones the employee's absence from the payroll.

3.02 DEPARTMENT SENIORITY

Department seniority means the total length of unbroken full-time or part-time service in the Customer Services Department (formerly the Stations Department), in a classification covered by this Agreement. The Company shall establish the relative order of hire among employees who are hired on the same day.

3.03 TRANSFERS FROM NON-COVERED POSITIONS

- (a) An employee who performs casual work as described in Section 7.04 and Appendix A and is hired as a regular full-time or part-time employee in a classification covered by this Agreement without an employment break shall be

given credit for the entire length of his or her service as a Casual employee in his or her last separate period of employment. The time credited for seniority purposes shall also count toward completion of the probationary period specified in Section 6.01.

- (b) An employee of the Company who works in the Customer Services Department in a classification covered by this Agreement, but in a category other than regular full-time or part-time (other than as an employee who performs casual work as described in Section 7.04 and Appendix A) and is subsequently hired as a regular full-time or part-time employee in a classification covered by this Agreement shall be given credit (up to a maximum of six (6) months) for one-half ($\frac{1}{2}$) of the period of time employed (up to a maximum of one (1) year) in the non-covered status, for purposes of department seniority. In calculating the period of time employed, one (1) week shall be credited for every forty (40) hours worked, and, with respect to any total or remainder of less than forty (40) hours, one (1) day for every eight (8) hours worked. Hours worked voluntarily covering the shift of another employee (including a supervisor) at his or her request (i.e., a shift trade) shall not be counted. The time credited for seniority purposes, up to a maximum of three (3) months, shall also count toward completion of the probationary period specified in Section 6.01.

3.04 TRANSFERS TO POSITIONS NOT COVERED BY THE AGREEMENT

An employee who transfers to another Company position that is not covered by this Agreement shall have no right to return to any position covered by this Agreement. However, if allowed to return, he or she shall have his or her department seniority accrued up to the date of transfer reinstated if the time outside of the unit does not exceed six (6) months. If the period exceeds six (6) months, he or she shall lose all department seniority.

3.05 CORRECTION OF SENIORITY LIST

The Company shall post on its bulletin boards at stations covered by this Agreement a department seniority list of employees in the classifications covered by this Agreement giving name, department seniority date, and classification. Such lists shall be updated no less frequently than twice (2 x) each calendar year. An employee may challenge an alleged omission or incorrect posting affecting that employee's seniority within the thirty (30) days beginning on the date the seniority list is posted except that an employee on leave of absence shall have such time period begin on the date of return to duty.

3.06 JOB CLASSIFICATIONS

Employees covered by this Agreement shall be considered in one (1) department seniority group. Classifications within this group are as follows:

- (a) Ground Service (Ramp) Agent
- (b) Special Service Assistant
- (c) Passenger Service (Counter) Agent
- (d) General Agent
- (e) Trainer

Job classifications are not a limitation on assignment of work or staffing requirement.

ARTICLE 4 - LAY-OFF AND RECALL

4.01 LAY-OFF

Lay-off shall be in reverse order of department seniority within classifications of the employees at a station. Before implementation of a layoff, the Company will attempt to reclassify, in department seniority order, any employee selected for layoff with more department seniority than any more junior employee in a classification if such reclassification will prevent his or her lay-off.

Employees will have the following options:

- (a) If available, accept change in status (i.e. full-time to part-time, part-time to casual), or
- (b) Accept laid off status, even if they have the option of changing status to retain a position, or
- (c) Displace a more junior employee in either status (full-time or part-time) first in their own classification and then in another classification;
- (d) Displace a more junior employee in either status at another station.

4.02 NOTICE OF LAY-OFF

Notice and severance pay shall be provided in accordance with the Canada Labour Code.

4.03 WORK SCHEDULES FOLLOWING LAY-OFF

When there is a lay-off at a Station, employees will be provided an opportunity to select work schedules (shift bid) if required and as provided by Section 7.02.

4.04 MAINTAINING CONTACT WHILE ON LAY-OFF

An employee on lay-off shall keep the Company and the Union informed of their up-to-date address and telephone number.

4.05 RECALL

An employee laid-off for lack of work, but who is recalled within eighteen (18) months, shall have his/her department seniority accrued up to date of lay-off reinstated and shall suffer no loss of seniority. There shall be no coverage by the Company of benefits outlined in this Agreement for the employee and his/her dependents except as provided under related government regulations, and air travel benefits after being laid off/furloughed are limited. (Current policy and agreement with Alaska Airlines provides for a single termination pass on the Horizon Air-Alaska Airlines route system.)

4.06 NOTICE OF RECALL

Notice of recall shall be by telephone, or if not reached by telephone, by courier service to the last address provided by the employee. Employees so notified shall report for duty on the date specified, but unless agreed to by the employee, the specified date shall not be sooner than:

- (a) fourteen (14) days from the date of the telephone call;
- (b) fourteen (14) days from the date the letter is received by the courier company.

4.07 STATION SELECTION ON RECALL

An employee shall be provided an opportunity to indicate whether he or she will accept recall only at Victoria or Vancouver, or at either station, at the time of lay-off. An employee who does not make a station election will be considered as having indicated that he or she will accept reemployment at either station. An election of stations, or a non-election to be recalled at either Vancouver or Victoria, may be changed by submitting written notification to the Managers of both the Victoria and Vancouver stations and to the Union. An election with regard to stations may be made at any time; however, an employee will be offered recall at a station only if indicated in the most recent election (or non-election) the Manager at that station has received prior to issuing the notice of recall. The Company shall be under no obligation to make additional offers of recall under Sections 4.05 and 4.06 to an employee who has refused an offer of recall to a station made in accordance with this Section 4.07.

ARTICLE 5 - GENERAL

5.01 Jury/Witness Duty

An employee who is summoned for jury duty, or called as a witness on behalf of the Company will not lose any regular pay or seniority as a result of performing such duty. However, the employee shall remit to the Company any pay received for performing the jury duty. The employee may retain any mileage, meal allowance or other expense allowance provided. Employees called for jury duty shall advise their supervisors as soon as possible after receipt by presenting their "Notice to Serve".

5.02 HOSTAGE SITUATIONS

If an employee is held hostage as a result of hostile action:

1. at the station at which he or she is working in uniform; or
2. on a Horizon aircraft on which he or she is traveling on Company business, he or she shall continue to be paid his or her regular pay based on the shift he or she was working until he or she is released or until his or her death, whichever first occurs, but in no event longer than twelve (12) months. Such compensation shall be in lieu of all other compensation to which he or she might otherwise be entitled. The Company may offset from the amount paid any compensation provided for by any law, workers compensation or otherwise, which the employee is paid as a result of the hostile action. If the Company does not exercise any alternative for compensation to the employee under any law, then its payment to the employee of regular pay during any period of hostage shall be in lieu of all compensation provided for by any such law.

The employee shall retain and continue to accrue department seniority while held hostage and the time during which held hostage.

5.03 PERSONNEL FILES

Employee personnel files are the Company's permanent record of work related matters pertaining to its employees. Prior letters of reprimand and other disciplinary letters in an employee's personnel file will be disregarded and will not be referred to in disciplinary actions if:

- (a) The kind of conduct is totally unrelated to any prior incident; or

- (b) The prior documented conduct occurred more than eighteen (18) months prior to the current incident;
- (c) An employee will be offered the opportunity to acknowledge and respond to the existence of any documented misconduct before it is placed in his/her personnel file and a copy of the document will be provided to the employee if he so requests. The employee's written response will become a permanent part of the employee's record.
- (d) The permanent file for an employee is maintained by the Company's personnel department and a working file is maintained at the employee's station. An employee may review the contents of his or her working file at any time by appointment with his or her Station Manager. The permanent file may be reviewed by appointment with the Company's personnel department or, upon request, the file will be brought to the employee's station for review at the next scheduled station visit by a Customer Services Department or Personnel Department Representative.

5.04 LEAD AGENTS

The duties of Lead Agents will vary according to the work location and type of activity the group is performing. Lead Agents may train and coach other employees. Lead Agents shall not carry out formal discipline of employees.

- (a) The decision to introduce, maintain or terminate a Lead Agent position or shift will rest with the Company.
- (b) Bids for a Lead Agent position or shift will only be accepted from employees at the Station where the person will be employed. Employees who are classified as casual are not eligible to bid for a Lead Agent position or shift.
- (c) The Company shall determine the required hours of Lead Agent coverage and shift schedules shall be built in consultation with the incumbents.
- (d) Lead Agent positions or shifts will be filled based on qualifications, skill and ability. Where these are relatively equal, consideration will be given to the employee with the most department seniority in awarding the position. Once every twenty-four (24) months the employees in the collective Bargaining Unit at each station will be polled for interest in applying for a lead position or shift.
- (e) Except by mutual agreement between the Company and the Union, once a Lead Agent position has been accepted, the employee shall remain in that position for at least twelve (12) months. At the conclusion of each twelve (12) month period the Company, the employee and the Union will have an opportunity to evaluate

continuation by the employee as a Lead Agent and Section 6.02 "Trial Periods for New Jobs" shall apply, notwithstanding a Lead Agent being a premium pay position and not a classification.

ARTICLE 6 - PROBATION

6.01 INITIAL PROBATIONARY PERIOD

New employees shall be considered on probation for the first six (6) months of employment in a classification under this Agreement.

- (a) Having once passed the probation period, the employee shall be added to the department seniority list as of the first day of employment or the starting date of the employee's initial training class, whichever is earlier.
- (b) If initial dates are the same, the order of listing will be determined by the Company.

6.02 TRIAL PERIODS FOR NEW JOBS

An employee shall not be required to serve more than one (1) probationary period. However, an employee who changes classifications or jobs will be given a sixty (60) calendar day trial period for the purpose of testing the employee's ability to efficiently perform the duties of the new classification or job. If the Company determines that the employee does not have the ability to efficiently perform the duties of the new classification or job during the sixty (60) calendar day trial period, or, alternatively, if the employee is not satisfied with the new job during such period, the employee will be reclassified to the former classification or job. Either the Company or the employee may extend the trial period for up to an additional thirty (30) calendar days by notifying the other party and the Union in writing, and both the Company and the employee have the right to reclassify the employee to his or her former classification during any extension period. Such a reclassification will not preclude an employee from bidding for a change in classification or job following a six (6) month waiting period.

6.03 DISCHARGE DURING PROBATION

A probationary employee may be discharged for any lawful work-related reason.

ARTICLE 7 - HOURS OF SERVICE

7.01 SCHEDULING OF WORK

The scheduling and assignment of work under this Agreement is the right of the Company, limited only as provided in this Article. At least twice (2 x) each year at each station the Company will determine the staffing requirements, including the number of regular full-time and part-time employees, as well as the utilization of relief and casual employees. The Company will review those requirements and consider recommendations for changes to the proposed shift schedules and proposed alternate shift schedules from the Chief Shop Steward and Scheduling Committee, which will be comprised of up to three (3) employees per station selected by the Union. A shift of less than four (4) hours will not be included in any regular employee shift schedules, but may be put out for bid as an extra work opportunity. A shift schedule shall provide at least two (2) consecutive days off within a seven (7) consecutive day period. The hours in daily shifts are determined primarily by operational requirements. When preparing the shift schedule, the Company will consider the recommendations of the Union with respect to preference on maximization of up to forty (40) hours for shift schedules and the consequence to the full-time and part-time status of the remaining shift schedules further, the Company will not reduce a scheduled shift subsequently bid and awarded to an employee, unless the reduction is due to flight activity changes.

Schedule (or Shift) Bidding: The department seniority of employees at a station shall prevail in selection of work schedules at such station. However, employees with disabilities, who request accommodation due to disability or restrictions on work functions or hours of work, may have their work schedules separately constructed and assigned prior to the start of the bid process. Lead Agents will bid on Lead shifts in order of seniority. Employees will be provided an opportunity to select their preferred work schedules (shift bid) no less frequently that twice (2 x) per year.

- (a) Bidding procedures will be announced by the Customer Services Manager at the station at least fourteen (14) days prior to the effective date and, when not all work schedules are affected may be limited to polling of the employees who have indicated an interest in changing shifts.

When all work schedules will be affected:

- (i) Work schedules will be posted for bidding at the station no less than fourteen (14) days prior to the effective date.
- (ii) Duty rosters (work schedules as awarded after bidding) shall be posted no less than seven (7) days prior to the effective date.

- (b) Only employees who are working in the current schedule may participate in the new bid. However, an employee who is on a leave of absence and who has advised the Company of a firm date of return that is no more than one (1) month after the beginning of an upcoming shift schedule may participate in the shift schedule bid. If an employee has participated in a shift bid and was unable to return to work as planned, he or she shall not again be permitted to bid until he/she returns to work.

7.02 SCHEDULE (OR SHIFT) BIDDING

Shift bids will occur whenever any of the following takes place:

- (a) Any employee's regular work schedule start or finish time would change by more than two (2) hours;
- (b) Any employee's regularly scheduled days off would change;
- (c) Any employee's regularly scheduled hours in a workweek would increase by more than five (5) or decrease by more than two and one half (2 ½) hours.

(NOTE: if the increase or decrease would result in the shift changing from a full-time to a part-time shift or vice versa, Article 9 applies, regardless of the amount of increase or decrease);

- (d) There is an open shift resulting from an employee termination or a job bid pursuant to Article 9;
- (e) A lay-off, recall, leave of absence, or return from a leave of absence that is anticipated to last more than two (2) months;
- (f) No schedule bidding opportunity need be provided because of any of the events described in (a) through (e) provided a bid is conducted within two (2) months of such event. Except when there is an immediate requirement to make a shift assignment that cannot, as a practical matter, be accomplished by a seniority based shift bid, the shift bid will be conducted in accordance with 7.01(1).

7.03 FULL AND PART TIME WORK

The basic workweek for full-time employees will consist of thirty (30) to forty (40) hours per week, scheduled on a four (4) or five (5) day basis as determined by the Company, considering, among other factors, the desires of the employees involved. Any employee who is regularly scheduled to work thirty (30) or more hours per week shall be classified as full-time. An employee, who is scheduled to regularly work at least twenty (20), but less than thirty (30) hours per week shall be classified as part-time.

In order to provide schedule coverage for sick, holiday, vacation and day of operation requirements and to reduce the Company's need for casual employees, each station may assign a limited number of full-time and/or part-time employees as relief agents. Full-time and part-time relief employees will have the same number of hours as scheduled, full-time and part-time employees, as described above. Relief is not intended to cover operational requirements, but is intended to cover shifts of employees absent due to sickness, holiday and vacation time as well as increased requirements on the day of operation.

The following shall pertain to those employees who bid a relief shift schedule:

- (a) Relief employees may not have assignments at the time of shift bidding, however, whenever possible, these employees will have their shifts assigned twenty-one (21) days in advance and will have the opportunity to pick up additional hours. Relief employees will be assigned shifts as in accordance with their seniority and preferences.
- (b) A limited number of relief employees will bid shifts with scheduled shift times and days off and will provide coverage for sick calls and dedicated holiday time.

7.04 SPLIT SHIFTS

- (a) Where split shifts are assigned by the Employer, they must conform with the following guidelines:
 - 1. No shift of less than four (4) paid hours may be split;
 - 2. No part of a split shift shall be less than two (2) hours;
 - 3. All split shifts must be worked within a twelve (12) hour period;
 - 4. No split unpaid hours will be greater than three (3) hours;
 - 5. Shifts that are split more than once will receive one additional dollar (\$1.00) per hour of premium pay per shift.

7.05 CASUAL WORK

Employees who are working a seasonal assignment or as a replacement for an employee who is on vacation or a leave of absence (which is unable to be covered by a regular employee) are casual employees and are covered by Appendix "A" of this Agreement. In Victoria, it is agreed that casuals may work where there is a requirement to regularly work less than twenty (20) hours per week, or working a seasonal assignment or as a replacement for an employee who is on vacation or a leave of absence.

7.06 EXTRA WORK OPPORTUNITIES

An employee who is scheduled to work less than forty (40) hours in a work week who wants to work up to a four (4) hour extension to his or her work shift (or, in the case of an employee with a work shift of less than eight (8) hours, work up to a total of twelve (12) hours including the shift extension) at his or her regular hourly pay rate may so notify his or her Customer Services Manager. Those who have so notified their Customer Services Manager will be called in seniority order within classification to perform any such work that they are qualified to perform at their station that becomes available while they are on duty due to unanticipated staffing needs. However, the Company may bypass an employee who would exceed forty (40) hours of work in the workweek if assigned the work in favour of another employee in order to minimize overtime.

7.07 OVERTIME PAY

The overtime pay rate for an employee is one and one half (1 ½) times that employee's regular hourly pay rate, including any premium rate described in Article 8 to which the employee is entitled that is added thereto. Overtime authorized by Management shall be paid under any of the following circumstances to a full-time or part-time employee:

- (a) All work in excess of forty (40) paid work hours in any one (1) work week.
- (b) All work in excess of eight (8) paid work hours in any one (1) day for an employee scheduled to work eight (8) hours or less that workday shift, unless the employee has exercised his or her seniority rights pursuant to Section 7.05.
- (c) Subject to Section 7.07(b), for shifts scheduled to end on or after 23:00 local time, employees who are required to remain more than thirty (30) minutes after their scheduled shift ends, will be compensated at the overtime pay rate for all time worked thirty (30) minutes past their scheduled end of shift until released.

7.08 SHIFT TRADES

Employees may be entitled to do shift exchanges and the following rules will apply:

- (a) The employee covering the shift must be qualified and capable of performing the work.
- (b) Each station may have written procedures for the administration of shift trades.
- (c) Partial shift trades will involve a maximum of two (2) employees.

- (d) The employee(s) involved shall assume full responsibility for the shift they have agreed to work. All work time credits will apply to the employee who actually works.
- (e) Weekly overtime, per Section 7.06, will not be paid as a result of an authorized shift trade.
- (f) The Company and the Union recognize that an employee's entitlement to exchange shifts is not intended to allow an employee to reduce his overall work time commitment to the Company from his current status (full-time or part-time). Shift trades are also intended to be ad-hoc changes and are not intended to trade away an employee's shift schedule. Any issues that are anticipated or arise from the exercise of shift trades will be reviewed by the Company in consultation with the Chief Shop Steward.
- (g) Lead Hands who Shift Trade with Lead Hands will receive the Lead Hand premium for the duration of the shift trade.

7.09 NO OVERTIME FOR SHIFT CHANGES

Notwithstanding Section 7.06, overtime shall not be paid for excess hours as a result of changing work schedules pursuant to Section 7.01 and 7.02.

7.10 ASSIGNMENT OF OVERTIME

No employee shall be entitled to work overtime when the Company can get the work done to its satisfaction without the assignment of overtime. In determining which employee to assign overtime, the Company may seek to minimize the overall number of overtime hours it will need to assign during the workweek. When overtime work is needed, the Company will make a good faith effort to comply with the following:

- (a) Overtime assignments related to the late arrival of aircraft will be made to the employees already on duty.
- (b) Among equally available qualified employees at a station, the Company will assign overtime to the more senior employees who have asked to be called for overtime assignments.
- (c) If no employee has asked for overtime assignments, the junior employee at the station that is on shift or is scheduled to work that day and is qualified for the assignment will be assigned prior to overtime being assigned to an employee on a day off.

- (d) However, when there are unusual circumstances or an emergency the Company may assign any employee to perform an assignment unless it would reduce an employee's rest period below the minimum specified in Section 7.13.

7.11 MINIMUM UNSCHEDULED WORK GUARANTEE

All day-off or call-back work assignments will be guaranteed a minimum of four (4) hours pay.

7.12 MEAL BREAKS

Company will schedule a meal break in shifts with six (6) or more scheduled working hours and may schedule a meal break in shifts with four (4) or more scheduled working hours. The break will be scheduled as close to shift midpoint as practical, consistent with operational needs on a day-to-day basis. The normal meal break will be one half (½) hour. However, in order to maximize the full-time and part-time shifts without split shift premium cost, the break shall be one half (½) hour for a shift of less than six (6) hours, at least one half (½) hour but not more than one (1) hour for a shift of six (6) but less than eight (8) hours and at least one half (½) hour but not more than one and one half (1 ½) hours for a shift of eight (8) hours or longer. Meal breaks shall not be paid time.

7.13 REST PERIODS

Except when abnormal operational requirements prevent it, employees will be provided the opportunity to take breaks not to exceed fifteen (15) minutes without loss of pay in accordance with the following:

- (a) Shifts with at least four (4) hours but less than six (6) hours without a meal break: one (1) rest period;
- (b) Shifts of six (6) hours length or more: two (2) rest periods.
- (c) Employees working shifts with at least four (4) hours but less than six (6) hours without a meal break that are, for operational reasons, unable to take their fifteen (15) minute break will either be paid in lieu of the break or clock out fifteen (15) minutes early.

7.14 MINIMUM REST BETWEEN SCHEDULED SHIFTS

There shall be no less than ten (10) hours free from work between the end of an employee's scheduled shift and the commencement of his or her next scheduled shift, except when required by flight schedule or is necessary in a weekly work schedule to maintain an employee's status (part-time, full-time) in which there will be no less than

eight (8) hours free from work. An employee need not be provided these eight (8) hours free from work in the case of a related shift bid, shift trades, or when overtime is voluntary.

7.15 DEFINITION OF "QUALIFIED"

For purposes of this Article 7, an employee shall be presumed qualified for work in a classification if he or she is currently scheduled to work in that classification. In addition, a General Agent shall be presumed qualified to perform work as either a Passenger Service (counter) Agent or as a Ground Service (ramp) Agent. However, if there is a substantive difference in a particular work assignment that limits to certain employees the ability to efficiently perform it, the Company may treat only those employees with the ability to efficiently perform it as qualified.

7.16 SHIFT BIDDING, VANCOUVER STATION

Due to current operational requirements at the Vancouver Station, employees bid shifts that have specialized functions:

Ticket Counter, Passenger Check In
Departure Gate, Passenger Boarding
Baggage Claim, assisting Passengers with lost and damaged baggage claims.

Operations/Communications, assisting with the dispatch of the aircraft and communicating with the flight crew.

- (a) The duties of the functions listed above are all normal Passenger Service Agent duties and any Passenger Service Agent may bid any available shift entailing any of these functions.
 - (i) If an agent is bidding to a shift with one (1) of these functions that he or she has not performed within the past six (6) months, he or she may indicate on the bid sheet any training, not to exceed three (3) days, he or she needs.
 - (ii) When so requested, the Company will endeavour to provide the requested training prior to the implementation of the shift. Where this is not possible, the employee will be provided on the job training as soon as possible. Until requested training is received, the Company may reassign the duties of the employee to another agent who is qualified in the employee's new function and assign the employee duties he or she is qualified to perform.

- (iii) Training: Training requested pursuant to a shift change will be in base training and may be scheduled during an employee’s regular shift, before or after his or her shift, or on his or her days off.

7.17 VOLUNTARY CHANGE OF STATUS

Except as otherwise provided in the Agreement, within a station, a full-time employee may request a permanent change of status to part-time status by submitting a written request four (4) weeks prior to the commencement of a shift bid provided that the Company is able to fill a job posting for a full-time position in seniority order.

ARTICLE 8 - COMPENSATION

8.01 PAY RATES

Effective as of the dates shown below, the hourly pay rates shall be as follows:

- (a) General Agent & Counter (Passenger Service) Agent

Effective with the pay period in effect on:	Current	Feb 14/2016 1.5%	Feb 13/2017 1.5%	Feb 13/2018 1.5%
Start	\$ 13.14	\$13.34	\$13.54	\$13.74
After 6 Months	\$ 14.20	\$14.41	\$14.63	\$14.85
Second Year	\$ 16.46	\$16.71	\$16.96	\$17.21
Fourth Year	\$ 19.22	\$19.51	\$19.80	\$20.10
Sixth Year	\$ 21.89	\$22.22	\$22.55	\$22.89

- (b) Ramp (Ground Service) Agent and Special Service Assistants

Effective with the pay period Feb 14, 2007 – Feb 14, 2009 in effect on:

Start	\$ 11.70
After six (6) months	\$ 11.92
Second (2 nd) year	\$ 13.90
Third (3 rd) year	\$ 15.03
Fourth (4 th) year	\$ 16.31
Fifth (5 th) Year	\$ 17.70
Sixth (6 th) year	\$ 18.65

The above pay rates are minimum rates, and the Company may pay any employee more than the rates in this Article. For example, a new employee with prior relevant

experience may be paid more than the "Start" rate. If an employee is promoted to a higher scale, he or she shall start at the first step of the scale that provides a pay increase over his or her then current rate of pay.

8.02 TRAINER PREMIUM PAY

An employee will be paid a premium of one dollar (\$1.00) per hour for any period he or she is scheduled to be available for training of other employees. Off base training will include an additional two dollars (\$2.00) per hour premium.

8.03 LEAD AGENT PREMIUM PAY

An employee will be paid a premium of two dollars (\$2.00) per hour for working as a Lead Agent pursuant to Section 5.04.

8.04 SPLIT SHIFT PREMIUM PAY

An employee who works a scheduled shift that has a non-paid break longer than the permitted meal break under Section 7.11 will be paid a premium of one dollar and fifty cents (\$1.50) per hour for all scheduled working hours in the shift.

8.05 MANNER OF PAYMENT

All payments to employees by the Company, including expense reimbursements, shall be by direct deposit (electronic transfer) to employees' designated bank accounts.

8.06 CORRECTION OF PAYROLL ERRORS

An employee shall have a duty to review his or payroll statement of earnings and deductions when received and to promptly report any suspected error in the amount paid to him or her. Should there be an error in the amount paid, the following shall apply:

- (a) If the employee is underpaid by fifty dollars (\$50.00) or less, or as a result of an error in reporting by the employee, the additional pay will be added to the next regular payroll processed after the Company confirms the amount of the error.
- (b) If the employee is underpaid by more than fifty dollars (\$50.00), except as a result of an error in reporting by the employee, the Company will advance to the employee the approximate net amount due within three (3) Company payroll office working days after the Company confirms the gross amount of the error, and complete the correction with the next regular payroll processed.

- (c) If the employee is overpaid by an amount that does not exceed the net correct pay for a pay period, the deduction will be made from the next regular payroll processed after the Company confirms the amount of the error.
- (d) If the employee is overpaid by an amount that is equal to or greater than his or her correct net pay for the pay period, the employee shall repay the Company the approximate net overpayment within three (3) business days after the Company confirms the gross amount of the error. The Company will complete the correction on the next regular payroll processed.

8.07 TIME CLOCKS

At any station where the Company requires an employee to clock in or out, the requirement shall be the same for all employees in the same classification, unless the Union has agreed to an exception for operational reasons.

- (a) There will be a five (5) minute grace period, for pay purposes, for an employee who clocks out before the end of his or her shift. An employee who is less than five (5) minutes late clocking in shall not lose pay for that day unless he or she also clocks out early.
- (b) Grace periods for pay purposes shall not excuse an employee from the requirement to arrive on time and not leave early without permission.
- (c) When there is a discrepancy between the employees' claimed work hours and the time clock pay hours, the Company will make every effort to address the matter with the employee before submission of a time sheet with less hours than claimed by the employee.

8.08 ON CALL PAY

- (a) Employees on call and not offered work will receive one (1) hour of pay per on call day.
- (b) Employees on call and offered work will not receive the one (1) hour of on call pay. Additionally, employees offered work and who trade away the work will not be granted the on call pay.

ARTICLE 9 - FILLING OF VACANCIES

9.01 VOLUNTARY TRANSFERS

When an opening for a full-time or part-time employee covered by this Agreement occurs because a full-time or part-time employee covered by this Agreement terminates employment, or goes on a leave of absence that the Company believes will continue for six (6) months or more, or transfers to a position not covered by this Agreement, or when a new regular full-time or part-time employee position covered by this Agreement is established, the Company if it intends to fill the position, will make the position(s) available to the following groups of employees in seniority order:

- (a) regular employees on laid off status who have recall rights in accordance with this Agreement;
- (b) subject to other sections of the Agreement, employees who were involuntarily displaced to another status (i.e. full-time to part-time, part-time to casual);
- (c) employees who were displaced to another station within the last eighteen (18) months;
- (d) regular employees on active status within the station who wish to bid for the position.

9.02 CONTENTS OF BID NOTICES

Job Bid Notices will provide at least the following information:

- (a) job Classification;
- (b) whether position is full-time or part-time;
- (c) duty station;
- (d) date that opening is planned to be filled;
- (e) date by which applications must be received in order to be considered (the closing date).

9.03 BID RESCISSIONS

Employees may rescind their bid for an open position up to and including the closing date specified on the Bid Notice.

9.04 FILLING OF UNBID POSITIONS

If no qualified employee covered by this Agreement bids for a posted opening, then the Company may fill the position with the least senior employee at the station where the opening exists who is qualified to perform the job, with a new hire, or with a person then in an employment status not covered by this Agreement.

9.05 MOVING TO NEW DOMICILE

An employee who voluntarily transfers to a different station shall pay all costs of moving, except that the Company will provide on-line space-available transportation to the employee and the employee's spouse and dependent children as necessary to make the move. An employee who voluntarily transfers to a different station after being given notification of lay-off, but before the lay-off is effective, shall be considered an involuntary transfer.

9.06 TEMPORARY OPENINGS

Except as described above, the Company retains the discretion to fill openings in any manner it elects if the opening cannot be filled by an employee in the Bargaining Unit.

ARTICLE 10 - STATUTORY HOLIDAYS AND VACATION

10.01 RECOGNIZED HOLIDAYS

The following legal holidays are recognized by Company for all employees:

New Year's Day	Observed January 1
Good Friday	Observed the Friday before Easter
Victoria Day	Observed the third Monday in May
Canada Day	Observed July 1
B. C. Day	Observed the first Monday in August
Labour Day	Observed the first Monday in September
Thanksgiving Day	Observed the second Monday in October
Remembrance Day	Observed November 11
Christmas Day	Observed December 25
Boxing Day	Observed December 26
Family Day	Observed February 11 (British Columbia Provincial Holiday)

10.02 ELIGIBILITY REQUIREMENTS FOR HOLIDAY PAY

To be an "Eligible Employee" with respect to a holiday, an employee must be an employee who is required to be paid holiday pay under the provisions of the Canada Labour Code.

10.03 HOLIDAY PAY

All full-time eligible employees will receive holiday pay of eight (8) hours pay at the straight time rate. Part-time eligible employees shall be paid holiday pay of six (6) hours pay at straight time rate. All eligible employees who are required to work the holiday will receive time and one half (1 ½ x) for all hours actually worked on the holiday. An eligible employee who works on a holiday and an eligible employee who was not scheduled to work on a holiday, shall take, and be paid his or her holiday pay for, a day off at a time that is acceptable to both the Company and the employee. A full-time employee may not accumulate more than eighty (80) hours of unused holiday pay and a part-time employee may not accumulate more than fifty (50) hours of unused holiday pay at any time. If an employee already has holiday pay accumulated such that the above maximum that is applicable to him or her will be exceeded when another holiday occurs, he or she shall be paid the excess holiday pay for the first (1st) day on which he or she does not work after that holiday.

10.04 VACATION ACCRUAL RATES

Full-time and part-time employees who have successfully completed six (6) months of service are eligible for vacation each year. Vacation time is earned on a bi-weekly basis during an employee's period of continuous employment computed in accordance with the Canada Labour Code with the accrual rate depending on the length of such employee's continuous service. The rate of accrual per bi-weekly pay period, and the minimum number of calendar weeks of vacation that may be scheduled each year, are as follows:

<u>Continuous Employment</u>	<u>Hours Per Pay Period</u>	<u>Weeks Per Year</u>
Less than one (1) year	3.08	pro rata
First five (5) years	3.08	2
Sixth through 12 years	4.62	3
After 12 years	6.15	4

Forty (40) hours of vacation will be charged for each week of vacation used, regardless of the number of hours the employee was scheduled to work. An accrual at the end of a calendar year that is less than forty (40) hours will be carried over from year to year until it is sufficient, when added to that year's accrual to provide another week of vacation that may be scheduled pursuant to Section 10.06.

10.05 VACATION PAY

Vacation pay is accrued each pay period and is a percentage of the employee's "eligible wages", as defined in the Canada Labour Code, earned during the pay period. The rate of accrual is as follows:

Continuous Employment	Percent of Eligible Wages
Less than one (1) year	4.0%
First (1 st) through fifth (5 th) years	4.0%
Sixth (6 th) through eighth (8 th) years	6.0%
Ninth (9 th) through twelfth (12 th) years	7.0%
After twelve (12) years	8.0%

When an employee uses vacation hours accrued in accordance with Section 10.04, he or she shall be paid the same percentage of his or total accrued vacation pay as the percentage of his or her accrued vacation hours that he uses.

10.06 VACATION SCHEDULING

Vacation periods will be made available only as calendar weeks. Employees may bid for vacation periods designated by the Company in accordance with procedures set forth below. If more employees bid for a vacation period than the number designated as available for bid, then department seniority shall be used to determine which employees may take vacation during the period. An employee may not use vacation until he or she has completed his or her initial probationary period with the Company.

- (a) Bidding for vacation time in the following calendar year will commence during the month of October.
- (b) There shall be two (2) rounds of vacation bidding for the current year's accrued vacation. During each round of bidding, an employee may bid all, part, or none of his or her vacation; however, the amount bid in each round must be in one (1) or two (2) continuous periods. An employee who splits his or her vacation entitlement into more than one (1) period will have preference by seniority for the first and second periods only.
- (c) A third round of bidding will be held for any carried over vacation. In seniority order, employees may bid all or part or none of their carry over; however the amount bid must be one (1) week allotments. Carried over vacation is bid from weeks still available after the current year's vacation has been bid per (b) above. The number of full weeks shall be determined by dividing the number of hours accrued by forty (40). The number of hours in the remainder shall be carried

over to the next year, and as soon as a full forty (40) hours have been accrued, the employee may schedule another week vacation in any period then available.

- (d) An employee who changes stations may be required to select other vacation periods if the ones selected are not still available at the new station; however, the Customer Services Manager at the new station will attempt to accommodate vacation plans if staffing permits.
- (e) An employee may cancel a scheduled vacation period provided notice to the Company is given at least six (6) weeks prior to the commencement of the period, or with less notice and the consent of the Company. If an employee cancels a scheduled vacation period, the Company shall evaluate coverage requirements and, if the vacation period is available, award that vacation period based on seniority order to employees requesting that vacation period.

10.07 DAY-AT-A-TIME VACATION

An employee who has no holiday pay accumulated in accordance with Section 10.03, may take time off in hourly increments with pro-rata vacation pay at any time that is acceptable to both the Company and the employee.

10.08 RESCHEDULING OF VACATION

Awarded vacations may only be changed by the Company in extraordinary circumstances and with at least two (2) weeks' notice to the employee prior to the beginning of the scheduled vacation period. The Company will attempt to avoid any cancellation that would entail a significant financial penalty to the employee, provided the employee fully explains the nature and extent of any penalties at the time he or she is asked to defer the vacation. An employee whose vacation is deferred may schedule an alternate vacation period of equivalent length at a time of his or her choice following the end of the extraordinary circumstances that were the reason for the deferral, provided that no less than two (2) weeks' notice of the new vacation period is given.

10.09 Holiday During Vacation Period

If one (1) or more holidays fall within the vacation leave of an employee who is eligible for holiday pay, the employee may opt:

1. to extend the vacation leave by the same number of working days that the employee would have worked had he or she not taken vacation leave and have the holiday pay paid in addition to his or her vacation pay; or
2. to bank the holiday(s) for future use in accordance with, and subject to the limitations of, Section 10.03.

10.10 ILLNESS DURING VACATION PERIOD

Employees who become ill during their vacation may not change the status of the leave until the scheduled vacation leave is completed. However, an employee who does not take accrued vacation during a period he or she is unable to work because of sickness or injury because of the availability of other compensation (such as Worker's Compensation time loss payments) may reschedule the vacation period (if already scheduled before the sickness or injury occurs) or carry it over into a subsequent year (regardless of the limitations in Section 10.11) if the Company and the employee cannot agree on a period that is acceptable to both during the current vacation year.

10.11 LIMITATIONS ON VACATION CARRYOVER

Employees must use their accrued vacation time and will not be compensated in lieu of time off for unused vacation during the course of their employment. An employee may not accumulate vacation leave more than one and one half (1 ½ x) times his or her maximum annual accrual to carry into a subsequent calendar year without approval of Company. For example, an employee with up to five (5) years of continuous employment may accumulate one hundred and twenty (120) hours, or three (3) weeks' vacation leave, to carry into a subsequent calendar year.

10.12 TERMINATED EMPLOYEES VACATION PAY

Employees terminating employment shall be paid all unused accrued vacation pay.

10.13 NO VACATION PAY DURING A LABOUR DISPUTE

Except as may be required by the Canada Labour Code, unused vacation will not be scheduled or paid during a labour dispute involving employees covered by this Agreement.

10.14 HOLIDAY OPTION

Prior to September 15th of each year, employees will have the option of converting one (1) or two (2) weeks from their Statutory Holiday Banks to be taken as vacation and bid in accordance with the following:

- (a) The employee must have the allotted time in the Holiday Bank.
- (b) Once converted time must be bid in the third round [10.06(c)] and cannot be carried forward.
- (c) Pay will be at the employee's regular rate, and not subject to the percentages outlined in Section 10.05.

ARTICLE 11 - LEAVES OF ABSENCE

11.01 GENERAL

The Company will grant employee's leaves of absence as required by the Canada Labour Code, and may grant leaves of absence for personal reasons not required by the Canada Labour Code. The following apply to all leaves of absence:

- (a) Except as expressly authorized, an employee may not work for another employer while on leave of absence. Unauthorized work will result in termination of the leave of absence, and may result in further disciplinary action.
- (b) Return from a leave of absence shall be at the employee's last Station.
- (c) An expected return date shall be set at the beginning of every leave unless one cannot be established at the time for medical reasons. If the Employee has not provided at least one (1) month notice of his or her date of return, the Company may delay the employee's return date as necessary to fulfill pay commitments made to other employees.
- (d) An employee who does not return to work on the scheduled return date shall be terminated unless appropriate arrangements for an alternate return date have been made in writing with the Company, or unless the employee was unable to notify the Company of his or her inability to report as scheduled for reason beyond his or her control.
- (e) For leaves longer than six (6) months, the Company may provide refresher/update training to ensure that the returning employee is qualified for their scheduled position.

11.02 SICKNESS LEAVE OF ABSENCE

A sickness leave of absence shall be granted to an employee who is unable to work due to illness or injury. The period of the leave shall not exceed two (2) years except that:

1. An employee who is undergoing treatment and rehabilitation and who will be able to return to work with reasonable accommodation of any residual disability, shall have a right to reinstatement for the duration of such treatment or rehabilitation, provided such employee continues to provide the Company with updating progress reports on his or her condition no less frequently than once every six (6) months and responds to any written inquiries from the Company with respect to his or her condition and progress towards employability; and

2. The Company and the Union, by mutual agreement, may extend the leave for an employee whose ability to return to work within a reasonable period of time is certain. Reinstatement is conditional upon the period of time of the employee's absence from work coinciding with the period of time that the employee was incapable of working due to illness or injury. Department seniority shall continue to accrue during a sickness leave of absence.
 - (a) If an employee is expected to be disabled for four (4) weeks or more, or is excused from work on account of illness or injury for a period of two (2) consecutive weeks or more without furnishing sufficient information for the Company to ascertain an expected return date, the Company may place him or her on a sickness leave of absence and re-assign his or her work shift.
 - (b) Except when workers' compensation time-loss payments are afforded, sick leave will be paid during a sickness leave of absence until it is exhausted, or until the employee is eligible for STD/LTD benefits, whichever occurs first. An employee may also use accrued vacation during a sickness leave of absence, but only in whole calendar week blocks unless or until the employee has only a partial week accrued, in which case the entire balance must be used at once and, if applicable, added onto the last full week block taken. During any period that vacation is elected, sick leave will not be paid.
 - (c) Neither sick leave nor vacation will be paid while an employee is on a sickness leave of absence during which Workers' Compensation time-loss payments are made.
 - (d) During the first twelve (12) months of a sickness leave of absence, employees may continue medical and dental plan coverage for themselves and, if covered prior to the leave, their dependents, so long as the required employee contribution is timely paid.
 - (e) In the event an employee extends a sick leave of absence beyond the previously scheduled return to work date, information regarding such extension will be communicated by the employee to the Company at least seven (7) days in advance of the scheduled return date for leaves thirty (30) days or longer and three (3) days for leaves less than thirty (30) days.
 - (f) If requested by the Company in writing within fifteen (15) days after his or her return to work, the employee shall provide a certificate of a qualified medical practitioner certifying that the employee was incapable of working due to illness or injury for the specified leave period.

11.03 MATERNITY LEAVE

A female employee who provides the Company with a certificate of her inability to work by reason of her pregnancy or nursing that meets the requirements of the Canada Labour Code shall be granted a leave of absence, for any period from the beginning of the pregnancy to the end of the twenty-fourth (24th) week following the birth that is specified in the certificate. In addition, a female employee who has completed six (6) consecutive months of continuous employment shall be entitled to a maternity leave of up to seventeen (17) weeks without consideration of disability or nursing condition in accordance with the provisions of the Canada Labour Code. This Section 11.03 shall be interpreted in strict conformance with the Canada Labour Code, as such Code exists now or may be modified in the future, and shall provide an employee no more or no less leave of absence than such code requires at the time of the employee's request for the leave of absence.

- (a) Department seniority shall continue to accrue during a maternity leave of absence. Sick leave shall continue to accrue while the employee remains on the payroll.

Sick leave and vacation pay may be paid during a maternity leave of absence in the same way as for a sickness leave of absence, unless or until the employee elects that it not be paid. Once discontinued, sick leave may not be resumed during the leave.

- (b) While on a maternity leave of absence, employees may continue medical and dental plan coverage for themselves and their dependents, so long as the required employee contribution is timely paid.
- (c) During the year period immediately following her return from a maternity leave of absence, an employee shall be entitled to one (1) week off without pay (unpaid vacation) for every twenty (20) unpaid weeks of maternity leave taken. The employee may schedule these weeks as part of her vacation bid pursuant to the vacation scheduling provisions of the Vacation Article.
- (d) An employee who is pregnant or nursing, upon written request to the Company accompanied by a medical practitioner's certificate, will be accommodated in accordance with the applicable legislation.

11.04 PARENTAL LEAVE OF ABSENCE

An employee who has completed six (6) consecutive months of continuous employment and who will care for a newborn child of the employee, or a child who is in the care of the employee for the purpose of adoption under the laws governing adoption in the

province where the employee resides, is entitled to a parental leave in accordance with the provisions of the Canada Labour Code.

- (a) An employee shall continue to accrue department seniority while on a parental leave of absence.
- (b) Sick leave will not be paid while an employee is on a parental leave of absence; however, an employee may use all or part of his or her accrued vacation if taken in one (1) continuous block.
- (c) The request for parental leave must be in writing, and, if required by the Company, shall be accompanied by a medical practitioner's certificate or other evidence of the employee's entitlement to leave.
- (d) While on a parental leave of absence, employees may continue medical and dental plan coverage for themselves and their dependents, so long as the required employee contribution is timely paid.
- (e) During the year period immediately following his or her return from a parental leave of absence, an employee shall be entitled to one (1) week off without pay (unpaid vacation) for every twenty (20) unpaid weeks of parental leave taken. If an employee takes parental leave immediately following maternity leave her parental leave weeks will be combined with her maternity leave weeks to determine the total number of her unpaid vacation weeks entitlement. The employee may schedule these weeks as part of his or her vacation bid pursuant to the vacation scheduling provisions of the Vacation Article.

11.05 PERSONAL LEAVE OF ABSENCE

When the requirements of the service permit, as determined by the Company, a personal leave of absence may be granted to an employee who has successfully completed the probationary period.

- (a) During the term of this Agreement, an employee's department seniority will accrue for no more than six (6) months. No sick leave shall accrue.
- (b) Notwithstanding 11.06 set forth below, a personal leave of absence shall not exceed six (6) months and may be granted for reasons such as family illness or education. A personal leave of absence may not be granted for the purpose of seeking or engaging in other employment.
- (c) A request for a personal leave of absence must be submitted in writing and requires approval of the employee's Customer Services Manager. The request

must state the reason for the leave, the commencement and expected date of return.

- (d) An employee desiring to return to work prior to the expected date of return of the leave may only return to work earlier than the originally scheduled date with Company approval.

11.06 BEREAVEMENT LEAVE

Upon request by the employee, he or she shall be excused from any or all work scheduled during any three (3) of the seven (7) days immediately following the day of death of an immediate family member (i.e. a parent of the employee or a spouse or common-law partner of the parent spouse or common law partner, step father or mother, a child of the employee or a child of the employee's spouse or common-law partner, brother, sister, father or mother of the employee or his/her spouse; brother and sister-in-law and grandparents and grandchildren of employee and spouse).

In addition, if the employee is notified while at work of a death in his/her immediate family, he/she shall be relieved from duty and paid for the balance of that work day. If the employee has completed three (3) consecutive months of continuous employment, he or she shall be paid at his or her regular rate for the hours of work from which he or she was excused. In the event the death in the family is outside Canada or is a significant distance, the employee may have additional day's leave of absence without pay or paid days off from his or her vacation or statutory holiday bank subject to the Company's staffing needs.

11.07 COMPASSIONATE CARE LEAVE

An employee who requests a compassionate care leave to care for or support a gravely ill family member is entitled to a leave pursuant to the conditions and requirements set forth in the Canada Labour Code.

11.08 OTHER PAID LEAVE

When an employee's spouse gives birth to a child on a scheduled work day of the employee, the employee is entitled to that day (or the balance of that day) off with pay and the next three (3) calendar days off, without pay.

ARTICLE 12 - MOVING EXPENSES

12.01 QUALIFYING FOR EXPENSE REIMBURSEMENT

An employee shall be eligible to receive Company paid moving expenses under this Article if moved to another station involuntarily pursuant to Article 9 (Filling of

Vacancies) or to avoid a layoff pursuant to Article 4 "Lay-Off and Recall". An employee shall not be eligible for moving expenses under this Article for moving to an initial station assignment, or upon recall after lay-off. An employee, who is entitled to moving expense reimbursement, shall also be allowed up to three (3) days off with pay to move.

12.02 ALLOWABLE EXPENSES

- (a) Truck or trailer rental of a total capacity not to exceed fifteen thousand (15,000) pounds plus necessary moving accessories, pads, and handcarts, as approved by the Company in advance. The Company may specify the Company from which the equipment will be rented.
- (b) Automobile mileage for one (1) vehicle driven by the employee and/or immediate family for the distance between the stations, at the rate specified in Article 13. In establishing the mileage, the Company may use the shortest road distance specified in the Rand McNally Road Atlas or other similar mileage source.
- (c) A relocation allowance of two hundred dollars (\$200.00) to cover miscellaneous expenses incidental to moving, such as motels, meals, and ferry fares.

ARTICLE 13 - TRAVELLING EXPENSES

13.01 LODGING

Employees required by the Company to take their prone rest period away from their assigned station shall be provided a single room with bath and toilet facilities, at Company expense, unless two (2) or more Customer Services Department employees are at the same location for the same reason, as, for example, to attend training at the Company's general offices in Seattle. When there are two (2) or more such employees so situated, the Company will usually assign two (2) employees of the same sex to the same room provided a separate bed is provided for each.

13.02 MEAL REIMBURSEMENT

Employees required by the Company to take their prone rest period away from their assigned station shall be reimbursed for the cost of regular meals (breakfast, lunch and dinner) served at normal times. The maximum amount reimbursed shall be fifty-five dollars (\$55.00) per day or fifteen dollars (\$15.00) per breakfast or lunch and twenty-five dollars (\$25.00) per dinner if all three (3) meals are not reimbursable for that calendar day. If an employee does not have a credit card which he may use for his traveling expenses, the Company will provide an expense advance when there is sufficient time to process it through the Company's payroll department. When the

planned travel is to the USA, the employee may request the advance be given in U.S. dollars, at the then applicable rate for the Company's Customer Services division employees working in the USA currently fifty dollars (\$50.00 USD) per day or forty dollars (\$40.00) per day if employees stay in a hotel offering a complimentary breakfast. If an expense advance is provided, it must be accounted for by submission of a Company expense reimbursement form within sixty (60) days. Any part of an expense advance not accounted for within sixty (60) days may be deducted from the employee's pay.

13.03 AUTOMOBILE ALLOWANCE

If an employee is required to use his or her own automobile for Company business, he or she shall be reimbursed by the Company at the rate of twenty-one cents (\$0.21) per kilometre for the business use of their private automobiles. However, in no case will this clause apply to employee transportation from residence to or from assigned station.

13.04 OUT OF BASE TRAINING

When an employee is undertaking mandatory training scheduled by the Company, the following shall apply:

- (a) If an employee is required to undertake training and to take his or her prone rest period away from his or her assigned station, the Company will provide the employee seven (7) days' notice.
- (b) When travel is by air, all travel time between the employee's station and location of the training shall be paid at the employee's regular pay rate. If the Company requires an employee to use his or her own automobile for travel to training, then the employee's driving time shall be paid.
- (c) If the employee is denied boarding due to over-sales when scheduled to fly positive space, or if the flight on which the employee was scheduled to travel is cancelled, airport processing time for pay purposes shall include the period of time after the departure of the flight on which the employee was listed to fly until the scheduled departure time of the flight actually taken, but disregarding the time between the last scheduled departure time at night until one half (½) hour prior to the first scheduled departure time the next morning.
- (d) When the out of base training requires travel by air to and from Seattle on the same day, paid travel time shall be determined as follows:
 - (i) If travel is provided on the flights most convenient for the scheduled training: five (5) hours.

- (ii) If the Company schedules an employee to travel on flights that are earlier going, and/or later returning, than the most convenient flights, then the time between the scheduled departure time of the most convenient flight and the actual departure time of the flight on which the employee is scheduled to travel shall also be paid travel time.
- (e) The above travel time pay provisions for required out of station training shall also apply to Company required out of station business travel.

13.05 EXPENSES RELATED TO MISSED FLIGHTS

If an employee is unable to return to his or her normal duty station on a day because of full flights, he or she shall be provided lodging and meal reimbursement as provided in this Article. In order to be eligible for space available waiting time pay as described above, and lodging and meal reimbursement assistance, the employee must stand by for every scheduled flight to his or her destination.

ARTICLE 14 - UNIFORMS

14.01 REQUIRED UNIFORM ITEMS

From time to time, the Company shall set the standard uniforms to be worn by employees in the Customer Services Department, including the items supplied by the Company, those furnished by employees, and any optional items.

14.02 UNIFORM POLICY

The Company will provide employees covered by the Agreement the same Uniform policy as it provides to its United States employees who work in station operations (Passenger Service, etc.). Specifically, the Company will not charge employees for required uniform items.

14.03 UNIFORM MAINTENANCE

Each employee shall maintain his or her uniforms so that while on duty, the uniform is in good condition, fits properly and is cleaned and pressed. As provided below, the Company will pay for certain alterations, uniform replacement, and maintenance charges. Except as so expressly provided, all uniform costs shall be paid by the employee.

- (a) Initial Issue Uniform

Employees who are provided their initial issue uniforms without cost shall be required to sign an Agreement providing that they shall return all initial issue

uniform items upon termination of employment and that the Company may deduct from their final paycheques the Company's cost of any items not returned.

(b) Alteration

The Company shall pay for the initial hemming and adjustments to waist and sleeves required to properly fit an employee in a new uniform or resulting from a Company required style change in the uniform. Such alterations must be requested by the employee within one (1) month of uniform issue or style change. The Company may designate a tailor to measure the employee and perform the alterations or allow the employee to select a tailor. If the Company allows the employee to select a tailor, it shall require the employee to submit an estimate of costs in advance, and may limit the amount it will pay. An invoice or paid receipt must be submitted for payment or reimbursement.

(c) Uniform Maintenance Expenses

An employee who is issued uniform pieces that require dry-cleaning shall be reimbursed for the cost of cleaning those items up to a maximum of twelve dollars (\$12.00) per month. An employee may be reimbursed more than twelve dollars (\$12.00) in any month provided such reimbursement does not cause his average reimbursement to exceed twelve dollars (\$12.00) per month for the most recent twelve (12) month (or less) period during which he had been issued uniform pieces requiring dry cleaning. Employees shall submit an expense report with receipts attached to obtain reimbursement for dry-cleaning expenses.

(d) Uniform Replacement

The Company will exchange items of initial-issue at no cost to the employee when replacement is necessary due to normal wear or defective manufacture, as determined by the employee's Customer Services Manager, or in case of a uniform style change.

14.04 UNIFORM PAYMENT OPTIONS

The Company shall allow the employee to pay for optional items, by payroll deduction, provided the employee signs a written agreement allowing the Company to deduct any amount still owing on termination of employment from his or her final paycheque. When payroll deduction is used, the deduction may not be less than ten dollars (\$10.00) per bi-weekly pay period or the amount necessary to pay off the total amount owed within one (1) year [twenty-six (26) pay periods].

14.05 RETURN OF UNIFORMS

Employees shall retain their uniforms while on furlough or leave of absence; however, upon termination of employment, all uniform items paid for by the Company shall be returned. The Company may require each employee to sign an agreement allowing the Company to withhold from the employee's final paycheque fifty percent (50%) of its cost for any issued item not returned. Optional or additional items paid for by the employee may be retained by the employee and any amount still owing shall be withheld from the employee's final paycheque.

14.06 UNIFORM REGULATIONS

Employees shall wear the standard uniform(s) as prescribed by the Company's Customer Services Uniform Standards at all times while on duty. Some pieces of the uniform are intended to be worn (or removed) only during warm summer weather. Although currently there is no set period for wear of the summer uniform, the Company may prescribe dates for the change in order to obtain a more uniform appearance.

14.07 SAFETY SHOES

The Company shall reimburse an employee for fifty percent (50%) of the cost of a pair of steel-toed CSA-approved safety shoes, up to a maximum reimbursement of sixty dollars (\$60.00), that he or she purchases for wear on the job. Additional similar reimbursements will be provided to an employee if he or she demonstrates to the Company that the last pair of shoes for which reimbursement was provided is worn out and at least one (1) year has passed since the last previous shoe reimbursement was provided by the Company.

ARTICLE 15 - HEALTH AND SAFETY

15.01 GENERAL

The Company and the Union agree to co-operate in their efforts to ensure that the safety at work of every employee is protected and to eliminate dangerous work practices and procedures and conditions. Consistent with this agreement, the Company shall take steps to make safe any machine, thing or condition that an employee has reasonable cause to believe constitutes a danger to him or her or to another employee (unless such danger is inherent in the employee's work or is a normal condition of employment) and the employee shall refrain from continuing to work in such situation (unless such refraining puts the life, health or safety of another person directly in danger) and shall immediately report the circumstances of the matter to the Company and to the first available Union member of the station Safety Committee. The Union-appointed member of the Safety Committee to whom the matter is reported shall not support an employee's continued refraining from working after such report unless

safety is the real basis for its support. No employee shall make a false or misleading statement to the Company or to a safety officer or other official appointed by the Minister of Labour to investigate safety complaints, either orally or in writing, with respect to any matter that involves safety.

15.02 SAFETY COMMITTEES

Joint Safety Committees will be established at each station with representation from the Bargaining Unit. At stations with less than twenty (20) employees, the Union will appoint a Health and Safety Representative. The Union shall provide to the Company the name of its representative(s) on each Station Committee and the Company shall post and keep posted at each station in a conspicuous place or places where they are likely to come to the attention of the employees, the names of all the members of the committee. At no time shall the Company members of a Safety Committee be allowed to outnumber the number of representatives from the Bargaining Unit. Each committee shall have two (2) co-chairpersons; one (1) appointed by the Union and one (1) by the Company. The Committees shall:

- (a) hold meetings at least once (1 x) each month for the review of safety matters of mutual concern and to make recommendations to Company regarding the same;
- (b) ensure that accurate records of all matters that come before it are maintained, including:
 - (1) records pertaining to the disposition of complaints received.
 - (2) adequate records on work accidents, injuries and health hazards.
 - (3) minutes of its meetings.
- (c) determine that inspections shall be made at intervals that will prevent the development of unsafe working conditions;
- (d) recommend measures required to attain compliance with appropriate government regulations and the correction of hazardous conditions;
- (e) Safety Committee members and Safety Representatives will receive time off without loss of pay for training as required pursuant to the Canada Labour Code.

Record keeping responsibility shall alternate monthly between the co-chairs of the committees. Minutes of Safety Committee meetings shall be signed by the Co-chairs, distributed to the committee members, and posted on the bulletin boards at each station. The Company Co-chair shall send a copy of the minutes to the Company's

Safety Officer and the Union Co-chair shall forward a copy of the minutes to the Shop Steward and to the National Union Representative.

15.03 PAY FOR TIME DEVOTED TO SAFETY MATTERS

The Company shall pay an employee for the period of time that he or she would, but for the exercise of his or her rights under Part II of the Canada Labour Code, have worked. In order to ensure that the Company can properly administer this requirement, it is the responsibility of the employee to notify the Company at his or her first opportunity when he or she is exercising any such right.

15.04 ACCIDENT INVESTIGATION

The Company shall investigate and record all accidents, using the related internally available forms, that cause injury to any person or damage to any aircraft or other Company property, and all occupational diseases and other hazardous occurrences of which it becomes aware. Any employee involved in an accident, who suffers an occupational disease, or who becomes aware of a hazardous occurrence, shall report the incident to his or her supervisor immediately and complete a Company Employee Accident/Injury report form within twenty-four (24) hours, unless unable to do so as a result of injuries or disease sustained. The form is available on line or in the Safety and Environmental Manual. The Company shall invite the Union Safety Committee Co-chair, or other safety committee member the co-chair designates, to join in the conduct of the required investigation.

When employees meet with accidents or injury during working hours that require them to end their shift early, they shall be paid the equivalent of their full day's wages for the day of the accident or injury and provided with appropriate transportation to travel home or seek medical attention if required.

15.05 SAFETY INSPECTION TOUR

When appropriate the Local Shop Steward or designate and a designated Company Representative shall accompany government inspectors on a safety inspection tour.

15.06 FIRST AID TRAINING

The Safety Committee will identify the requirements for First Aid attendants at each station and make a recommendation to the Company concerning training for employees to ensure that there are adequate First Aid attendants available at each station. The Company will pay for the training of those individuals as mutually agreed by the Company and the Union.

15.07 DISCLOSURE OF INFORMATION

The Company shall make available to the Safety Committee at each station, those chemicals approved for use in the work place. This information shall be in the form of the (Material Safety Data Sheet) MSDS or equivalent.

15.08 PROTECTIVE CLOTHING AND EQUIPMENT

The Company shall provide personal protective equipment as required to ensure compliance with Company safety practices and product information (MSDS). The PPE shall be maintained and replaced, where necessary, at the Company's expense.

15.09 CONFIDENTIALITY

The Company will comply with the related regulatory requirements in regards to the release of employee health information.

15.10 ACCOMMODATION

The Company acknowledges that it has a duty to reasonably accommodate a disabled employee in accordance with the law.

ARTICLE 16 - GRIEVANCE AND ARBITRATION PROCEDURE

16.01 GENERAL

A "Grievance" means any difference between the parties bound by this Agreement concerning interpretation, application, administration, operation or any alleged violation thereof, or any dispute, including any questions as to whether any matter is arbitrable. Union representatives will be recognized in discussing any grievance or complaint of an employee.

An employee may file a grievance to remedy any harmful effects upon him or her of any alleged wrongful interpretation, application, or administration of, or alleged violation of, the terms of this Agreement by the Company which arises prior to its expiration. Time spent by the grievor(s) and employees (including Union Representatives) required to attend a grievance hearing at any stage of the grievance procedure during their normal hours of work, will be considered as time worked and will be paid accordingly. The parties will endeavour to schedule such meetings during the normal hours of work of those attending. Meetings will be rescheduled during normal work hours that do not interfere with the Company's operations.

16.02 DISCIPLINE

- (a) No post-probationary employee will be disciplined or discharged without just and reasonable cause except as otherwise provided in the Agreement.
- (b) An employee is entitled to have a Union Representative or any other Company employee accompany him/her to any meeting concerning discipline or the possibility of discipline, or take part in a conference call if that is how the meeting is conducted. If a meeting is requested, the Union Representative may by agreement appear either in person, or by conference call.
- (c) An employee shall not be disciplined or discharged without written notice of the specific reason(s). An employee will be made whole if suspended and not disciplined.
- (d) The Company will make its best effort to inform the employee that he/she has the right to Union representation at any meeting concerning discipline or the possibility of discipline. The Company will make reasonable efforts to advise the Local or National Representative should there be difficulty obtaining a Union Representative and allow the Union a reasonable period of time to rectify the situation prior to proceeding with disciplinary action.
- (e) The Company may suspend an employee pending investigation into an incident or issue. An employee may only be held out of service without pay for seven (7) working days pending preparation of a written notice as set forth in (c) above.
- (f) The decision to discipline or discharge an employee shall be made at the conclusion of the Company's investigation.
- (g) When disciplinary action is taken, the employee will be provided with a written notice of the discipline which will set out the action being taken and the reasons for the action. The Chief Shop Steward will receive a copy of all disciplinary notices issued to an employee.
- (h) Employees who feel they have been unjustly dealt with may appeal the Company's decision through the grievance process as set forth in the Agreement.

16.03 INFORMAL STEP

Prior to filing a grievance, or if an employee feels that he or she has been unjustly treated, an employee is required to first bring the matter to the attention of his or her immediate supervisor for discussion and possible resolution. The employee may elect to be represented in such discussion by a Shop Steward or any other employee. The

Union's Local Representative or National Representative shall make a good faith effort to resolve the problem without filing the grievance by bringing the matter to the attention of the Horizon Air representative designated to respond to grievances.

16.04 STEP 1

An employee may present his or her grievance in person, or with a Union Representative, to the Customer Services Manager at his or her station within ten (10) working days after the incident giving rise to the grievance or within ten (10) working days of a response from the Company at the informal step. The Customer Services Manager shall evaluate the grievance or complaint and render his or her decision as soon as possible, but not later than ten (10) working days after receipt. Failure to answer within such time shall constitute a denial of the grievance, which may then be processed to the next step described in Section 16.05.

16.05 STEP 2

If the decision of the Customer Services Manager is not satisfactory to the employee, it may be appealed within ten (10) working days after receipt of the decision to the Vice President in charge of the Customer Services Department or a designated Senior Manager or Director in the department, who shall render a decision thereon to the Union as soon as possible, but not later than ten (10) working days after the appeal is submitted to him or her, unless extended by mutual agreement. The time limit for filing a Unifor grievance shall be ten (10) working days after the Union becomes aware of the incident or issue giving rise to the grievance; however, any time period during which the Local Representative or National Representative is making a good faith effort to resolve the problem as required by Section 16.01 above shall not be counted.

16.06 STEP 3 - BOARD OF ADJUSTMENT

If the grievance is still not settled, the Union may submit it in writing to the Board of Adjustment within fifteen (15) days from the decision pursuant to Section 16.05, provided that the parties may, by mutual agreement, proceed directly to mediation or arbitration. Any grievance involving termination may be submitted directly to mediation upon mutual agreement or arbitration if unresolved after second-step hearing. The Board and arbitrator shall have jurisdiction only over disputes between Company and Union growing out of properly filed grievances involving the interpretation, application, administration or alleged contravention of this Agreement.

16.07 STEP 4 - ARBITRATION

Upon failure of the Board to agree upon the finding or decision because of inability to secure a majority, then the Board shall forthwith notify the Company and the Union, which parties shall then attempt to agree upon and select an impartial arbitrator to sit

with or sit independently of the Board to decide the case. If the Company and the Union cannot agree on the name of an impartial arbitrator to hear the case within thirty (30) days of the notification from the Board of Adjustment (or, in any case on which the Board of Adjustment has been bypassed, within thirty (30) days of the Step 2 decision), either the Company or the Union may ask the Minister of Labour to make the selection.

16.08 POLICY/GROUP GRIEVANCES

When a grievance has a general application and/or will affect more than one (1) employee, the Union may submit a written grievance to the Company. Such grievances will state the type of grievance, the Article(s) allegedly violated and a short outline of the facts giving rise to the grievance. Whenever possible the grievance will include the affected employee's name(s) and signature(s). A designated Company representative and the Unifor Local or National Representative will meet within ten (10) working days of receipt of the written grievance. The Company representative will attempt to resolve the grievance(s) without delay and will give a written answer within ten (10) working days and this answer will be considered the Company's Step 2 response. Any time period during which the parties are making a good faith effort to resolve the problem shall not be counted. If the grievance is not resolved at this step, it may be advanced to Mediation/Arbitration.

16.09 PROCEDURAL RULES

- (a) All grievances shall be in writing, and shall be signed by the employee whose grievance is being handled in the case of an employee grievance and by the Local Representative or National Representative in the case of a Union grievance and all decisions on said grievance shall be in writing.
- (b) Each Board of Adjustment ("Board"), shall be composed of two (2) members, one (1) selected by Company, and one (1) selected by Union, who shall have no other involvement in the labour relations between the Company and the Union.
- (c) The members of the Board shall continue to serve until such time as the parties selecting the representative members shall select their successors, which may be done at any time except during the consideration of a case.
- (d) The Board shall, subject to mutual agreement between Company and Union, meet at location(s) and at such times as may be required by the pending case load.
- (e) A grievance submitted to the Board shall be in the form of a written brief stating the position of the party submitting the grievance with a full statement of the facts and supporting data bearing on the dispute.

- (f) Two (2) copies of each brief shall be delivered to the Board. Upon receiving a submission or brief, the Board shall set a date for hearing which shall be mutually acceptable to both Company and Union. The parties may be heard either in person, by Counsel, or by other representatives as they may respectively elect and the Board shall give reasonable notice of all hearings to all parties involved in any dispute submitted.
- (g) The Board may summon any necessary witnesses and relevant, non-confidential records of Company, Union and the employee involved.
- (h) A majority vote of the Board shall be competent to make a finding or a decision with respect to any dispute properly submitted to it and such finding or decision shall be final and binding upon the parties to such dispute.
- (i) Findings and decision of the Board shall be stated in writing and in each case a copy of the findings or decision shall be furnished to the Company and the Union. If a dispute arises as to the interpretation of the findings or decision, then upon request of the Company, or Union, the Board shall interpret the findings or decision in light of the facts stated as evidence presented in connection with its record and hearing in the case.
- (j) The Board shall keep a complete and accurate record of all matters submitted for its consideration and of all findings and decisions made.
- (k) Expenses of the Board for meeting places, if any, and those expenses incurred by reason of the participation of an arbitrator shall be borne one-half by Company and one-half by Union. The salary or compensation and expenses of the members of the Board, if any, shall be paid by the party selecting such member or members.
- (l) Each party shall bear its own respective expenses in the presentation of any case to the Board or arbitrator.
- (m) An arbitrator selected to hear a case shall be advised that he or she is required to render his or her decision within thirty (30) days after completion of the parties' submissions to him or her.
- (n) At the request of either the Company or the Union, the Company and Union members of the Board of Adjustment that heard the case at Step 3 shall sit with the arbitrator to form a 3-member Board of Adjustment. With the consent of both the Company and the Union, Company and Union members may sit with the arbitrator to form a 3-member Board of Adjustment for any case not heard at "Step 3" in accordance with Section 16.06.

- (o) In matters before a 3-member Board of Adjustment, the Arbitrator shall have sole authority for procedural rulings at the hearing and for all rulings made preliminary to the hearing, including the summoning of witnesses and orders to produce documents.
- (p) During the arbitration or mediation procedures, the Union and the Company may have any witness(es) present who can give evidence on the matter in question. Employees who are Union witnesses will be given time off without pay for a time sufficient for them to appear.

16.10 TIME LIMITS

- (a) Time limits specified in the grievance, arbitration or mediation procedure may be amended by mutual agreement.
- (b) Working days means Monday to Friday and excludes Saturdays, Sundays and Statutory Holidays, as it relates to time limits in the grievance procedure.
- (c) Any grievance which has been answered in Steps 1 or 2 will be settled on the basis of the last answer given unless appealed to the next step.
- (d) The Company and the Union recognize the desirability of complying with the time limits provided for and will do their best to so comply.

ARTICLE 17 - TRAINING

17.01 COMPANY PROVIDED TRAINING

Training required by the Company shall be furnished at no cost to the employee and the time that an employee is in such training shall be treated the same as working hours for pay purposes, and if such time added to other working time hours exceeds forty (40) hours in a work week, the hours in excess of forty (40) will be paid at the overtime rate pursuant to the overtime pay provisions in Hours of Service, Section 7.

- (a) If an employee is relieved from all or part of a scheduled shift during a day to attend training, the pay he or she receives for that day shall be the greater of:
 - 1. the employee's scheduled duty time for the day; or
 - 2. the pay for working time, training time and travel time under the Traveling Expenses Article of this Agreement.
- (b) For a full day of training on a day which:

1. the employee was scheduled to work; and
2. the employee neither worked nor traveled the employee will be paid the greater of:
 - (i) the number of hours the employee was scheduled to work that day; or
 - (ii) the number of hours of training scheduled that day.

17.02 COMPANY PROVIDED MATERIALS

The Company shall provide to each employee any manuals or similar materials that it requires that employee to have. However, the Company may charge an employee its reproduction cost for any replacement materials if the employee loses or abuses the materials.

17.03 RETURN OF COMPANY PROVIDED MATERIALS

All Company furnished materials shall be returned to the Company upon termination of employment. The Company's reproduction cost for any material not returned may be deducted from the employee's final pay.

ARTICLE 18 - NO STRIKES OR LOCKOUTS

18.01 NO STRIKES

During the term of this Agreement and any extension thereof, whether by mutual agreement of the parties or by operation of law, there will be no strikes, concerted work stoppages, concerted slowdowns, picketing, honouring of picket lines, sympathy strikes, or other concerted interference with the operation of the Company by the Union, its agents or representatives, or by any of the employees covered by this Agreement.

- (a) In the event that such strikes or work stoppages occur, any and all employees who aid, abet, or in any way participate in such activities will be subject to disciplinary action up to and including termination of employment. The penalty imposed shall be related to the degree of the employee's misconduct, as determined by the Company. The Company's evaluation shall not be arbitrary or discriminatory on the basis of any factor that is unrelated to the employee's aiding, abetting, or otherwise participating in the prohibited strike or work stoppage.

- (b) The Union shall take all steps available to it to prevent or end such strikes or work stoppages, including, but not limited to, oral and written directions to employees to return to work, cross picket lines, cease slowdowns, or end whatever action is being taken by the employees.
- (c) Failure of the Union to promptly initiate the foregoing actions, or to continue its efforts were unsuccessful initially, will render it liable for all damages or losses, including loss of revenue and operational expenses, incurred during or as a result of such strikes or work stoppages, if such charges are upheld by a court of competent jurisdiction.

18.02 No LOCKOUTS

There shall be no lockouts by the Company during the term of this Agreement and any extension thereof, whether by mutual agreement of the parties or by operation of law.

ARTICLE 19 - EMPLOYEE BENEFITS

19.01 FULL-TIME EMPLOYEE BENEFITS

The Company shall provide the following benefits for full-time employees during the term of this Agreement:

- (a) The employee's contribution for MSP coverage.
- (b) Dental Plan coverage, Long Term Disability Insurance, Term Life Insurance, and Accidental Death and Dismemberment Insurance equivalent to that provided to the Company's full-time Customer Services employees in the United States.
- (c) One half of the employee's contribution for MSP coverage for the employee's spouse or common-law spouse and dependent children, if such coverage is elected by the employee. The employee's portion of the contribution shall be deducted from the employee's wages each pay day.
- (d) The employee's pro-rata portion of one half (½) of the Company's cost of providing dental plan coverage for the employee's spouse or common-law spouse and dependent children, if such coverage is elected by the employee. The Company may adjust the employee cost once each year to take into account its experience for the past year and projected costs for the current year. The employee's portion of the coverage cost shall be deducted from the employee's wages each pay day.

- (e) The opportunity to participate in the Registered Retirement Savings Plan as currently sponsored by the Company after completion of ninety (90) days of service, including the right to receive matching contributions by the Company. A description of the plan in question and answer format is attached to the Agreement as Appendix "B". The Company reserves the right to change the Investment Company with which RRSP funds are deposited and the investment funds offered, provided that the funds offered will include at least one (1) guaranteed fund and three (3) investment funds.
- (f) Pass and reduced rate air transportation on Horizon Air for the employee and his or her spouse or common-law spouse, eligible dependent children and parents, equivalent to that provided to the Company's full-time Passenger Service employees in the United States, and such transportation on other air carriers as may be allowed by the Company's agreements with such carriers.
- (g) A supplemental medical plan and,
 - 1. a pay direct drug card for the prescription drugs covered under the supplemental medical plan; and
 - 2. a Supplementary Vision Care Plan, providing up to three hundred dollars (\$300) for eyeglasses or contact lenses in each twenty four (24) month period, will be added to the MSP benefits available to full-time employees, their spouses and common-law spouses and dependent children pursuant to Sections (a) and (c) above. The supplemental plans will be products offered by the Great West Life Assurance Company as described in Appendix "E" hereto. However, the Company may substitute any generally comparable product offered by an Insurance Company licensed to do business in British Columbia.

19.02 PART-TIME EMPLOYEE BENEFITS

The Company shall provide the following benefits for part-time employees during the term of this Agreement:

- (a) The employee's contribution for MSP coverage.
- (b) Dental Plan coverage, Term Life Insurance, and Accidental Death and Dismemberment Insurance equivalent to that provided to the Company's part-time Passenger Service Employees in the United States.
- (c) The opportunity to participate in the Registered Retirement Savings Plan as currently sponsored by the Company after completion of one thousand (1000) hours of service, including the right to receive matching contributions by the

Company. A description of the plan, in question and answer format is attached to the Agreement as Appendix "B". The Company reserves the right to change the Investment Company with which RRSP funds are deposited and the investment funds offered, provided that the funds offered will include at least one (1) guaranteed fund and three (3) investment funds.

- (d) Pass and reduced rate air transportation on Horizon Air for the employee and his or her spouse or common-law spouse, eligible dependent children and parents, equivalent to that provided to the Company's part-time Passenger Service Employees in the United States, and such transportation on other air carriers as may be allowed by the Company's agreements with such carriers.
- (e) A supplemental medical plan and,
 - 1. a pay direct drug card for the prescription drugs covered under the supplemental medical plan; and
 - 2. a Supplementary Vision Care Plan, providing up to three hundred dollars (\$300.00) for eyeglasses or contact lenses, which may be applied toward laser surgery, in each twenty four (24) month period, will be added to the MSP benefits available to part-time employees pursuant to Sections a. above. The supplemental plans will be products offered by the Great-West Life Assurance Company as described in Appendix "E" hereto. However, the Company may substitute any generally comparable product offered by an Insurance Company licensed to do business in British Columbia.
- (f) A full-time employee who changes status to part-time may continue dependent medical and dental insurance plan coverage in accordance with paragraphs (c) and (d) of Section 19.01 for up to a maximum time period of eighteen (18) months following such change of status. However, an employee who elects to discontinue such dependent coverage while classified as part-time may not elect to cover his or her dependents until he or she changes status to full-time.

19.03 SICK LEAVE

Full-time employees shall accrue one (1) day (8 hours) for each full completed calendar month of employment (pro rata at 3.69 hours for each biweekly period, while on the payroll) to a maximum of six (6) days in a calendar year for the purpose of sick leave. Part-time employees shall accrue sick leave at one-half (½) the rate of full-time employees.

- (a) The maximum accrual for an employee's sick leave bank is eighty (80) hours. Anytime an employee's payroll period accrual would result in a total accrual of

greater than eighty (80) hours, the excess will be transferred to his STD Leave account (see Section 19.04).

- (b) When usage of sick leave results in the employee's sick leave bank dropping below eighty (80) hours, accrual in his or her sick leave bank shall resume until it again totals eighty (80) hours.
- (c) Sick leave will be charged for an employee absence that does not exceed one (1) week of regularly scheduled work due to illness or injury, a medical or dental appointment that cannot be scheduled during off-duty time, or because of the need to care for an injured or ill child, spouse, or parent. Compensation will be made for the hours regularly scheduled to work.
- (d) Sick leave may not be charged for employee absence due to illness or injury that is compensable under any worker's compensation law.
- (e) Accrued sick leave ceases to exist at the time of lay-off, voluntary resignation or discharge; no compensation is made for unused sick leave but it will be reinstated if the employee is rehired, or returns from lay-off within eighteen (18) months of lay-off or one (1) year of termination.
- (f) The Company may request a doctor's written statement before the employee is allowed to return to work after an illness. The note will indicate if it is safe for the employee to return to work. The Company also reserves the right to require an independent examination at its expense before reinstating an employee.
- (g) The Company may also require a doctor's written statement to establish whether the employee is unable to work if all, or a portion of, the time off work is not compensated pursuant to paragraph (d) above and abuse of sick leave is suspected, or if the time off work is three (3) days or longer.
- (h) An employee shall provide as much advance notice as is possible of a sick leave absence. On a day on which the employee is scheduled to work, notification shall be provided by calling the employee's station at least three (3) hours before the employee's scheduled reporting time, if possible. If the employee does not speak directly with his or her Customer Services Manager at the time of initial notification, he or she shall contact his or her Customer Services Manager as soon as possible thereafter to report the reason for the absence (e.g., the nature of the illness or injury) and receive instructions with regard to further reporting and the need to see a doctor for diagnosis or treatment. The Passenger Service Manager shall not divulge to anyone diagnostic information unless the person to whom the information is divulged has a need to know and also agrees to similarly limit any further disclosure of the information. The notification

requirement shall continue as a daily requirement until another arrangement has been approved by the employee's Passenger Service Manager.

- (i) Misuse of sick leave, including the failure of an employee to comply with the requirements placed upon him or her pursuant to paragraphs (f), (g), or (h) above, may be used as a basis for disciplinary action. In addition, the Company may deny sick leave compensation to an employee with respect to any absence for which that employee failed to comply with the requirement placed upon him or her pursuant to paragraphs (f), (g), or (h) above. Absence due to illness or injury will not result in termination of employment except as may be permitted under the Canada Labour Code.

19.04 STD LEAVE

Full-time employees shall accrue one (1) day (8 hours) for each full completed calendar month of employment (and pro rata at 3.69 hours for each bi-weekly period, while on the payroll) to a maximum of six (6) days in a calendar year for the purpose of providing income protection for up to seventeen (17) weeks after becoming medically disabled. Part-time employees shall accrue STD leave at one-half (½) the rate of full-time employees.

- (a) Unused STD leave shall accumulate from one year to the next for duration of employment. The maximum amount of STD leave that may be accrued is two thousand and eighty (2080) hours (1 year); however, the maximum that may be used in connection with one continuing absence is the amount necessary to bridge the waiting period for benefits under the Company's LTD (Long Term Disability) insurance plan.
- (b) STD leave will be charged for employee absence due to illness, injury, or pregnancy that exceeds one (1) week of regularly scheduled work. Compensation will be made for two thirds (66.67%) of the hours regularly scheduled to work.
- (c) If accrued STD leave is depleted, the employee has the option to use accrued sick leave/vacation leave if employed at least six (6) months with the Company.
- (d) STD leave may not be charged for employee absence due to illness or injury that is compensable under any worker's compensation law.
- (e) Accrued STD leave ceases to exist at the time of lay-off, voluntary resignation or discharge; no compensation is made for unused STD leave but it will be reinstated if the employee is rehired, or returns from lay-off within eighteen (18) months of lay-off or one (1) year of termination.

- (f) In order to qualify for STD leave compensation the employee must be unable to work due to his or her illness, injury except pregnancy when eligible for unemployment compensation.
- (g) The Company may require a doctor's written statement to establish whether the employee is unable to perform the duties of his or her regular job or such alternate job as the Company may offer, due to the illness, injury or pregnancy.
- (h) An employee shall provide as much advance notice as is possible of a STD leave absence. He or she shall contact his or her Customer Services Manager as soon as possible to report the reason for the absence (e.g., the nature of the illness or injury) and receive instructions with regard to further reporting and the need to see a doctor for diagnosis or treatment. The Customer Services Manager shall not divulge to anyone diagnostic information unless the person to whom the information is divulged has a need to know and also agrees to similarly limit any further disclosure of the information.

ARTICLE 20 - SPECIAL PROVISIONS FOR REVIEW AND AMENDMENT OF THIS AGREEMENT

20.01 COMPLETE AGREEMENT

The parties acknowledge that, during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter appropriate for collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.

- (a) Therefore, Company and Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.
- (b) During the life of this Agreement, however, the parties may bargain collectively about the terms of successor collective bargaining agreement.
- (c) All terms and conditions of employment not covered by this Agreement shall continue to be subject to Company's direction, change and control and shall not be subject to further negotiation or the grievance procedure for the term hereof.

20.02 CHANGE OF LAW

Notwithstanding the provisions of Section 20.01, if any provision of the Agreement becomes contrary to the provisions of the Canada Labour Code as applicable to the Company, such provision shall be renegotiated as necessary to eliminate the conflict.

20.03 AMENDMENT OF THE AGREEMENT

Though neither party may require the other to bargain to revise any provision of this Agreement except as provided in Section 20.02, this Agreement may be added to, deleted from, or modified through the voluntary mutual consent of the parties, and any such revision shall only be effective when reduced to writing and signed by the parties as an amendment to this Agreement.

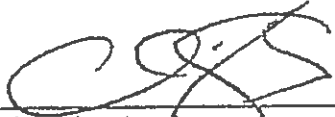
ARTICLE 21 - RENEWAL AND TERMINATION

21.01 TERM OF AGREEMENT

This Agreement shall become effective February 14, 2016, and shall terminate three (3) years thereafter provided that it shall automatically renew from year to year thereafter unless either party gives the other written notice of intended changes in the Agreement at least sixty (60) days prior to the termination date.

Signed this 30th day of August, 2016.

For the Company:
Horizon Air Inc.



Christopher Lewless
Managing Director, People & Labour
Relations

Dave Burris
Managing Director, Station Operations

Donna Sawyer
Regional Manager Canada

Dawn Rees
Customer Service Manager - Victoria

For the Union:
Unifor Local 114



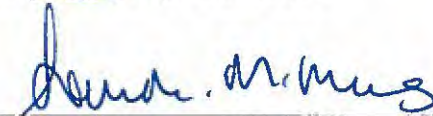
Harry Moon
Local 114 Representative

Paul Grewal
Bargaining Representative



David Levitt
Bargaining Representative

Genevieve Deziel
Bargaining Representative



Sandi McManus
National Representative

LETTER OF UNDERSTANDING #1

between
HORIZON AIR INDUSTRIES, INC.
and
Unifor LOCAL 114

RE: EDUCATIONAL/RETRAINING PROGRAM

The Company and the Union have agreed to offer an Educational/Retraining Program (the Program) to Passenger Service Agents who are interested in pursuing educational opportunities while employees at Horizon Air. This program will allow full-time employees to change status to part-time for a maximum continuous period of forty-eight (48) months while engaged in studies or retraining from a recognized educational institution to develop knowledge required on their present position or other positions or outside the Company.

Accordingly the parties agree to the following:

1. Full-time regular employees with six (6) or more years of service who can attest that they have engaged in job related or developmental courses at recognized educational institutions, colleges universities are eligible to participate in this program.
2. Eligible full-time employees will change status to part-time while covered by the terms and conditions of this Program. Once they have changed status to part-time, employees will be covered by the working conditions and benefits applicable to part-time employees.
3. The Letter of Understanding shall become effective January 1, 2013. Changes of status will be effective with the beginning of a school term, provided at least five (5) weeks' notice has been given and the employee and his/her Station Manager have agreed upon a revised work schedule acceptable to both. The revised work schedule, including shift accommodation requirements, will be reduced to writing with a copy provided to the Chief Shop Steward. Employees will be permitted to change status for a minimum continuous period of twelve (12) months up to a maximum continuous period of forty-eight (48) months. However, the Company may permit a shorter minimum period if the school course is of shorter duration and the Company can accommodate the shorter period without undue burden.
4. While working as part-time employees, the employees covered by this Letter of Understanding will be awarded a work schedule that meets the Company's operational requirements and does not interfere with their schooling or retraining. It is anticipated the work schedules awarded to employees will consist mostly of afternoon and week-end shifts. If weekday morning shift work is required, then the employee must have

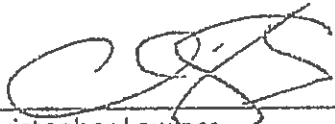
those shifts awarded in his/her current shift bid when the school term begins. During the school term, an employee will not be awarded shifts that he or she could not hold based on his or her seniority.

5. At the end of the selected period, employees will revert to full-time status and their working conditions and benefits will be those of a full-time employee unless otherwise an employee has accepted, while on this program, a part-time vacancy. Exceptional circumstances to the eligibility may be discussed between the Company and the Union.
6. Participants may request to work full-time hours on a temporary basis during the summer months and the Company may assign participants to work full-time hours on Company specified shifts during school holiday periods. Participant requests for full-time hours will be accommodated subject to operational requirements. Overtime for employees working full-time hours on a temporary basis will be governed as if they were full-time employees.
7. Employees who have changed status for the minimum period [twelve (12) months], and thereafter wish to cancel their participation under this Memorandum, must provide the Company with thirty (30) days' notice prior to their intended date to revert back for full-time status. The cancellation will be effective with the next shift bid, provided sufficient notice has been given to participate in the bidding.
8. The number of participants will be subject to the Company's operational requirements. Where the number or requests would be detrimental to the Company's staffing requirements, the parties will discuss alternative solutions to enable granting of the requests.

Employees who wish to apply for this program are to forward their application in writing to their local Station Manager with a copy to the Chief Shop Steward.

Signed this 30th day of August, 2016.

For the Company:
Horizon Air Inc.




Christopher Lewtess
Managing Director, People & Labour
Relations

Dave Burris
Managing Director, Station Operations

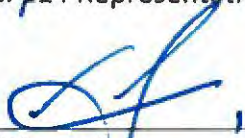
Donna Sawyer
Regional Manager Canada

Dawn Rees
Customer Service Manager - Victoria


For the Union:
Unifor Local 114



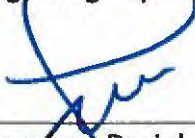
Harry Moon
Local 114 Representative



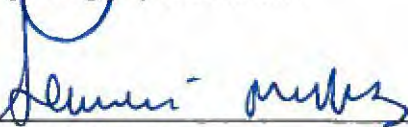
Paul Grewal
Bargaining Representative



David Levitt
Bargaining Representative



Genevieve Deziel
Bargaining Representative



Sandi McManus
National Representative

LETTER OF UNDERSTANDING #2

between
HORIZON AIR INDUSTRIES, INC.
and
CAW LOCAL 114

January 22, 2013

Harry Moon
National Representative
CAW Canada
326 – 12th Street – 2nd Floor
New Westminster, BC V3M 4H6

RE: PERFORMANCE BASED PAY

Dear Mr. Moon:

During the course of negotiations regarding amendments to the Agreement of February, 2013 between Horizon Air Industries, Inc. (the Company) and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (the Union), the Union and Company negotiated an agreement that includes employees covered by the Agreement to be covered by the Company's Performance Based Pay Plan (herein PBP).

The Company regards the PBP plan as an important program to motivate employees to do what they can to increase the performance of the Company. When employees share the Company's performance goals the Company benefits and through the PBP plan the Company shares those benefits with the employees who contributed to the Company's performance.

Therefore, employees covered by the 2013 Collective Agreement shall participate in the PBP Plan, pro-rated in 2013 as to the date of contract ratification and as full participants during subsequent years, during the term of the agreement to the same extent as do the Company's non-Management non-represented employees but only if, during any such year, the employees covered by the Agreement do not participate in concerted activity (e.g., strike, slowdown, etc.) that detracts from the Company's profitability for that year.

The Board of Directors approved Performance Based Pay for Horizon Air employees with respect to the 2013 year. However, you understand that PBP is reviewed annually by the Company's Board of Directors, and I can give no assurance that the plan will be offered every year during the term of the Agreement.

Please indicate your agreement with the foregoing by signing this letter on the line below.

Sincerely,

Christopher Lewless
Managing Director, People & Labour Relations

I concur:

Harry Moon
Local 114 Representative

LETTER OF UNDERSTANDING #3

between
HORIZON AIR INDUSTRIES, INC.
and
CAW LOCAL 114

January 22, 2013

RE: HARASSMENT AND DISCRIMINATION

The Company and the Union recognize their obligations to refrain from prohibited discrimination that is illegal under either the Canada Labour Code or the Human Rights Act and that there are administrative procedures available under these acts through which employees may obtain remedies for such discrimination.

It is understood that the Company and the Union have extensive anti-harassment and discrimination policies in place and that all employees may report any complaint involving alleged harassment and/or discrimination to the Union and/or a Supervisor, Station Manager, the employee Resources Director, or the AAG Code of Conduct Hotline. The Company and the Union will work together to resolve complaints internally without limiting the right of employees to seek external redress.

The Company and the Union recognize that employees sometimes face situations of violence or abuse in their personal life that may affect their attendance. For that reason, the Company and the Union agree, when there is adequate verification from a recognized professional (i.e. doctor, lawyer, registered counsellor), absences which are not covered by the sick leave or disability insurance will be granted as absent with permission without pay. For all absences described herein, Article 11.05 of the Collective Agreement will apply.

Please indicate your agreement with the foregoing by signing this letter on the line below.

Sincerely,

I concur:

Christopher Lewless
Managing Director, People & Labour Relations

Harry Moon
Local 114 Representative

LETTER OF UNDERSTANDING #4

between
HORIZON AIR INDUSTRIES, INC.
and
CAW LOCAL 114

January 22, 2013

RE: JOB SHARING

The Company and the Union agree to introduce a program whereby two (2) full-time employees may bid together and share one (1) full-time shift line with a minimum of thirty-five (35) hours of work per week. The following conditions apply:

1. The Job Share Program opportunity is only available to full-time regular employees with five (5) years of service or more.
2. The two (2) employees must apply for job sharing a minimum of five (5) weeks in advance of a shift bid, with the actual job share to start on the effective date of that shift.
3. They will bid with the seniority of the senior employee.
4. They will be required to commit to the job share for a minimum period ending with the effective date of a new shift bid that begins at least six (6) months after the start of the job share.
5. They will bid vacation separately with the understanding that when one (1) of the employees is on vacation the other employee will cover full time and the vacationing employee's shifts, unless the Company is able to cover the hours of the employee on vacation.
6. The two (2) employees will agree on the method of sharing the shift, (e.g. they may choose to divide the week or work one week on and one week off) and will provide the Company and the Chief Shop Steward a written explanation of their agreed method of sharing.
7. The number of job shares will be subject to the Company's operational requirements.
8. Both employees will be entitled to part-time employee benefits (including RRSP participation), as described in Section 19.02 (a), (b), (c) and (e) of the Collective Agreement. Pass and reduced rate transportation eligibility for both employees shall be as set forth in Section 19.01 (f). However, rather than the health and welfare benefits as

described in Sections 19.02 (a), (b), and (e), the job share employees may elect for one of them to retain full-time coverage as described in Sections 19.01 (a), (b), (c), (d) and (g) if one employee does not require health and welfare benefits. Section 19.02 (f) regarding continuation of certain health and welfare benefits shall not apply to a job share.

9. An employee may not cancel his or her participation in a job share before the end of the minimum commitment period, or at the beginning of any shift bid thereafter, unless he or she can demonstrate an unforeseen circumstance that would make the continuation of the job share an extreme hardship. The employee who wishes to cancel the job share must give thirty (30) days' notice to allow the other employee sufficient time to find another employee to participate in the job sharing program. If unable, both employees will return to their full-time positions.

10. Any problems that arise with this Program will be resolved by consultation between the Station Manager and the Chief Shop Steward.

Please indicate your agreement with the foregoing by signing this letter on the line below.

Sincerely,

I concur:

Christopher Lewless
Managing Director, People & Labour Relations

Harry Moon
Local 114 Representative

LETTER OF UNDERSTANDING #5

between
HORIZON AIR INDUSTRIES INC.
and
CAW LOCAL 114

January 22, 2013

Harry Moon
Local 114 Representative
CAW Canada
326 – 12th Street – 1st Floor
New Westminster, BC
V3M 4H6

RE: PAID EDUCATION LEAVE

Dear Mr. Moon:

The Company agrees to pay into a special fund, established by the Union, five hundred dollars (\$500.00) per year, for the purposes of providing paid education leave.

Such monies will be paid into a trust fund established by the National Union, (CAW) and sent on February 1st of each year by the Company to the following address:

CAW-Canada
PEL Training Fund
205 Placer Court
Toronto, Ontario M2H 3H9

Please indicate your agreement with the foregoing by signing this letter on the line below.

Sincerely,

I concur:

Christopher Lewless
Managing Director, People & Labour Relations

Harry Moon
Local 114 Representative

LETTER OF UNDERSTANDING #6

between
HORIZON AIR INDUSTRIES INC.
and
CAW LOCAL 114

January 22, 2013

Harry Moon
Local 114 Representative
CAW Canada
326 – 12th Street – 1st Floor
New Westminster, BC
V3M 4H6

RE: FLIGHT PRIVILEGES WHILE ON MATERNITY LEAVE

Dear Mr. Moon:

During the course of negotiations regarding amendments to the Agreement of February 2013, between Horizon Air Industries Inc. (herein Company) and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (herein Union), the Union proposed that Employees covered by the Agreement be provided flight privileges while on maternity leave.

The Company herein agrees to provide online (Horizon Air and Alaska Airlines) flight privileges for Employees on maternity leave during the term of this Agreement. This letter will become effective upon ratification of the 2013 negotiated Agreement, and will remain in effect until expiration of such Agreement.

Please indicate your agreement with the foregoing by signing this letter on the line below.

Sincerely,

I concur:

Christopher Lewless
Managing Director, People & Labour Relations

Harry Moon
Local 114 Representative

LETTER OF UNDERSTANDING #7

between
HORIZON AIR INDUSTRIES INC.
and
CAW LOCAL 114

January 22, 2013

Harry Moon
Local 114 Representative
CAW Canada
326 – 12th Street – 1st Floor
New Westminster, BC
V3M 4H6

RE: BASE CLOSURE

Dear Mr. Moon:

The Company will notify the Union ninety (90) days in advance of its intent to close a base of operations at Vancouver (YVR) or Victoria (YYJ), which will result in the permanent or temporary lay-off of an employee covered by the Agreement.

After receipt of such notice, the Company will meet with the Union to discuss what impact the closure will have on the employees, identify which employees will be laid off under terms of this agreement or terminated and enter into a base closure agreement.

Please indicate your agreement with the foregoing by signing this letter on the line below.

Sincerely,

I concur:

Christopher Lewless
Managing Director, People & Labour Relations

Harry Moon
Local 114 Representative

APPENDIX "A"

RE: CASUAL EMPLOYEES

This Appendix sets forth the compensation and working conditions of those employees of the Company who perform casual work as described in Section 7.04 of the Agreement.

1. Incorporation by Reference

The following listed provisions of the Agreement are incorporated into Appendix "A" by this reference:

- (a) Article 1 - Union Recognition and Security (except reference to the "certification from the Canada Labour Relations Board dated November 7, 1991, Board File No. 555-3355" in Section 1.01 shall be replaced with "certification from the Canada Labour Relations Board dated December 8, 1992, Board File No. 530-2119").
- (b) Article 2 Management Rights
- (c) Article 13 Travelling Expenses
- (d) Article 14 Uniforms
- (e) Article 15 Health and Safety
- (f) Article 16 Grievance and Arbitration Procedure
- (g) Article 17 Training
- (h) Article 18 No Strikes or Lockouts
- (i) Article 20 Special Provisions for Review and Amendment of this Agreement
- (j) Article 21 Renewal and Termination

2. Employees Covered by Appendix "A"

An employee hired under Appendix "A" shall be informed that this Appendix, and not the Agreement, applies. The provisions of Appendix "A" shall apply to an employee of the Company who is:

- (a) assigned to fill a temporary opening that is anticipated to last no longer than six (6) months, except that a longer assignment period is allowed for a combined maternity/parental leave;
- (b) assigned to cover increased workloads that are seasonal and predictable; or
- (c) called when needed due to extra work requirements or employee absences of short duration, generally two (2) weeks or less; or
- (d) expected to regularly work less than twenty (20) hours per week.
- (e) **Voluntary Conversion to Regular Employment Status**

A casual employee who can show that he or she has worked at least twenty (20) hours per work week at the request of the Company (not including the voluntary covering of shifts at the request of other employees (including supervisory employees)), on average, in a casual employment status for at least six (6) months may request reclassification as a part-time employee. If the Company determines that the casual employee will be expected to continue to routinely work twenty (20) hours or more per work week, and the casual employee commits to performing such work if asked, he or she shall be reclassified as part-time. Such reclassification shall be retroactive to ten (10) days after the Company receives the casual employee's reclassification request and supporting documentation if the casual employee is in fact eligible at that time but the Company has not completed its determination within that time period. This Section (e) shall not be applicable to a casual employee assigned to fill a temporary opening per Section (a) above, during such temporary assignment.

- (f) **Involuntary Reversion to Casual Employment Status**

A regular employee who has been classified as part-time pursuant to the preceding section will be reclassified as a casual employee by the Company when there is a reduction in his or her expected work routine such that it is unlikely that he or she will work twenty (20) hours or more per week. Usually, this occurs because of a changed need by the Company for the employee's work. It may also happen if an employee frequently drops work assignments or asks another employee to perform his or her assignment without accepting another assignment in trade. If a part-time employee drops or declines assignments and thereby fails to work twenty (20) or more hours per week, on average, for a period of any four (4) consecutive pay periods, then he or she may be reclassified as casual. If the reduction occurs because the Company has a reduced need for work by that employee, he or she will be eligible for reclassification to his or her former classification when the Company has sufficient work available. However, an employee who has been reclassified for

failure to perform the required amount of work shall be ineligible for any increase in classification for a period of one (1) year.

- (g) An employee hired to fill a temporary opening per Section (a) above shall be treated as a regular employee for purposes of employee Benefits eligibility (Section 19.01 or 19.02) during the temporary assignment. However, for all other purposes the employee shall remain a casual employee and shall not establish recall rights upon completion of the temporary assignment.

3. Rates of Pay

Effective the first day of the pay period beginning after the effective date of this Agreement, the beginning hourly pay rate shall be the "Start" rate for his or her classification (Counter and General Agent or Ramp). This pay rate is a minimum rate, and the Company may pay any casual employee more than the minimum rate set in this Section.

(a) Rate Progression

A casual employee will receive the rate progressions of his or her classification based on regular (non-overtime) hours worked at the request of the Company (excludes shifts worked for another employee unless requested by the Company). The six (6) month and begin second (2nd) year increases will be given after seven hundred and fifty (750) hours worked and thereafter each increase will be given after one thousand five hundred (1500) hours worked. However, notwithstanding the hourly work requirements, a casual employee shall not receive a rate progression sooner than the specified time interval of Section 8.01 of the Agreement.

(b) Overtime Pay

The overtime pay rate for a casual employee is one and one half (1 ½) times that employee's regular hourly pay rate, including any premium rate described in Article 8 to which the employee is entitled that is added thereto. Overtime authorized by Management shall be paid under any of the following circumstances:

- (1) All work in excess of forty (40) paid work hours in any one (1) work week.
- (2) All work in excess of eight (8) paid work hours in any one (1) day for a casual employee scheduled to work eight (8) hours or less that work day shift.

- (3) All work in excess of the assigned shift hours in any one (1) day for a casual employee scheduled to work more than eight (8) hours in that work day shift.

(c) Split Shift Premium Pay

A casual employee who works a scheduled shift that has a non-paid break longer than one and one half (1 ½) hours will be paid a premium of one dollar (\$1.00) per hour for all scheduled working hours in the shift.

(d) Manner of Payment

All payments to casual employees by the Company, including expense reimbursements, shall be by direct deposit (electronic transfer) to casual employees' designated bank accounts.

(e) Correction of Payroll Errors

A casual employee shall have a duty to review his or payroll statement of earnings and deductions when received and to promptly report any suspected error in the amount paid to him or her. Should there be an error in the amount paid, the following shall apply:

- (1) If the casual employee is underpaid by fifty dollars (\$50.00) or less, or as a result of an error in reporting by the casual employee, the additional pay will be added to the next regular payroll processed after the Company confirms the amount of the error.
- (2) If the casual employee is underpaid by more than fifty dollars (\$50.00), except as a result of an error in reporting by the casual employee, the Company will advance to the casual employee the approximate net amount due within three (3) Company payroll office working days after the Company confirms the gross amount of the error, and complete the correction with the next regular payroll processed.
- (3) If the casual employee is overpaid by an amount that does not exceed the net correct pay for a pay period, the deduction will be made from the next regular payroll processed after the casual Company confirms the amount of the error.
- (4) If the casual employee is overpaid by an amount that is equal to or greater than his or her correct net pay for the pay period, the casual employee shall repay the Company the approximate net overpayment within three (3) business days after the Company confirms the gross

amount the error. The Company will complete the correction on the next regular payroll processed.

4. Company Benefits

Casual employees shall have the same on-line pass benefits as regular full-time and part-time employees of the Company, and shall be eligible to purchase one (1) Alaska Airlines pass (for his or her own use or for use by his or her spouse or dependent children) after each 173.3 hours worked. Changes in pass benefits that affect employees classified as variable-time in the USA shall also be applied to casual employees.

5. Statutory Benefits

The Company shall provide notice of termination and severance pay, vacation, holiday pay, and leaves of absence as required by the Canada Labour Code. Following is a brief summary of the applicability of these provisions to casual employees:

(a) Termination Notice and Severance Pay

- (1) **Notice:** Unless a casual employee assignment is for a fixed period with the final day of the assignment communicated in writing to the casual employee at the start of the assignment, notice shall be provided in writing at least two (2) weeks before the date specified in the notice for the end of the assignment if the assignment continues for three (3) months or more.
- (2) **Severance Pay:** Severance pay, computed in accordance with Section 235 of the Labour Code shall be provided when a casual employee assignment continues for more than a year.

(b) Vacation

If a casual employee assignment continues for more than one (1) year, the casual employee shall be entitled to vacation with vacation pay as required by Sections 183-185 of the Labour Code. Casual employees must take all vacation to which they are entitled in one (1) continuous block scheduled within ten (10) months after the completion of the year of employment. Vacation pay with respect to any vacation accrued at the end of a casual employee assignment shall be paid to the casual employee at the completion of the assignment.

(c) Holidays

Employees, who are required to work the statutory holiday, may elect to bank time off in lieu of overtime payment.

A casual employee who works on a holiday, shall take, and be paid his or her holiday pay for a day off at a time that is acceptable to both the Company and the employee.

Casual employees shall observe the same holidays as specified for employees under Section 10.01 of the Agreement.

- (1) If a casual employee is scheduled to work, and does work as scheduled, on a holiday, he or she shall be paid:
 - (i) in addition to his or her regular rate of wages for that day, at a rate of one and one-half (1 ½) times his or her regular rate of wages for the time that the casual employee worked on that day unless the holiday occurs within thirty (30) days of the start of the casual employee's assignment.
 - (ii) at his regular rate of wages if the holiday occurs within thirty (30) days of the start of the casual employee's assignment.
- (2) A casual employee who does not work on a holiday shall not be paid for the holiday unless the holiday occurs at least thirty (30) days after the first day of the assignment and he or she worked for the Company on at least fifteen (15) days during the thirty (30) days immediately preceding the holiday.
- (3) A casual employee who does not work on a holiday and who is entitled to be paid for the holiday shall be paid four (4) hours of regular pay.
- (4) A casual employee who is not scheduled to work on a holiday may not trade shifts with any employee or another casual employee unless the casual employee not scheduled to work the holiday has been in his or her assignment for less than thirty (30) days.

(d) Leaves of Absence

- (1) Sick Leave: A casual employee shall receive no payment for time for which he or she is excused from work due to illness or injury. However, a casual employee whose assignment has continued for at least three (3) months shall not be dismissed, suspended, laid off, demoted or

disciplined because of absence due to illness or injury except as permitted by Section 239 of the Labour Code.

- (2) Bereavement Leave: A casual employee shall be excused from work upon request in the event of the death of a member of his immediate family on any of the three (3) days immediately following the day of the death. If the casual employee is in an assignment that has continued for at least three (3) months, he or she shall be paid the regular wages he or she would have received for working on those days.
- (3) Maternity and Parental Leave: A casual employee who is in an assignment that has continued for at least six (6) months shall be granted a leave of absence as required by Division VII (Sections 206 and 206.1) of the Labour Code if he or she complies with the requirements for such a leave. Regardless of her length of service, a female casual employee who is pregnant or nursing may be entitled to a leave of absence during the period from the beginning of her pregnancy to the end of the twenty-fourth (24th) week following the birth if she is unable to work and the requirements of Section 205.1 of the Labour Code have been complied with.

6. Seniority

Casual employees shall accrue department seniority. However, a casual employee may be discharged for any lawful work-related reason, in the same manner as a probationary employee under the Agreement.

7. Continuity of Employment

Each period of employment in a casual status shall be a separate period of employment with the Company and there shall be no right or expectation of continuity of employment between casual employment status assignments.

8. Department Seniority Rights

The Company shall attempt to give preference in available work assignments and Vacations to casual employees in accordance with their department seniority and, for this purpose, shall maintain rosters of casual employees at each station by job classification for each group which shall list the casual employees in order of the date that they were last entered on the payroll of the Company.

(a) Work Assignments

Casual employees may either be assigned to a particular shift for a fixed or indefinite period of time, or called when there is an immediate need for an employee to replace another employee. For each of these types of assignments department seniority shall be utilized as follows:

- (1) When there is a scheduled shift available, it shall be assigned to the senior casual employee who is not then working a scheduled shift. If the availability of one (1) or more additional scheduled shifts becomes known to the Station Manager before the Company has assigned a casual employee to an available shift in accordance with the preceding sentence, the Station Manager shall inform those who will be assigned of the hours of work and projected duration of each assignment and allow for the shifts to be chosen in seniority Order. The Manager at each station will establish a procedure for assigning shifts as set forth in this paragraph.
- (2) When there is an immediate need for a casual employee to work, department seniority shall be used to determine which employee should be called, unless there is a casual employee already at work who the Company may prefer to use because of the administrative ease of assignment. (e.g., A casual employee already on shift may be asked to continue to work if there is a need that begins at or about the time the casual employee's shift was scheduled to end.) In addition, the Company may take into consideration the need for every casual employee to have assignments to maintain proficiency and availability when needed. Therefore, before asking any casual employee to perform a second shift assignment in any week, the Company may attempt to provide every other casual employee at the station at least one (1) shift assignment, and any casual employee who was not asked to perform any assignments in the prior week may be asked to perform a shift before any employee who was assigned a shift during such week. Provided the Company has made a good-faith effort to comply with this paragraph, it shall not be required to pay any casual employee for any shift he or she does not work.

(b) Vacation

Casual employees who will have accrued vacation as of December 31st of that year may bid for vacation periods during each round of vacation bidding pursuant Section 10.06 of the Agreement.

(c) Layoff

In case of a reduction in the casual employee workforce, the most junior casual employees in classification at the affected station shall be selected.

(d) Job bidding

The department seniority of a casual employee, as well as his or her work habits and job performance, shall be given consideration when the Company is filling a regular full-time or part-time position in accordance with the provisions of Section 9.04 of the Agreement or a casual employee position of a higher classification.

9. Shift Trades

During any period that a casual employee is assigned to a scheduled shift, he or she may trade shifts with an employee or other casual employee who is then assigned to a scheduled shift, subject to the same restrictions applicable to employees. However, a casual employee who is only working as needed (on-call) may not work a shift at the request of an employee or another casual employee without the specific permission of his or her Manager.